

Postmaster, Dargamitta H.P.O., ... vs Raja Prameelamma (Ms) on 1 May, 1995

Equivalent citations: JT1998(9)SC100, (1998)9SCC706, AIRONLINE 1995 SC 159, 1998 (9) SCC 706

Bench: Kuldip Singh, N. Venkatachala

ORDER

1. Leave granted.

2. The respondent in the appeal herein purchased six National Savings Certificates (VI Issue) for Rs. 10,000 each on 28-4-1987 from the Post Office. The rate of interest payable with effect from 1-4-1987 was 11%. This was notified by the Government of India. Due to inadvertence on the part of the clerical staff, the old rate of interest and the maturity value which was printed on the certificates could not be corrected. The District Forum as well as the State Commission came to the conclusion that the Government of India/Post Office were bound to pay the unconnected maturity value of the certificates indicated on each of the printed certificates. The contentions raised by the learned counsel for the Union of India that there was a notification issued by the Government of India prescribing the rate of interest as 11% and that due to inadvertence on the part of the clerical staff of the Post Office the printed maturity value was not scored off from the certificates, were not accepted by the District Forum and the State Commission. The revision filed by the Union of India before the National Commission was dismissed by a majority decision. Mr. Y. Krishnan, the dissenting Member disagreed with the findings of the District Forum and State Commission and came to the conclusion that the respondent was only entitled to the interest which was notified by the Government of India. The reasoning of the learned Member is as under:

"It is evident from the definition of the term 'deficiency' that it must be a fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained under a law or has been undertaken to be performed in pursuance of a contract.

In fact of the notification issued by the Ministry of Finance, Government of India on 1-4-1987, i.e., prior to the date of issue of the certificates, the erroneous indication of a higher rate of interest and a higher maturity value cannot be deemed to be a deficiency in service with reference to the law governing the sale of National Savings Certificates.

As regards the contract, no doubt the sale of National Savings Certificates with the terms and conditions embodied thereon constitutes a contract between the Government of India as seller and the holders of the National Savings Certificates, But as this contract was contrary to the terms notified by the Government of India

and this was due to inadvertence of the staff. In my opinion it does not become a contract binding the Government of India being unlawful and void. As such this is not a case of deficiency in service either in terms of the law or in terms of the contract as defined in Section 2(1)(g) of the Consumer Protection Act, 1986."

3. We agree with the reasoning and the conclusion reached by Mr. Y. Krishnan, learned Member who gave the dissenting opinion.
4. We, therefore, allow the appeal, set aside the orders of the District Forum, State Commission and of the National Commission. As a consequence, the application filed by the respondent stands dismissed. No costs.