

ITEM NO.114

COURT NO.9

SECTION IX

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G S

CIVIL APPEAL NO. 7352/2010

VERAVAL PEOPLES CO-OP.BANK LTD.

Appellant(s)

VERSUS

NARANDAS MATHURDAS CHANDRANI &amp; ORS.

Respondent(s)

(WITH OFFICE REPORT)

Date : 05/11/2014 This appeal was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE RANJAN GOGOI  
HON'BLE MR. JUSTICE ROHINTON FALI NARIMAN

For Appellant(s)

Mr. Shekhar Naphade, Sr. Adv.  
Mr. Vimal Chandra S. Dave, Adv.  
Mr. Rajesh C. Kakkad, Adv.

For Respondent(s)

Mr. Kuldeep S. Parihar, Adv.  
Mr. H. S. Parihar, Adv.Ms. Hemantika Wahi, Adv.  
Ms. Puja Singh, Adv.  
Ms. Swati Vaibhav, Adv.Ms. Manisha T. Karia, Adv.  
Mr. Chirag Karkkar, Adv.UPON hearing the counsel the Court made the following  
O R D E R

The appeal is allowed in terms of the signed order.

[VINOD LAKHINA]  
COURT MASTER[ASHA SONI]  
COURT MASTERSignature invalid  
Digitally signed by  
Vinod Lakhina  
Date: 2014.11.05  
16:41:11 IST  
Reason:

[SIGNED ORDER IS PLACED ON THE FILE]

IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION  
CIVIL APPEAL NO. 7352 OF 2010

VERAVAL PEOPLES CO-OP.BANK LTD. ...APPELLANT

VERSUS

NARANDAS MATHURDAS CHANDRANI  
& ORS. ...RESPONDENTS

ORDER

The challenge herein is in respect of order dated 24<sup>th</sup> April, 2009 passed by the High Court of Gujarat at Ahmedabad in Special Civil Application No.27913 of 2007 by which the respondents in the writ petition have been directed to take consequential and necessary action against the appellant herein in terms of the order of this Court dated 28<sup>th</sup> January, 2004 passed in Mehsana District Central Cooperative Bank Limited and others versus State of Gujarat and others reported in (2004) 2 SCC 463. The actions of the appellant, which, according to the High Court, justified the aforesaid direction are with regard to the deposit of the funds of the Bank with the



Madhavpura Mercantile Co-op. Bank Ltd., which deposit was alleged to be in violation of Section 71 of the Gujarat Cooperative Societies Act, 1961.

The materials on record would indicate that the aforesaid deposits were made in between the years 1993 and 1994 whereas the writ petition was filed in the year 2007. By the time the writ petition came to be filed, Section 71 of the Gujarat Cooperative Societies Act, 1961 was amended by substituting sub-Section (f) thereof, which substituted provision authorizes deposits or investment of the funds of the Cooperative Bank in a Scheduled Cooperative Bank defined in clause (2) of Section 2 of the Reserve Bank of India Act, 1934. The aforesaid amendment was made with effect from 8<sup>th</sup> October, 2007. That apart, it is also evident that the Second Schedule to the Reserve Bank of India Act was amended in the year 1996 and the Madhavpura Mercantile Co-op. Bank Ltd. was included in the Second Schedule to the said Act.

In view of the aforesaid facts, which have gone unnoticed by the High Court, we are of the view that the directions contained in the impugned order dated 24<sup>th</sup> April, 2009 are not justified. Also, there is no satisfactory explanation for the long delay in filing the Public Interest Litigation (PIL) and, as already noticed, by the time the said PIL was filed, not only the Gujarat Cooperative Societies Act, 1961 was amended but the Bank in question i.e. Madhavpura Mercantile Co-op. Bank Ltd. also came to be included in the list of Banks mentioned in the Second Schedule of the Reserve Bank of India Act, 1934.

For the aforesaid reasons, we interfere with the order passed by the High Court; set aside the same and allow this appeal.

.....,J.  
(RANJAN GOGOI)

.....,J.  
(ROHINTON FALI NARIMAN)

NEW DELHI  
NOVEMBER 05, 2014