(2006) 02 NCDRC CK 0035

In the National Consumer Disputes Redressal Commission

Om Prakash APPELLANT

Vs

ALLAHABAD BANK, DALIGANJ BRANCH, LUCKNOW RESPONDENT

Date of Decision : 27-02-2006

Acts Referred:

Citation : 2006 3 CPJ 418

Hon'ble Judges : K.S.Gupta , P.D.Shenoy J.

Final Decision : Revision Petition dismissed

Judgement

1. IN this revision, challenge is to the order dated 28.9.2005 of Consumer Disputes Redressal Commission U.P., Lucknow dismissing appeal of the petitioner/ complainant against the order of a District Forum dated 30.6.2004 whereby respondent/opposite party was directed to pay the amounts of three FDRs with interest prevailing at the relevant period for saving bank accounts. Dates of maturity and maturity amounts of the FDRs were as under : Date of maturity Amount on maturity 12.12.1995 Rs. 11,397 9.10.1995 Rs. 4,870 4.10.1997 Rs. 10,325

2. ADMITTEDLY, for renewal of FDRs the petitioner had approached the respondent bank on 8.8.2004. Order under challenge would show that the State Commission while dismissing the appeal of petitioner and also preferred by respondent bank relied on the circular dated 7.6.2001 issued by the Reserve Bank of India which is binding on all banks in India. Copy of that circular is at pages 34 and 35. Relevant portion of this circular is reproduced below: "(b) Renewal of Overdue Deposits At present, in terms of Reserve Bank of India directive, banks are free to renew overdue domestic term deposit at an interest rate applicable on the date of maturity. In order to facilitate better Asset Liability Management, it has been decided by Reserve Bank of India that renewal of overdue term deposit at the rate of interest prevailing on the date of maturity be allowed only for an overdue period of 14 days. In case, the overdue period exceeds 14 days and if the depositor places entire amount of overdue deposit or a portion thereof as a fresh term deposit, banks may prescribe their own interest

rate for the overdue period on the amount so placed as a fresh deposit. Bank, however, have to inform the depositors in advance of their policy for renewal of overdue deposits. In view of the above, it has been decided by bank to renew the overdue deposits exceeding 14 days by paying interest at the existing rate upto a period of 14 days and thereafter @ rate applicable for 15 days or existing rate whichever is lower. Interest rate for 15th day and onward will be calculated on the date of presentation of the deposit receipt to branch/office. The aforesaid changes as mentioned in paragraphe (a) and (b) above will come into force with immediate effect."

In the complaint petitioner sought payment of interest at the rate prevailing on the date(s) of maturity of three FDRs which was 12% p.a.

We have heard Mr. V.P. Sharma for petitioner on admission.

3. COMBINED reading of the directives extracted above would show that renewal of overdue term deposit at the rate of interest prevailing on date of maturity, can be allowed only for overdue period of 14 days and thereafter interest rate is to be calculated for 15 days on date of presentation of F.D.Rs. for renewal. Petitioner, thus, could not have been allowed interest prevailing in 1995-1997. Order of Fora below does not suffer from any illegality or jurisdictional error warranting interference in revisional jurisdiction under Section 21(b) of Consumer Protection Act, 1986. Revision petition is, therefore, dismissed. Revision Petition dismissed.