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Case Analysis: United Bank of India v. Smt. Kanan Bala Devi & Ors

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ABSTRACT

In this analysis a case is discussed where the issue relates to the communication of death to one bank and would that be certainly deemed to be sent to all other banks too. The Judges Ruled that a customer's demise notification in one bank does not apply to all other branches because it is complicated for various branches of banks to maintain record of the data supplied to the client in one bank because banks' technology had not advanced much at the period, and it would be extremely problematic to retain record of the customer's information until it had been communicated.

I. FACTS

In this case, the defendant was Ramesh Chandra Roy Chaudhary and the plaintiff was the United Bank of India Ltd. The defendant i.e. Ramesh Chandra Roy had an overdraft bank account with the bank. For the recovery of a certain sum of money with some interest, a suit was initiated against him by the branch of the bank in the year 1952. The defendant died on 6th of November in the year 1960 and then there after later on 20th December 1960 the defendant's widow Kanan Bala Devi was intimated by the Deshapriya Park Branch of the bank of the defendant who was dead. This bank has various branches in Calcutta amongst which one was Royal Exchange Branch, the question was initiated by the royal exchange branch. The applications that were for impleading the defendant's legal representatives and setting aside abatement were filed in 1968, almost eight years just after the defendant's death. They claimed that the bank's concerned branch was unaware of the defendant's death until it was alerted by another branch. These applications were rejected by the High Court on the only ground that no sufficient cause was laid to set aside the abatement. The provisions of Order 22 Rule 10-A of the Code Of Civil procedure obliging a pleader presenting for a respondent to the suit to notify the courts once he hears of that party's death, and that's when the courts is obliged to notify other party, impose merely a duty on the legal representative and are not required. It was determined that an indication of the defendant's death to the banks in another branch might be

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regarded as an intimation to the plaintiff's branch after this the appellant was not satisfied with the judgment of the High Court and then the Special Leave Petition was filed by the authorities of the bank.

II. ISSUES

Whether notice given to one branch of a bank is the notice to another branch of the bank?

III. ARGUMENTS

The learned counsel of the appellant has submitted that courts should be extremely cautious of impugning knowledge of a customer's death to all of a bank's branches only based on the information provided presented to a single branch. It is claimed that in contemporary days, so when the banking industry has grown by great strides, with branches distributed across enormous areas, it would be impossible for a single bank to be aware of the death of one of its customers. As during that time, technology was not advanced and nothing was computerized hence to the catch the details of its customers whether they have died or are alive till the time bank is provided with such important information.

The argument that almost all branches of a financial institution must be deemed to have positive and productive expertise of a customer's death merely because one of the branch offices was notified of that will have bad repercussions, vanquishing bank actions to recover dues, cause huge financial loss to banks, and damage the interests of the public. Two letters have been produced where the one who is pleading is not aware of the defendant's death.

IV. JUDGMENT

In the judgment of the case it has been highlighted that because notice to one branch will be notification across all branches, the High Court made some errors in refusing the application to set aside abatement and condone delays. The ruling given by High Court was overruled and granted this appealing without costs. As previously said, the subject will be decided there, and the banks would not be ready to progress against the defendant. The matter was kept on hold and it was initiated that no proceedings will be permitted against the defendant or his legal representatives for the amount that was involved in the suit. It was proposed that the amount was to be realized fully and it was being decided in the interest of the general public and banks. The plaintiff's bank has filed an appeal by special leave against Calcutta High Court's order for the restoration of Rs.17, 091 with interest. The issue being discussed in this appeal is a straightforward one and one that is essential to all banks operating in the country. We also made it clear to the appellant's banks in which we are solely interested in laying down in law

in this appeal. It has been accepted by the learned counsel appellant bank its recommendations. It has been ruled by Supreme Court that a customer's death notice in one bank branch does not act as a past consideration to all of the other branches.

V. ANALYSIS

Under Order 22 Rule 10-A of the Civil Procedure Code, this problem is alleviated to some extent. According to the norm, if a plaintiff standing for one party to the action hears of that party's death, he must inform the Court, and the Court must then give written notice of the death to all another person. If the notice is given to one branch then definitely is not going to become the notice to all the other branches. The judgment given by the Supreme court that a customer's death notice in one bank branch does not act as a past consideration to all of the other branches as it is very difficult for the different branches of the banks to keep track of the information provided the customer in one bank as during that time banks technology was not evolved much and it would become very dangerous in keeping track on the customer's information till the time it hasn't been shared. If any person holding an account in any of the branches of the same bank dies then the other bank branches will not be able to gather such information till the time they are informed. It is definitely going to affect the public interest if this practice will be initiated in banking industry then it will lead lots of financial losses and grave consequences on the working culture of the bank.
