IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CWP No. 24372 of 2013
Date of Decision : 19.09.2015

Oriental Insurance Company Limited **...Petitioner**

Versus

Mushtak Khan and another **...Respondents**

CORAM: HON'BLE MR. JUSTICE PARAMJEET SINGH

1) Whether Reporters of the local papers may be allowed to see the judgment?
2) To be referred to the Reporters or not?
3) Whether the judgment should be reported in the Digest?

Present: Mr. R.C. Gupta, Advocate for the petitioner.

None for the respondents.

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Paramjeet Singh, J.(Oral)

The instant petition has been filed under Articles 226/227 of the Constitution of India for quashing the award dated 12.07.2013 passed by respondent No. 2-Permanent Lok Adalat, Public Utility Service, Gurgaon.

Brief facts of the case are that the vehicle bearing No. HR-26BH/5420 of the respondent Mushtak Khan was insured with the petitioner company. A theft of the vehicle occurred on 31.10.2012. Therefore, an FIR No. 351 dated 31.10.2012 under Section 379 of the

Indian Penal Code was registered at Police Station Tauru. The respondent Mushtak Khan claimed the amount of the vehicle. Permanent Lok Adalat has passed an award, according to which, out of the total cost of the vehicle, 85% has been ordered to be given to the respondent Mushtak Khan by the petitioner's company.

Learned counsel for the petitioner submits that out of the total cost of the vehicle, 75% amount should have been given to the respondent Mushtak Khan. In support of his contentions, he has relied upon ***Amalendu Sahoo Vs. Oriental Insurance Co. Ltd., 2010(4) SCC 536.***

This judgment is not applicable in this case. Since in the present case, FIR was registered on the same day when the theft occurred, mere delay in intimation to the petitioner cannot be treated as a breach of condition of the policy. The immediate cause before the person in such a case is to inform the police regarding the theft and that has been done in the present case. Otherwise also, the claim awarded has not been paid forthwith by the petitioner's company. The only breach of condition was delay in intimation of the theft to the petitioner but that has been taken care of by the Permanent Lok Adalat and 15% of the total cost of the vehicle has already been deducted. It cannot be presumed that in every case where breach of condition of policy has taken place 25% cut on account of breach of policy should be applied. Only material evidence is the report made to the police i.e. lodging of the FIR regarding theft. Otherwise also, the Insurance Company is not paying the compensation immediately nor providing an alternative vehicle till the compensation is paid. This perhaps is not being done because there is no specific condition in the policy. The basic purpose of the insurance policy is that one should be compensated immediately for the loss occurred.

The impugned order has been passed in consonance with the provisions of Legal Services Authorities Act, 1987.

In view of the above, I do not find any perversity and illegality in the impugned award passed by the Permanent Lok Adalat.

Dismissed.

September 19, 2015. **(PARAMJEET SINGH)**
kanchan **JUDGE**