

IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(Special Original Jurisdiction)

THURSDAY, THE TWENTY FIRST DAY OF FEBRUARY
TWO THOUSAND AND EIGHT

PRESENT
THE HON'BLE DR JUSTICE G.YETHIRAJULU
WRIT PETITION NO : 11112 of 2002

Between:

J.Siva Shanker Reddy S/o.Jayaram Reddy
H.No.1-7-137 , Flat No.401 , Vijayasai Apartments, Zamisthanpur ,
Musheerabad, Hyderabad.

..... PETITIONER

AND

- 1 Reserve Bank of India, Rep by its Dy.General Manager,
Urban Banks Departments, 6-1-56 , Secretariat Road , Saifabad,
Hyderabad.
- 2 The Registrar,
Registrar of Cooperative Societies, Golconda Division , Hyderabad.
- 3 The Chief General Manager,
Deposit Insurance and Credit Guarantee Corporation, Marshall
Building Annexe,
Shoorji Vallabhdas Marg, Ballard Estate , Mumbai.
- 4 The Sitara Cooperative Urban Bank Ltd., Rep. by its Chief Executive
Officer,
Commercial Complex 1st Floor, Dr.B.R.Ambedkar College Complex,
Baghlingampally , Hyderabad.

.....RESPONDENT(S)

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to to issue writ or direction preferably Writ of Mandamus declaring the action of the respondents in not taking any action for release of the fixed deposits payable to the petitioner and not initiating any further action in Pursuance of the letter issued by the 1st respondent vide UBD(H) No.3501/12.13.17/2001-2002 Dt: 26-4-2002 and letter of 3rd respondent vide DICGC/DID/742/05-03-01-03/2000-01 Dt: 15-12-2000 as illegal , arbitrary and Violative of Principles of Natural Justice and consequently direct the respondents to release the fixed deposits of the petitioner.

Counsel for the Petitioner:MR.KOWTURU VINAYA KUMAR

Counsel for the Respondent No.: MR.K.SRINIVASA MURTHY

The Court made the following :

ORDER:

The petitioner approached this Court through this writ petition seeking to declare the action of the respondents in not taking any steps for release of the fixed deposits payable to him and not initiating any further action in pursuance of the letters issued by respondent No.1 and 2 as illegal, arbitrary and violative of the principles of natural justice.

The petitioner alleged that he deposited Rs.1,00,000/- in four spells in fixed deposit with the fourth respondent bank on condition of payment of monthly interest. The fourth respondent have also insured all the deposits with the third respondent. While so, on 20-11-2000, he made an Application to the fourth respondent bank to cancel the fixed deposits and to return the amount, but no action has been taken and no monthly interest has been paid. He submitted a representation to the first respondent and third respondent also stating the above facts. The third respondent sent a reply to him on 15-12-2000 stating that the fourth respondent Cooperative Urban bank Ltd is neither taken up for liquidation nor amalgamated with other bank and accordingly, advised the petitioner to approach the first respondent. The first respondent issued a fresh notice on 15-09-2001 stating that R.B.I. has cancelled the licence granted in favour of fourth respondent bank and directed the fourth respondent not to transact any business of banking etc. Subsequently, the petitioner sent a representation to the first respondent and the first respondent also sent a reply, dated 26-04-2002, which reads as follows:

“Please refer to your letter dated 27.3.2002 on the above subject. In this connection, we advise that the licence of the bank has been cancelled. Registrar of Co-operative Societies has been requisitioned to appoint a liquidator. Under the circumstances you are advised to approach the official liquidator in future for any withdrawal/refund of deposit.”

The third respondent filed a counter denying its liability covered by the debt.

It is an undisputed fact that the fourth respondent bank went on liquidation and the licence was cancelled and the liquidator was appointed to look into the affairs of the bank. Under those circumstances,

it is not possible to pass any order directing the respondents to pay the amount to the petitioner. The petitioner, if so, is advised that he may approach the liquidator or any other authority competent under law for getting the amount due to him and it is for the liquidator or any other authority competent under law to pass appropriate orders according to the availability of the resources and communicate the same to the petitioner.

The writ petition is dismissed with the above observations. No order as to costs.

DR. G. YETHIRAJULU, J

Date:21-02-2008

YCR

.... REGISTRAR

// TRUE COPY //

SECTION OFFICER

To

- 1 The Dy. General Manager, Reserve Bank of India,
Urban Banks Departments, 6-1-56 , Secretariat Road , Saifabad,
Hyderabad.
- 2 The Registrar,
Registrar of Cooperative Societies, Golconda Division , Hyderabad.
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- 4 The Chief Executive Officer, Sitara Cooperative Urban Bank Ltd.,
Commercial Complex 1st Floor, Dr.B.R.Ambedkar College
Complex, Baghlingampally , Hyderabad.
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