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HIGH COURT OF CHHATTISGARH, BILASPUR

WPPIL No. 45 of 2017

- Saleem Kazi, S/o Late Shri K. M. Ansari, Journalist Turned Advocate, Aged About 57 Years, R/o D/39, Agyeya Nagar, Bilaspur, Tehsil and District Bilaspur, Chhattisgarh

---- Petitioner

Versus

1. Union Of India Through Its Secretary (ABC) Ministry Of Finance Department Of Economic Affairs, Room No.67-B, New Delhi 110001 (India)

2. Reserve Bank Of India, Through Its Executive Director, RBI Head Office Shahid Bhagat Singh Marg At Mumbai 400001

3. State Bank Of India, Through Its Chairman, Central Office Chairman's Secretariat, P. B. No.12, Nariman Point at Mumbai 400021

4. ICICI Bank Limited, Through Its Chairman ICICI Bank Tower, Near Chakli Circle, Old Padra Road, At Vadodara 390007 (Gujrat) India

5. Axis Bank Limited, Through Its Chairman Trishul Third Floor, Opp. Samartheshwar Temple, Near Law Garden, Ellisbridge, Ahmedabad, Gujrat

6. HDFC Bank Limited, Through Its Chairman Head Office HDFC Bank House, Senapatibapat Marg, Lower Pare (W) At Mumbai 400013

---- Respondents

For Petitioner	Shri Ashish Shrivastava, Advocate
For Respondent No.1	Shri B. Gopa Kumar, ASG
For Respondent No.2	Shri B. P. Sharma, Advocate
For Respondent No.3	Shri P. N. Bharat and Shri P. R. Patankar, Advocates
For Respondent No.4	Ms. Fouzia Mirza, Advocate
For Respondent No.6	Shri A. K. Verma and Shri Ravish Verma, Advocates

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Hon'ble the Chief Justice Mr. Ajay Kumar Tripathi

Hon'ble Justice Mr. Prashant Kumar Mishra

Order On Board

25/07/2018

1. From the return filed on behalf of the Reserve Bank of India, what emerges is that the Banks do not have unbridled discretion in imposition of service charges upon its customers. The RBI being the authority has laid down certain guidelines on the basis of recommendations made by a working group to bring about reasonableness in bank charges so as to incorporate the same in Fair Practices Code. A copy of the master circular, which is dated 01.07.2015, has been annexed as Annexure-1 to the return filed on behalf of respondent No.2 RBI.

2. Attention has been brought to paragraph 6.1 and 6.2 of the said master circular, which reads as under:-

> "**6.1 Fixing Service charges by banks**
>
> The practice of IBA fixing the benchmark service charges on behalf of member banks has been done away with and the decision to prescribe service charges has been left to individual banks. While fixing service charges for various types of services like charges for cheque collection, etc., banks should ensure that the charges are reasonable and are not out of line with the average cost of providing these services. Banks should also take care to ensure that customers with low volume of activities are not penalised.
>
> Banks should make arrangements for working out charges with prior approval of their Boards of Directors as recommended above and operationalize them in their branches as early as possible.
>
> **6.2 Ensuring reasonableness of bank charges**
>
> In order to ensure fair practices in banking services, Reserve Bank of India had constituted a working group

> to formulate a scheme for ensuring reasonableness of bank charges and to incorporate the same in the Fair Practices Code, the compliance of which would be monitored by the Banking Codes and Standards Board of India (BCSBI). Based on the recommendations of the Group, action required to be taken by banks is indicated under the column 'action points for banks' in the Annex I to this circular."

3. On the recommendation of the working group, the action which is required to be taken by the Banks is also indicated in Annexure-1 to the circular, which does indicate broad parameters under which the Banks are supposed to operate and provide service. It is also evident from para 6.2, reproduced above, that there is a body which functions as a banking industry ombudsman known as Banking Codes and Standards Board of India (BCSBI), which can always be approached if any of the banks are deviating from the master circular and the parameters which have been annexed as Annexure-1 on the recommendation of the working group constituted by the RBI.

4. The respondent Banks take a unified stand that all their charges levied on services provided by them are commensurate with the master circular and no individual instances as such have been pointed out of any default on their part.

5. Be that as it may, this writ petition stands disposed off with liberty to the petitioner or any other aggrieved person to approach the Banking Codes and Standards Board of India if any breach of the standard circular is perceived or can be established.

Sd/-	Sd/-
(**Ajay Kumar Tripathi**)	(**Prashant Kumar Mishra**)
Chief Justice	Judge

Nirala