(2003) 08 NCDRC CK 0072

In the National Consumer Disputes Redressal Commission

State Bank of India APPELLANT

Vs

THAKURDAS PAUL RESPONDENT

Date of Decision : 29-08-2003

Acts Referred:

Citation : 2004 1 CPJ 496

Hon'ble Judges : S.C.Datta , S.Majumder , D.Karformas J.

Final Decision : Dismissed

Judgement

1. THIS is an appeal against the order of the Forum directing the State Bank of India viz. the appellant to pay interest to the depositors @ 12% per annum with effect from 18.8.1987 to 19.10.1997 on the said accumulated amount of Rs. 32,942,25/- each in respect of the STDR accounts within a month.

2. SRI. Thakurdas Paul and Smt. Anima Rani Paul have brought a case before the Forum praying for order directing the State Bank of India. Kalyani Branch. Dist, Nadia, for short Bank to pay interest @ 12% per annum from 18.8.1987 to 19.10.1997 on the accumulated amount of Rs. 32.942.25. Their case in brief is that they had deposited Rs. 16,500.00 in special Term Deposit Receipt on 5.11.1980 with the Bank and obtained a certificate therefor. The date of maturity of the said certificate was 18.8.1987. Likewise Smt. Ava Rani Paul deposited an identical amount with the Bank and the date of maturity is the same. The case of the petitioners is that they could not renew on the day of maturity as they were suffering from various ailments due to old age. They have however approached the Bank, on 20.10.1997 for renewal of the said STDR account from the date of maturity that is 18.8.1987 but the Bank renewed the said amount from 20.10.1997 instead of 18.8.1987 as requested without assigning any reason. So they brought this case.

The case was contested by the Bank by filing written objection wherein it has been stated that the fixed deposits were presented for renewal after the expiry of more than 10 years and as such no interest on the amount would accrue. They have referred the matter to the controlling office for consideration but the contract having ceased on 18.8.1987, the cumulative effect could, not be given as desired by the complainants.

3. IT appears that the Forum upheld the plea of the complainant and granted the prayer relying upon the Reserve Bank of India guidelines (Clause 12, captioned as "overdue deposits"). In this connection it will be pertinent to refer to the said guideline which reads as follows : "The Bank may at its discretion, allow interest on an overdue term deposit provided that (a) the total amount of overdue deposit or part thereof is renewed, (b) the total amount of overdue deposit or part thereof is renewed from the date of its maturity till some future date and interest allowed shall be at the appropriate rate operative on the date of maturity of such overdue deposit which shall be payable only on the amount of the deposit so renewed." It appears that the Forum laid stress on the words "at its discretion" appearing in Clause 12(1) of the Reserve Bank of India guidelines to conclude that there was an implied offer and implied acceptance of the terms and conditions of the term deposits. It is true that the complainant approached the Bank for renewal of the fixed deposits after the lapses of 10 years 2 months. They have assigned reasons for not approaching the Bank for renewal of the term deposit immediately after the date of maturity. But the fact remains that there is no paper to show that the Bank had applied their discretion. On the contrary they had kept the amount covered by the term deposit in the current account of the complainants which fetch no interest. In their written version the Bank has stated that they had approached their controlling office for consideration of the prayer of the complainants for renewal of the term deposit from 18.8.1987. But we do not get any paper in support of their case.

4. IT appears that the Bank wanted to fall back upon Clause 16 of the codified circular instructions, deposit scheme, State Bank of India, wherein it has been specified that the principal amount of a term deposit ceases to bear interest after the due date. IT has also been enjoined therein that while every effort will be made by the Bank to send an advance intimation before the maturity of a term deposit, issue of such intimation is not obligatory on the part of the Bank. IT appears that the Forum was of the view that the guidelines prescribed by the Reserve Bank of India regarding overdue deposits will prevail over the circular issued by the Bank. The Forum observed further that the guidelines framed by the Reseve Bank of India will govern all the scheduled and Nationalised Banks of India. We fully endorse the views of the Forum and hold that the RBI guidelines referred to above would hold the field. As indicated earlier there is no paper before us to show that any notice was issued to the depositors drawing their attention to the fact that their deposits have matured. IT is of course true that service of notice in each and every case is not mandatory. We have noticed earlier that the RBI guidelines speak of applying discretion in the matter of granting interest from the date of maturity but we noticed that no such discretion was ever exercised by the Bank. We are sure that if the Bank had approached the higher authorities for granting interest on overdue deposits the result would have been positive and the complainants would have no grievance to make. The

Forum observed that the discretion is to be exercised judiciously. The Bank held the amount in their custody and must have utilized the same for the purpose of their banking transactions. As such there seems to be no reason to deny the complainants interest from 18.8.1987 at the appropriate rate operative on the date of maturity. We find that the Forum has discussed the matter very thoroughly. We find no reason to take a different view. For the reasons aforesaid we find no merit in the appeal which is hereby dismissed. Appeal dismissed.