(2015) 04 NCDRC CK 0050

In the National Consumer Disputes Redressal Commission

PUNJAB NATIONAL BANK APPELLANT

Vs

Bhagwati Saran Gupta RESPONDENT

Date of Decision : 06-04-2015

Acts Referred:

Citation : 2015 2 CPR 609

Hon'ble Judges : J.M.MALIK J.

Judgement

1. THE complainant -Bhagwati Sharan Gupta invested the following amounts of money in fixed deposits with Punjab National Bank.

2. THE complainant was promised that interest would be paid @11.5% per annum. When the interest was not paid to him in accordance with the endorsement written on the FDR, he preferred a complaint before the District Forum. The defense set up by the petitioner is this. It is contended that interest payable to the customer on the fixed deposit is given as per the guidelines/ instructions of Head Office of the Bank from time to time and through circular issued by the Reserve Bank of India. At the time of renewal of the FDR on 16.11.2001, the rate of interest payable as per circular was 8.50% per annum and not 11.5% per annum. At the time of renewal on 11.02.2002, the rate of interest payable as per the circular of the Bank was 8.25% per annum and not 11.5% as alleged. It is admitted that the rate of interest mentioned in the said FDR was erroneously written. The complainant was not entitled to more interest than the one mentioned in the circular. Similar contentions have been made in respect of other FDRs which were renewed on 15.03.2002 and 10.12.2001.

3. THE District Forum passed the following order on 10.01.2014. "14. In view of the above, the present complaint is partly allowed and it is directed that all the FDRs shall be renewed promised rate of interest namely @11.5% from the date of renewal and difference in the amount shall be credited to the account of the complainant within a period of 30 days. The Complainant is also entitled for Rs. 5,000/ - as compensation for harassment as well as cost of litigation."

4. THE State Commission dismissed the appeal. The State Commission passed the following order: - - "7. In view of the above stated position, appeal is dismissed. However, we do feel that the operative part of the order of learned District Forum is somewhat ambiguous and needs to be clarified, which we hereby do. It is made clear that pursuant to the impugned order of learned District Forum, respondent/complainant will get the benefit of interest at the rate of 11.5% on the fixed deposits upto the dates of second maturity of FDRs, after the first renewal, that is to say in the case of FDR No. 025333 dated 11.01.2002, upto 11.01.2009, FDR No. 047896 dated 16.11.2001, upto 16.11.2008, FDR No. 025385 dated 11.02.2002, upto 11.02.2009, FDR No. 025466 dated 15.03.2002, upto 15.03.2009 and FDR No. 047958 dated 10.12.2001 upto 10.12.2008 and not beyond the aforesaid dates, because the renewals beyond the aforesaid dates are with interest at the rate of 8.5% and the respondent/complainant, himself has also not sought interest at higher rate, subsequent to the aforesaid dates."

We have heard the counsel for the parties. Counsel for the respondent/ complainant vehemently argued that this is the negligence, passivity and inaction on the part of the Bank officials. Counsel for the complainant has invited our attention towards the judgment of this Commission titled as "Zila Sahkari Bank Ltd. v. Uttar Pradesh Police Avas Nigam" : I (2005)CPJ 89 NC.

5. ON the other hand, our attention was invited towards another judgment of this Commission reported in "Nina Arora Versus Sr. Manager, Canara Bank", [1994] 2 CPJ(NC) 109, where a three members'' Bench in para No. 6 held: - - "6. We are not quite satisfied with the explanation given by the respondent bank for the erroneous debits of the amounts to some other account and for its failure to detect the erroneous debits for one year. The debits for dishonoured cheques can be made against specific credits already afforded to a party''s account and in the absence of such specific credits for the exactly same amounts, the erroneous debits would have been detected. Besides the system of monthly -balancing of ledgers and proving of ledgers & internal check should have been thrown up these errors. However, so far as the appellant -complainant is concerned we cannot accept that she is entitled to claim the amount which is not due to her from the bank. If any amount has been paid to her irregularly & wrongfully & this is not in dispute, the respondent bank is entitled to recover the same."

6. IN "M/s. Jalgaon Janta Sahakari Bank Ltd. Versus Hrishikesh Prabhakar Kulkarni and Ors". In Revision Petition Nos. 2116 to 2120 of 1999, decided on 27.08.2001 by the 4 Members'' Bench, the observations neatly dovetail with the facts of this case. The facts are as follows. "In the light of the above and also in the light of what has been laid down by this Commission in the case of Konkan Mercantile Coop. Bank Ltd. v. Abdule Sattar Ahmed Bondre reported as, 1998 CTJ 321 (CP) (NCDRC), the Bank could not exceed the ceiling on the rate of interest fixed by the RBI. The notification of RBI is prospective which means that every renewal thereafter had to carry maximum rate prescribed by RBI. In that

case, after the issuance of the said directions, the bank had inadvertently issued a fixed deposit receipt at a higher rate than (sic) fixed by the bank. This Commission held that it was (sic) done. However, there is no such problem in the present case because the deposit can carry the contracted rate of interest (sic) current charkra until the RBI directions come into (sic) every renewal of term of 46 days subsequent to the (sic). For reason, we feel that the decision of the fora below has to be set aside with the direction that the bank will be liable to pay contractual rate of interest only upto the date of the new RBI directions fixing a ceiling an interest rate lower than the contractual rate. The Revision Petitions are disposed of in the above terms."

Similar view was taken by 4 Members'' Bench in the case "Indian Overseas Bank v. Klebert Pierre" Revision Petition No. 1394 of 1997 decided on 22.05.2002 and "Jagdishchandra Bapulal Barot Versus Bank of Baroda & Anr." II, (2008) CPJ 164 (NC).

7. CONSEQUENTLY , we hereby set aside the orders passed by the Fora below and dismiss the complaint.

