(1997) 09 NCDRC CK 0014

In the National Consumer Disputes Redressal Commission

National Insurance Co. Ltd. APPELLANT

Vs

Punjab Agro Industries Corporation Ltd. RESPONDENT

Date of Decision : 05-09-1997

Acts Referred:

Citation : 1997 3 CPJ 373 : 1998 1 CLT 629

Hon'ble Judges : J.B.Garg , Sada Nand , P.Ojha J.

Final Decision : Order modified

Judgement

1. ON a complaint instituted by Punjab Agro Industries Corporation, the Consumer Disputes Redressal Forum, UT Chandigarh, ordered on 22.1.1997 that sum of Rs. 62,835/- shall be payable as compensation together with interest @ 18% per annum w.e.f. 1.12.1993. Aggrieved against it, the present appeal has been attempted.

2. THE complainant possessed a Fidelity Guarantee Policy No. 809/- 7800039/83 in the sum of Rs. 5.00 lacs, which related to loss suffered on account of acts of fraud or dishonesty on the part of the employees. In this case the employees of the complainant misappropriated sale-proceeds of fertilizers, etc. In appeal, the quantum of compensation i.e. Rs. 62,835/- has not been disputed. Here the learned Counsel for the appellant has pressed that the rate of interest should be reduced from 18% to 12%. On behalf of the respondent, the plea for reduction in rate of interest has been opposed and it has been argued that the complainant himself had been borrowing money at a higher rate and utilising it. THE learned Counsel for the appellant has referred to United India Insurance Company Limited v. MKJ Corporation III (1996) CPJ 8 (SC), wherein it has been held that the Insurance Companies have no option but to invest the money in the securities specified by the Government of India where the interest is less than 12%. In these circumstances, in the case in hand, the rate of interest is reduced to 12% from 18%. With this modification, the order of the District Forum is affirmed. Order modified.

