IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C) No.15886 Of 2020
(Through hybrid mode)

Yellmal Ganapati @ Y. Ganapati and another .... ***Petitioners***

Mr. P.C. Chhinchani, Advocate

-versus-

Utkal Grameen Bank and others .... ***Opposite Parties***

Mr. C.A. Rao, Senior Advocate

CORAM: JUSTICE ARINDAM SINHA

ORDER
18.04.2022

Order No.
07.

1. Mr. Chhinchani, learned advocate appears on behalf of petitioners and submits, his clients are husband and wife. They had made two fixed deposits. On initial period completed, the deposits were renewed. The periods of the deposits have since expired. The deposits along with interest are to be given to his clients. Utkal Grameen Bank by letter dated 7th November, 2019 said that proceeds in the fixed deposits have been adjusted against loan accounts under right to set off clause.

2. His clients have prayed for quashing of letter dated 7th November, 2019 and direction upon the bank to release and pay the maturity amount of the deposits along with interest accrued from due dates till of payment.

3. Mr. Rao, learned senior advocate appears on behalf of the bank.

4. This writ petition was heard on a few occasions. Submissions made by the learned advocates were recorded on orders made. By order dated 21st March, 2022 petitioners were directed to file additional affidavit disclosing the charge-sheet and original deposit receipts. The additional affidavit has been filed.

5. Mr. Rao had submitted that there were interpolations made by petitioners, in the term deposit receipts. He demonstrated from term deposit receipt dated 20th February, 2016, on the back of which are the endorsements of extensions of both the receipts, that it was signed by petitioner no.1 only. Subsequently, his wife put her signatures on the receipts. Further, one joint depositor cannot be nominee. That is additional proof of the interpolations. Furthermore, his client's entitlement to set off the aggregate maturity amount of the term deposits cannot be disputed by petitioner no.1 as he had availed several loans from the bank.

6. For purpose of adjudication of the writ petition, Court presumes that there were interpolations made in the term deposit receipts, to add petitioner no.2 as depositor. The receipts are dated 4th and 20th February, 2016, as aforesaid.

7. Mr. Chhinchani referred to paragraphs 3 to 5 in the additional affidavit to submit that ultimately punishment awarded in the disciplinary proceeding was modified to simply be removal from service with immediate effect and the period of suspension to be treated as not spent on duty and petitioner no.1 not having earned any benefit/increment during that period. There was no order with regard to recovery of any amount from said petitioner, passed in the proceeding.

8. Both parties have contended that the disciplinary proceeding had nothing to do with the term deposits made by petitioners. Undisputed fact remains that the term deposits, on renewal, matured on 16th February, 2017. The deposits were for Rs.5,00,000/- each and interest thereon was at the rate of 8.25 % per annum. The deposits were initially for a period of 180 days. There was one extension. The deposits matured, as aforesaid, on 16th February, 2017. The deposit values were adjusted on 7th November, 2019, as informed to petitioners. Thus, the proceeds on maturity as on 16th February, 2017 were held on by the bank till 7th November, 2019.

9. On query from Court Mr. Rao submits, several loans were taken by petitioner no.1. Regarding recovery said petitioner had filed writ petition. The accounts are yet to be settled.

10. Business of the bank is, inter alia, to lend money. It lends money on charge of interest. Delayed payment interest is also charged. So far as interpolations in the term deposit receipts are concerned, those pale into irrelevance because the bank exercised its right to set off the aggregate matured amount on the deposits. However, the bank in calculating the recoveries to be made from petitioner no.1 will no doubt add interest and delayed payment interest. Settlement of the accounts may happen at future date.

11. There will be direction that the maximum rate of interest the bank charges on recovery of loans taken by petitioner no.1, for any amount on any period, will be the rate of interest applied on the aggregate of Rs.10,00,000/- for period commencing from 17th February, 2017 till 7th November, 2019. It is made clear, this interest will be compounded with the same rests as the bank applies or will apply for its recovery on the loans or any of them taken by petitioner no.1.

12. The writ petition is disposed of.

(Arindam Sinha)
Judge

Prasant