
STATE BANK OF PATIALA Vs Gopal Krishan Singla

None

Court: NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

Date of Decision: Aug. 16, 2011

Citation: 2011 0 NCDRC 561 : 2011 4 CPJ 241 : 2011 4 CPR 1

Hon'ble Judges: R.K.Batta , Anupam Dasgupta J.

Final Decision: Revision petition is dismissed

Judgement

1. THIS revision petition is directed against the order dated 11.09.2009 of the Punjab State Consumer Disputes Redressal Commission,

Chandigarh (in short, the State Commission) in FA No. 1732 of 2002. By this order, the State Commission partly allowed the appeal of the

petitioner herein and directed as under:

20. Accordingly, this appeal is partly accepted and the impugned judgment dated 21.11.2002 is modified to the extent that the appellant bank

would be liable to pay interest @ 6% per annum on the amount of Rs.90,000/- and on the amount of Rs.3,90,000/- from the date of deposit till

11.04.2000 when this amount was withdrawn by the respondent. 21. The costs of Rs.1000/- are maintained.

2. NEEDLESS to add, the complaint filed by respondent 1 had been allowed by the District Consumer Disputes Redressal Forum, Bhatinda (in

short, the District Forum). By its order dated 21.11.2002, the District Forum directed the petitioner to pay interest on the excess amount

deposited by respondent/complainant in his Public Provident Fund (PPF) account from the date/s of deposit till the date of payment.

Respondent 1 had alleged in his complaint before the District Forum that there was deficiency in service on the part of the petitioner as well as

respondent 2 on the ground that the petitioner Bank Branch had denied him interest on his deposits in his PPF account in excess of Rs.60,000/- in

one financial year (the excess deposit being Rs.4,80,000/-).The complainant had deposited Rs.90,000/- in his PPF account on 05.07.1996 and

Rs.3,90,000/- on 03.08.1996 in addition to Rs.60,000/- on 01.05.1996. The excess deposit of Rs.4,80,000/- was finally withdrawn by the

complainant/respondent 1 on 11.04.2000.

Aggrieved by the above-mentioned order of the State Commission, the petitioner/opposite party (OP) 1 has come up with this revision petition.

3. WE have heard the learned counsel for the parties and considered the documents on record.

Mr. Shankara, learned counsel for the petitioner has emphasised that the petitioner Bank Branch committed no deficiency in service in denying

interest on the deposits made by respondent no.1/complainant in excess of Rs.60,000/- because, in doing so, it was merely acting as an agent of

the Central Government and following the rules applicable to interest on deposits in individuals PPF accounts. The relevant rules provided the

maximum amount of Rs.60,000/- that an individual could deposit in a financial year in his PPF account and any amount deposited suo-motu in

excess of the said limit was not eligible for earning interest. Moreover, it was clarified by an affidavit dated 02.02.2011 of the Branch Manager of

the Bank Branch that all amounts deposited in the PPF accounts of various depositors were remitted by the Branch to the Head Office of the Bank

at Patiala on the date of their receipt and the Head Office of the Bank, in turn, transferred/deposited all such funds in the PPF accounts received

from its Branches with the Reserve Bank of India/ Government of India account on daily basis. In view of this, the petitioner Bank did not make

any use of the deposits in the PPF account of respondent 1 for commercial purpose and was, therefore, not liable to pay interest thereon.

4. ON the other hand, learned counsel for respondent/complainant submitted that the Bank Branch was clearly deficient in service inasmuch as it

failed to advise the complainant that any deposits in excess of Rs.60,000/- would not fetch any interest and merely accepted the excess deposit to

the tune of Rs.4,80,000/-. It is inconceivable that any person in sound mind would have deposited so much amount in excess of the permissible

limit had he been informed by the Bank Branch that this excess would lie locked up in his PPF account without earning any interest.

In this context, a similar issue, viz., admissibility of interest on deposits made in Kisan Vikas Patras, contrary to Rule 6 governing such investments

was considered by a three-Member Bench of this Commission in a batch of revision petitions led by The Chief Post Master, Chennai and Anr. Vs

Shri Chuda Milk Products Co-op. Organisation Ltd. [Revision Petition No. 2651 of 2007 decided on 23rd October 2009]. In this case, this

Commission held as under: However, keeping in view the fact that it was not only the complainants who were at fault in purchasing the Kisan Vikas

Patras in violation of the Rules, the responsibility lay with the officials of petitioner in issuing the Kisan Vikas Patras in violation of the Rules, we had

directed counsel for the respondents to seek instructions from the Ministry of Finance to pay the respondents some interest. Counsel for the

petitioner, after taking instructions, states that he has received a communication whereby the Ministry of Finance vide letter no. 109-06/07-SBPG

dated 12.10.2009 has agreed to pay Post Office Saving Bank rate of interest on the face value of Kisan Vikas Patras. Earlier also, in another case

we had directed counsel for the Post Office to seek instructions in which the Ministry had agreed to pay interest @ 6% per annum on the face

value of the Kisan Vikas Patras from the date of deposit till the date of payment. Keeping in view the earlier precedent wherein Ministry of Finance

had agreed to pay interest @ 6% per annum from the date of deposit till the date of realisation, we direct the petitioner to pay interest on the face

value of the deposited amount @ 6% per annum from the date of deposit till realisation.

Though the decision of this Commission relied upon by the State Commission in the impugned order cannot be invoked in this case (because of the

Banks averment that the moneys deposited in the PPF accounts of all such depositors were not utilised by the Bank for any commercial purpose

but remitted to the Government of India at the earliest opportunity), we are of the view that the interest of justice would be well served in this case

too if some interest is allowed on the complainants excess deposit in his PPF account, in keeping with the ratio of the decision of this Commission

cited above.

5. IN conclusion, the revision petition is dismissed and the petitioner is directed to pay interest to respondent 1 @ 6% per annum on the excess

deposit of Rs.4,80,000/- in the respondents PPF account from the date of the respective deposits till the date of withdrawal of the amount by

respondent 1. IN addition, the petitioner shall also pay Rs.1,000/- towards costs, as already affirmed by the State Commission. Payment now

directed shall be made within four weeks from the date of this order, failing which the entire amount shall carry interest @ 12% per annum from the

date of this order.