

(2006) 06 NCDRC CK 0017

In the National Consumer Disputes Redressal Commission

ALLAHABAD BANK

APPELLANT

Vs

J.D.S. ELECTRONIC COMPANY

RESPONDENT

Date of Decision : 19-06-2006

Acts Referred:

Citation : 2007 1 CPJ 270

Hon'ble Judges : K.S.Gupta , P.D.Shenoy J.

Final Decision : Revision Petition dismissed

Judgement

1. THIS revision is directed against the order dated 6.10.2004 of Consumer Disputes Redressal Commission Haryana, Chandigarh dismissing appeal against the order dated 20.2.2003 of a District Forum whereby petitioner/opposite party was ordered to pay amount of Rs. 3,50,000 with interest, etc.

2. FACTS giving rise to this revision lie in a narrow compass. Respondent/complainant was sanctioned cash credit (hypothecation) facility of Rs. 2,00,000 on 14.2.1997 which was increased to Rs. 3,50,000 on 25.11.1998 by the petitioner bank. To secure that facility the respondent had hypothecated the stocks of finished goods, semi-finished goods, raw material, goods in process, plant and machinery/equipments, etc. with the petitioner bank. Right from the year 1997 the petitioner had been getting the stocks and equipments, etc. insured and debiting the premium amount in the account of respondent. It was alleged that on the intervening night of 15/16.6.2001 a fire broke out in the premises of respondent resulting in loss of more than Rs. 4 lakh to the respondent. It was stated that stocks and equipment, etc. destroyed in fire were revealed to have not been insured by the petitioner. Claiming deficiency in service, the respondent filed complaint which was contested by the petitioner bank, inter alia, alleging that under hypothecation agreement it was the responsibility of respondent to take insurance of the hypothecated goods and supply copy of policy to the bank. It was optional on the part of the bank to get the insurance and debit the amount of premium in the account of respondent. During the course of argument Mr. J.S. Lamba, Counsel for petitioner pressed the

plea which was taken by the bank in written version before the District Forum. In support of the contention that under hypothecation agreement it was the primary obligation of respondent to have the hypothecated stocks and equipments, etc. insured and our attention was invited to the terms and conditions at page No. 18 of the hypothecation agreement executed by the respondent. It is admitted case of the parties that for preceding two years the stocks and equipments, etc. were got insured by the petitioner bank and premium amount debited in the account of respondent. It is not the case of petitioner that any notice was given calling upon the respondent to get the hypothecated stocks and equipment, etc. insured directly by it for the subsequent year in which occurrence took place. In that backdrop, we do not find any illegality or jurisdictional error in the orders passed by Fora below holding the petitioner bank deficient in service on ground of its not having got insured the hypothecated stocks and equipments, etc. and paying the said amount to the respondent. Revision is without merit. Dismissed as such with cost of Rs. 3,500 to the respondent. Revision Petition dismissed.