
(2003) 01 NCDRC CK 0013

In the National Consumer Disputes Redressal Commission

UCO BANK

APPELLANT

Vs

K.K.RAIZADA

RESPONDENT

Date of Decision : 10-01-2003

Acts Referred:

Citation : 2003 3 CPJ 694

Hon'ble Judges : Lokeshwar Prasad , Rumnita Mittal J.

Final Decision : Appeal disposed of

Judgement

1. THE present appeal, filed by the appellant under Section 15 of the Consumer Protection Act, 1986 (hereinafter referred to as "the Act") is directed against order dated 10.5.2000, passed by District Forum (Central), Kashmere Gate, Delhi in Complaint Case No. 1168/2000 - entitled Shri K.K. Raizada and Anr. v. THE Manager, UCO Bank & Anr.

2. THE facts, relevant for the disposal of the present appeal, lie in a narrow compass. THE respondents Shri K.K. Raizada and Smt. Rajkumari had filed a complaint under Section 12 of the Act before the District Forum alleging deficiency in service on the part of the appellant. In the complaint filed by the respondents it was stated that the appellant bank had issued two FDRs each for Rs. 25,000/-, both dated 26.9.1989 in favour of the respondents. THE above said FDRs issued by the appellant were to mature on 25.9.1990. It was stated that the respondents had stood surety for Rs. 50,000/- in a Criminal Case - entitled Enforcement v. S. Raizada, which was pending in the Court of Additional Chief Metropolitan Magistrate, New Delhi and an endorsement to that effect was made by the Court on both the FDs. It was stated that after the date of maturity, the respondents approached the appellant for the renewal of the above said FDRs on 7.11.1990 for a period of 3 years but the functionaries of the appellant refused to renew the same on the ground that for the purpose of renewal instruction had to be sought from the concerned Court but the Court, by an oral order, refused to entertain the request made by the respondents. It was stated that the Court of Additional Chief Metropolitan Magistrate, New Delhi forfeited the Surety Bond

and directed the appellant Bank to deposit the amount of FDRs, amounting to Rs. 50,000/- with the Court. It was stated that in compliance with the orders of the Court of Additional Chief Metropolitan Magistrate, New Delhi dated 9.8.1994 (photocopy at page 36 of the paper book), the appellant Bank deposited the sum of Rs. 50,000/- in the Court of Additional Chief Metropolitan Magistrate, New Delhi. Thereafter the appellant Bank also paid a sum of Rs. 4,655/- as interest on the above said FDRs for the period from 26.9.1989 to 26.9.1990 to the respondents. The grievance of the respondents in the complaint filed by them before the District Forum, in nut shell, was that no interest in respect of the above FDRs had been paid to them from 26.9.1990 to 26.9.1994, the date on which the amount of FDRs was deposited in the Court of Additional Chief Metropolitan Magistrate, New Delhi by the appellant Bank. Alleging deficiency in service on the part of the appellant, it was prayed by the respondents that the appellant be directed to pay interest in respect of the above said two FDRs from 26.9.1990 to 26.9.1994 @ 18% p.a. compounded quarterly. The respondents had also prayed for grant of compensation to the extent of Rs. 50,000/-. The claim of the respondent in the District Forum was resisted by the appellant. In the reply/written version, filed on behalf of the appellant, the appellant had taken certain preliminary objections with regard to the maintainability of the complaint filed by the respondents. On merits, while admitting the issue of the two FDRs in favour of the respondents and payment of interest in respect of the said Fixed Deposit Receipts upto 26.9.1990, it was stated that the appellant Bank was not liable to pay any interest on the above said Fixed Deposit Receipts as the same were not got renewed beyond 26.9.1990. Denying each and every allegation it was stated in the reply/written version that the complaint filed by the respondents deserve to be dismissed with heavy cost.

The learned District Forum vide impugned order has held the appellant guilty of deficiency in service and on the basis of the above finding has directed the appellant to pay to the respondents interest on the above mentioned 2 FDRs @ 10% p.a. from 26.9.1990 till the date of forfeiture. The District Forum has also directed the appellant to pay a sum of Rs. 1,000/- as litigation expenses to the respondents.

