(1995) 01 NCDRC CK 0034

In the National Consumer Disputes Redressal Commission

NAVDEEP CO-OPERATIVE BANK LTD. — APPELLANT

Vs

ACHARYA MAHARAJ SHREE TEJENDRA PRASAD JI DEVENDRA PRASADJI PANDE — RESPONDENT

Date of Decision : 13-01-1995

Acts Referred:

Citation : 1995 0 NCDRC 121 : 1995 2 CPJ 52

Hon'ble Judges : V.BALAKRISHNA ERADI , Y.KRISHAN , B.S.YADAV J.

Advocate : P.S.Shankarbhai , B.N.PARMAR , R.P.BHATT , M.S.PARIHAR , K.S.PARIHAR

Judgement

1. THESE three appeals are against a common order dated 24th July, 1992 passed by the State Commission, Gujarat in complaint petitions Nos. 348,349 and 350of 1991 where the Respondents herein were the complainants and the appellant was the Opposite Party.

2. THE Complainant is the head-trustee of Shree Swaminarayan Mandir Trust. In that capacity he had deposited various amounts with the appellant-Bank which matured on different days from 1989 onwards. But, the appellant Bank did not make payments of the deposits in view of the directive of the Reserve Bank of India issued under Sec. 35-A of the Banking Regulations Act, 1949. This directive is No. Reh. 240/D4/(119)-88/89 dated 26th October, 1988. Under this directive the appellant, Navdeep Co-operative Bank Ltd. is precluded after 27th October, 1988 inter alia, from making any payments or discharge any liabilities or obligations of a sum exceeding 10% of the total balance in every saving bank or current account or in any other deposit by whatever name called and not exceeding Rs. 50 in respect of accounts standing in the name of any one person subject to certain other limitations/conditions. The State Commission noted that the appellant Bank had failed to make payment due to financial stringency leading to the directive of the Reserve Bank of India issued for the protection of the interests of the other depositors. Even though the bank was debarred from making any payments under the instructions of the Reserve Bank of India, the

State Commission held "If the dispute between the parties is a complaint within the meaning of Sec. 2 of the Act, we cannot refuse to grant the relief which we can grant under Section 14 of the Act. Mr. Patel, Counsel for the appellant, Bank, is not able to show any prohibition either under the statute or under the directives issued by the Reserve Bank of India". Consequently, the State Commission passed the order granting relief to the Complainant viz. payment of the outstanding amount with running interest at 12% from the date of maturity and costs. It is evident that the Appellant Bank was bound by the directive of the Reserve Bank of India and was therefore, prohibited from making payment of the deposits on their maturity. It cannot, therefore, be held to be guilty of deficiency in service when it did not make any payment because of the directive from the Reserve Bank of India. We, therefore, allow the appeal and dismiss the Order of the State Commission. There is no order as to costs.

