**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR**

WRIT PETITION NO. 4572 OF 2016
(The Achalpur Urban Co-operative Bank Ltd..vs.. Mahatma Fule Gramin Bigar Sheti Sahakari Pat Sanstha Ltd, Karajgaon)

Office Notes, Office Memoramda of Coram, appearances, Court's orders of directions and Registrar's Orders.	*Court's or Judge's orders.*

Shri S.J. Kadu, Advocate for petitioner.
Shri S.S. Bhalerao, Advocate for respondent.

CORAM: RAVINDRA V. GHUGE, J.
DATE: 3rd JANUARY, 2020.

1. By this petition, the petitioner bank seeks to challenge the order passed by the learned Co-operative Court dated 24.3.2015, by which, Dispute No. 354 of 2011 filed by the respondent depositor, has been allowed. The petitioner is also aggrieved by the order dated 29.2.2016 passed by the Maharashtra State Co-opertive Appellate Court vide which the appeal No. 24 of 2015, filed by the petitioner bank, has been dismissed.

2. I have considered the strenuous submissions of the learned advocates for the respective sides. Issue is as regards whether the respondent depositor would have a preferential right for the amount deposited with the petitioner bank, which has gone into liquidation in 2008.

3. The learned advocate for the respondent has strenuously defended the impugned orders passed by the

learned Cooperative Court as well as by the Appellate Cooperative Court.

4. I find that the amounts of the depositors are protected and secured to the extent of Rs.1 lac in view of the guidelines issued by the Reserve Bank of India. The respondent is a small financial institution which is bound by the RBI Guidelines.

5. This aspect is no longer *res integra* in view of the judgment delivered by the Hon'ble Apex Court in the matter of ***Deposit Insurance and Credit Guarantee Corporation .vs. Raghupati Ragavan and Others, 2015(9)SCC 629***.

6. The Hon'ble Apex Court has concluded in the case of DICG Corporation (supra) that the preferential right of the Corporation, in respect of repayment of its amount, is above the claims of the depositors beyond the guaranteed/insured sums. It was concluded that Section 21 of the DICG Corporation Act, 1961 casts an obligation on the official liquidator to repay the amount to the Corporation, over and above the guaranteed/insured amounts of the depositors which have been paid. Obviously, the Courts below have lost sight of this aspect.

7. The learned Advocate for the respondent submits that the guaranteed amounts upto Rs. 1 lac of the depositors has been secured and the impugned orders are with regard

to those amounts which are over and above the insured/guaranteed amount.

8. In view of the above, this petition is allowed in terms of prayer clause A and the impugned orders passed by the learned Cooperative Court and the learned Appellate Cooperative Court, are quashed and set aside.

9. Needless to state, the rights of the depositors of the respondent shall be governed by the law laid down by the Hon'ble Apex Court in the matter of DICG Corporation vs. ***Raghupati Ragavan and Others*** (supra).

(RAVINDRA V. GHUGE, J.)

Belkhede RS