

CWP No.13385 of 2016 (O&M)

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**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

**CWP No.13385 of 2016 (O&M)
Date of decision:27.07.2016**

United India Insurance Company Limited ...Petitioner

Versus

Gurmail Singh and another ...Respondents

CORAM: Hon'ble Mr. Justice Rakesh Kumar Jain

Present: Mr. Gopal Mittal, Advocate,
for the petitioner.

Rakesh Kumar Jain, J.

The petitioner insured the Tavera Car of respondent No.1 bearing registration No.PB-13S-9637 with the issuance of cover note on 12.03.2012, valid from 14.03.2012 to 13.03.2013. The IDV value of the vehicle was declared to the tune of ₹5,00,000/- at the time of insurance. It is alleged by respondent No.1 that he is a follower of Dera Sacha Sauda, Sirsa. In the last week of July, 2012, followers of Dera Sacha Sauda went to Kochi (Kerala) in four vehicles including the vehicle in question. Bikramjit Singh, Mohit, Malkiat Singh, Buta Singh along with Driver Kuldeep Singh were traveling in the car in question which met with an accident at about 4.00 pm on 27.07.2012 with Bus No.RJ-31PA-1220 . All the six occupants of the car died at the spot and the car was totally damaged. On the statement of Satpal S/o Sadhu Ram, an FIR No.280 dated 27.07.2012 was registered at Police Station Ratangarh, under Sections 279/304-A IPC and the intimation

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regarding accident was immediately given to the petitioner and on their instructions, the vehicle was brought to Sangrur after toeing it and ₹15,000/- were spent on toeing charges. On the instructions of the surveyor, the said vehicle was taken to the Singh Motors Workshop, Sangrur where an estimate of ₹6,31,580/- was prepared for its repair. The surveyor declared the vehicle as total loss as repair charges were more than the insured value of the vehicle. No payment was made to respondent No.1 and vide its letter dated 16.09.2013, his claim was repudiated on the ground that at the time of accident, the insured vehicle was being used for commercial purpose and not for the private purpose.

Respondent No.1, thus, filed an application under Section 22-C of Public Utility Services Act, 1987 (hereinafter referred to as the “Act”). The Permanent Lok Adalat has found that as per Ex.R12, respondent No.1 had stated that he is ready to retain the wreck with RC of the vehicle and as per Ex.R13, he was ready to accept full and final settlement of his claim on “net of salvage’ basis for ₹3,61,500/- but his claim was not accepted by the petitioner at that time. Ultimately, the Permanent Lok Adalat found that it is a case of total loss and awarded ₹4,99,950/- along with interest @ 9% per annum from the date of filing of the application till the payment is made, besides ₹25,000/- as damages on account of mental agony and harassment and ₹5,000/- as cost of litigation.

Aggrieved against the order/award of the Permanent Lok Adalat, the present petition has been filed in which, during the course of hearing, learned counsel for the petitioner has submitted that although

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respondent No.1 was ready to accept ₹3,61,500/- but the sum of ₹4,99,950/- has illegally been awarded.

After hearing learned counsel for the petitioner and examining the available record, I am of the considered opinion that there is no error in the award because at that time when respondent No.1 wanted to settle the dispute without any adjudication, he had offered to receive ₹3,61,500/- which was not accepted by the petitioner and, thus, he had filed the application before the Permanent Lok Adalat and was not bound by his offer which was not accepted by the petitioner at that time and the amount of ₹4,99,950/- has rightly been awarded by the Permanent Lok Adalat to respondent No.1.

Since there is no error in the impugned order/award, I do not find any merit in the present writ petition and hence, the same is hereby dismissed.

July 27, 2016
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(Rakesh Kumar Jain)
Judge

Whether speaking / reasoned:	Yes/No
Whether Reportable:	Yes/No