Amrut

IN THE HIGH COURT OF BOMBAY AT GOA

WRIT PETITION NO.262 OF 2020

The Local Residents of Curtorim,
Macazana, St. Jose De Area and Raia ... Petitioners

Versus

1 State of Goa,
through Chief Secretary
having office at Secretariat,
Porvorim Goa.

2 The Madgaum Urban Co-Operative Bank
Ltd. Margao Goa

3 The Reserve Bank of India,
Mumbai, Maharashtra.

4 The Registrar of Co-operative Societies, ...Respondents
Panaji Goa.

Mr. Vibhav Amonkar – Amicus Curiae.
Mr. D. Pangam, Advocate General with Ms. Ankita Kamat, Additional Government Advocate for the State.
Mr. Gaurang Panandiker, Advocate for the RBI – Respondent No.3.
Mr. I. Santimano holding for Mr. C. A. Coutinho, Advocate for Madgaum Urban Co-operative Bank Ltd. - Respondent No.2.

CORAM: DIPANKAR DATTA,CJ &
M. S. SONAK, JJ

DATED: 18th August 2021

P.C.

1. Heard Mr. V. Amonkar, learned Amicus Curiae, Mr. D. Pangam, learned Advocate General, Mr. G. Panandiker, learned counsel for Reserve Bank of India (RBI), and Mr. I. Santimano holding for Mr. C. A. Coutinho learned counsel for Madgaum Urban Co-operative Bank Ltd.(Bank).

2. A letter dated 08.09.2020 addressed by no less than about 70 residents from Curtorim, Salcete Goa was registered as a writ petition on 16.12.2020, and notices were issued to the Respondents. In this letter, it was pointed out that almost 8000 account holders mostly agriculturists, fishermen, tenants, laborers had deposited their hard-earned earnings in the Bank, which had now gone into liquidation. It was pointed out that in terms of directives dated 03.05.2019 issued by the RBI, such persons were not being permitted to withdraw any amount over ₹5000/- from their bank accounts. The letter pointed out the immense difficulties faced by such depositors, particularly during the COVID-19 pandemic on account of being unable to access their bank accounts.

3. During the pendency of this petition, the limit for withdrawal was enhanced from ₹5000/- to ₹30,000/-. On 19.01.2021, we made an order directing the RBI to consider whether the limit could be further enhanced to ₹50,000/- since Mr. Coutinho, learned counsel for the Bank had submitted that the grievances of no less than 49,500 depositors from out of a total about 58000 depositors would be redressed with the enhancement of such limit.

4. Smt. Sandra Rodrigues, Assistant General Manager of RBI has filed an additional affidavit on 17.08.2021 in this matter. In this affidavit, she has pointed out that an order of liquidation/winding up the Bank has already been made and Shri S. V. Naik, a retired Goa Civil Services Officer has been appointed as a liquidator in terms of powers conferred by Section 93(1) of the Goa Co-operative Societies Act, 2001.

5. Reference can usefully be made to paragraph 12 of the RBI affidavit which reads as follows:-

> *"It is respectfully stated that in the present situation, where an order of liquidation or winding up of an insured bank has been made, every depositor in respect of his deposit in the bank shall be entitled to receive up to Rs.5 lakh from Deposit Insurance and Credit Guarantee Corporation (DICGC) in accordance with the provisions of Deposit Insurance and Credit Guarantee Corporation Act, 1961."*

6. Learned Amicus Curiae, as well as the learned counsel for the Respondents, based on the aforesaid, pointed out that almost 55999 depositors, had deposits of less than ₹5 lakh with the Bank and such depositors, will therefore be entitled to receive amounts up to ₹5 lakh from Deposit Insurance and Credit Guarantee Corporation (DICGC) in accord with the provisions of Deposit Insurance and Credit Guarantee Corporation Act, 1961. The learned counsel pointed out that this would leave about 636 depositors, having a deposit of over ₹5 lakh.

7. According to us, the grievance of most of the depositors stands substantially redressed by the statement made in the affidavit filed on behalf of the RBI as quoted above. The liquidator will have to pursue the matter with DICGC, so that at least the depositors maintaining the balance of less than ₹5 lakh receive the amount up to ₹5 lakh, in terms of the Insurance Scheme. Even the depositors maintaining a deposit of above ₹5 lakh will be entitled to receive the amounts up to ₹5 lakh under the said Scheme. The liquidator should process all such claims as expeditiously as possible so that, there is no undue delay in the matter.

8. By taking cognizance of what is set out in the RBI affidavit and directing the liquidator to take necessary steps as aforesaid expeditiously, we dispose of this petition.

9. We thank Mr. V. Amonkar – Amicus Curiae as well as the learned counsel for the Respondents for assisting us in the disposal of this petition. The petition is disposed of.

10. All concerned to act on an authenticated copy of this order.

M. S. SONAK, J **CHIEF JUSTICE**