3. FEELING aggrieved, the appellant has preferred the present appeal under Section 15 of the Act. We have heard the learned Counsel for the appellant and Shri K.K. Raizada, respondent No. 1, who is appearing in person for self and also for respondent No. 2 at length and have also carefully gone through the documents/material on record. On the basis of documents/material on record, it is not in dispute that the respondents had deposited a sum of Rs. 50,000/- with the appellant and the appellant had issued two Fixed Deposit Receipts each for Rs. 25,000/-, both dated 26.9.1989 in favour of the respondents. The above said Fixed Deposits Receipts were to mature after one year. It is also not in dispute that the respondents had stood surety for Rs. 50,000/- and the Surety Bond furnished by the respondents was accepted by the Court of Additional Chief Metropolitan Magistrate, New Delhi on the basis of the FDRs and the Court had

recorded a note to that effect on both the FDRs. It is also not in dispute that the Surety Bond furnished by the respondents was forfeited by the Court of Additional Chief Metropolitan Magistrate, New Delhi and the amount of FDR in compliance with the orders passed by the Court of Additional Chief Metropolitan Magistrate, New Delhi was deposited in that Court by the appellant Bank. Admittedly the appellant Bank has already paid interest in respect of the above said FDRs up to 26.9.1990. The only dispute is with regard to payment of interest beyond the above said date till the forfeiture of the amount of FDR by the Court of Additional Chief Metropolitan Magistrate, New Delhi. During the course of arguments respondent No. 1, who is appearing for self and also for respondent No. 2 stated that the claim of the respondents in Complaint Case No. 1168/2000 - entitled Shri K.K. Raizada & Anr. v. Manager, UCO Bank & Anr., decided by District Forum (Central), Kashmere Gate, Delhi, would stand fully satisfied if the respondents are paid only the interest in respect of the above FDRs beyond 26.9.1990 up to the date of forfeiture of the amount of Surety Bond by the Court of Additional Chief Metropolitan Magistrate, New Delhi, as awarded by the District Forum vide impugned order. It is further stated by him that the respondents have no objection in case the appeal filed by the appellant is partly allowed and the cost of litigation awarded by the District Forum is directed to be waived off.

4. ON the basis of material on record, it is not in dispute that the amount in question remained with the appellant bank even beyond the date of maturity till the date of forfeiture. The amount after the date of maturity was not kept by the appellant Bank in suspense account but remained in Fixed Deposit. As per the banking procedure, renewal of the FDR from the back date is a mere technicality. Thus, in equity also the respondents are entitled to interest in respect of the amount of the Fixed Deposit Receipts beyond 26.9.1990 till the date the amount of the Fixed Deposit Receipts was deposited by the appellant in the Court of Additional Chief Metropolitan Magistrate, New Delhi in compliance with order dated 9.8.1994 (photocopy at page 36). In view of the above discussion, the present appeal, filed by the appellant is partly allowed and it is directed that in terms of the order passed by the District Forum the appellant Bank shall pay to the respondents interest @ 10% p.a. in respect of the amount of the FDRs from 26.9.1990 till the date of the amount was deposited by the appellant Bank in the Court of Additional Chief Metropolitan Magistrate, New Delhi. The cost of litigation of Rs. 1,000/- awarded by the District Forum vide impugned order is directed to be waived off as agreed to by respondent No. 1 before this Commission today. The order passed by the District Forum stands modified to the above extent. It is directed that interest in terms of the order passed by the District Forum be paid to the respondents by the appellant within 45 days from today failing which, the respondents would be at liberty to file an application under Section 25/ (sic.) of the Act as the respondents may be advised, against the appellant.

5. THE above mentioned appeal stands disposed of in above terms. A copy of this

order, as per statutory requirements, be forwarded to the parties free of charge and also to the concerned District Forum and thereafter the file be consigned to Record Room. Appeal disposed of.