# IN THE HIGH COURT OF JUDICATURE AT PATNA
**Civil Writ Jurisdiction Case No.8273 of 2013**

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1. Ranvir Prasad Singh S/O Late Sanjay Singh aged about 52 years, Resident Of Patna Gaddi Road, Zeep Garage, Jay Nagar, P.S. Jay Nagar, District - Madhubani

.... .... Petitioner/s

Versus

1. The Chief Executive Cum Chief Managing Director Central Bank Of India, Chandermukhi, Nariman Point, Mumbai - 400021
2. The General Manager ( P And D ), Central Bank Of India, Chandermukhi, Nariman Point, Mumbai - 400021
3. The Zonal Manager, Central Bank Of India, Zonal Office, Muzaffarpur
4. The Regional Manager, Central Bank of India, Regional Office, Darbhanga
5. The Branch Manager, Central Bank Of India, Branch - Jay Nagar, District - Madhubani

.... .... Respondent/s

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**Appearance :**
For the Petitioner/s : Mr. Raj Kumar Rajesh, Advocate
For the Central Bank of India : Mr. Ajay Kumar Sinha, Advocate.

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**CORAM: HONOURABLE MR. JUSTICE KISHORE KUMAR MANDAL**
ORAL ORDER

4 01-03-2016 Heard the counsel for the petitioner and Mr. Ajay Kumar Sinha for the respondent- Central Bank of India ( for short 'the Bank').

Petitioner is an authorized agent of the respondent Bank engaged in procuring deposit(s) under the Central Mini Deposit Scheme. Such deposit by the collecting agent would earn commission to him as per the circular dated 18th June, 1980 (Annexure-1) which was subsequently modified vide circular dated 21.11.2003 effective from 1st April, 2001. From perusal of

Annexure-8, it appears the respondent Bank reduced the rate of interest payable by the Bank to the customer from 3% to 2% in the cases of deposits for 12 months and in all other cases from 6% to 3%. Accordingly, the commission payable to the Collecting agent in so far as the Mini deposit Scheme, was also revised. The interest rate payable to customer and the commission payable to the agent of Mini Deposit Scheme was revised and reduced. A sum of Rs. 750/- was made payable up to deposit of a sum of Rs. 7500/-. Over and above deposit of Rs. 7500/- per month commission at the rate of 2% for collection of the amount was provided. In addition the agents like the petitioner was also made entitled to Rs. 50 per year as conveyance allowance for deposit less than Rs. 10,000/- and for deposit of Rs. 10,000/- and above Rs. 100 per month as conveyance was provided. Gratuity of 15 days commission for each year was also provided for collecting agent. The respondent Bank vide communication dated 13.6.2012 advised the petitioner to re deposit the commission amount which was paid to and received by him in excess of the admissible rate of commission payable to the collecting agent.. A writ petition was filed challenging the said communication in this court vide CWJC No. 18977 of 2012. A Bench of this Court after hearing the parties under order dated 09.10.2012 (Annexure-6) directed the Branch

Manager to re-examine the grievance of the petitioner in the light of the previous circular dated 18.6.1980 as also any other circular issued in connection with Mini Deposit Scheme. The Branch Manager thus was called upon to pass a reasoned order. The petitioner represented the matter which was examined/considered by the respondent Bank and under communication dated 15.11.2012 (Annexure-7) , the same was not acceded to. Aggrieved thereby the present writ petition is filed.

The contention of the petitioner is that the amount of commission which was paid to the petitioner was not on account of fault on his part. The rate of commission was varied by another circular issued in 2003 but effective w.e.f. 1.4.2001. Referring to Annexure-8 it has been submitted that before doing so, the respondent Bank was required to issue notice providing an opportunity to the petitioner to explain thereagainst. No such step was taken. The realization of the commission which was already paid to the petitioner by the respondent bank is an arbitrary exercise of power.

Mr. Ajay Kumar Sinha, conversely submits that the circular dated 21.11.2003 was issued for the agent under the Mini Deposit Scheme. The clause on which the petitioner relies for notice shall not be applicable as the same was in respect of agent of Tiny Deposit. Indisputably, the petitioner is not the collecting agent of Tiny deposit. The respondent Bank is justified in directing refund of the commission amount paid in excess to the petitioner since the rate of interest payable to the customer on such deposit was reduced by the Bank. The Bank cannot pay, by way of commission, to the collecting agent more than what it earns from the deposit obtained through the agents like the petitioner.

On a consideration of the rival submissions, it appears the petitioner has raised a grievance only with respect to non compliance of the procedure as provided in the Circular of the respondent Bank dated 21.11.2003 (Annexure-8). On previous occasion, the petitioner filed a writ petition against the advise issued to him under Annexcure-2 whereafter this Court ensured that the petitioner be heard before taking a final decision in the matter. Accordingly the petitioner was required to approach the respondent Bank by filing representation thereagainst which the petitioner did . The respondent Bank after bestowing consideration on the contention of the petitioner came to the similar conclusion vide Annexure-7 whereby the rate of commission as per the amended Circular was found payable to the petitioner. Mr. Sinha has submitted that Hon’ble Apex Court even while considering the case of the collecting agents of Tiny deposits clarified that the rate of commission shall be payable to the agents at the rate of Rs. 750/- up to deposit of a sum of Rs. 7500/- per month and 2% flat thereafter on deposits above Rs. 7500/- per month. This Court shall not go into that aspect of the matter. From what has been discussed above, it is apparent that the petitioner was afforded an opportunity of hearing under the orders of this Court whereafter the respondent Bank passed the order (Annexure-7) declining the relief prayed for by the petitioner for payment of the rate of interest in excess to what has been provided in Annexure-8.

Another contention of the petitioner is that the payments of the commission having been made to the petitioner cannot be realized as there was no fault on the part of the petitioner. In my view, said contention also appears to be misplaced . Since the respondent Bank had already modified the circular vide Annexure-8 entitling the payment of commission at the rate provided therein. Such payment was apparently made erroneously. The parties are bound by the agreement. The petitioner is not an employee of the Bank. He discharges obligation as per the terms of the agreement entitling him to the payment of commission at the rate prescribed. Such rate having been altered , the petitioner being the agent of the Bank cannot claim as of right payment of rate of commission higher than what provided by the respondent Bank and applicable to the case of the petitioner.

Seen thus, this Court does not find merit in the application which is, accordingly dismissed.

**(Kishore Kumar Mandal, J)**

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