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

228 **CR-5496-2016 (O&M)**

Date of Decision:09.02.2018

**United India Insurance Company
Limited and others .....Petitioners**

Versus

Permanent Lok Adalat, Fatehabad and another .....Respondents

CORAM: HON'BLE MR.JUSTICE HARI PAL VERMA.

**Present: Mr. Ram Avtar, Advocate,
for the petitioners.**

**Mr. Shailender Kashyap, Advocate,
for respondent No.2.**

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HARI PAL VERMA, J.(Oral)

Petitioner-United India Insurance Company Limited (for short "the petitioner-Insurance Company") has filed the present revision petition under Article 227 of the Constitution of India, impugning the order dated 15.06.2016 passed by respondent No.1-Permanent Lok Adalat (Public Utility Services), District Court Complex, Fatehabad, whereby the petitioners have been directed to make the payment of ₹7,20,000/- to respondent No.2-claimant on account of theft of vehicle bearing registration No.HR-22G-5050, which was stolen on the intervening night of 27/28.03.2015.

Briefly stated that respondent No.2 has filed an application under Section 22-C of the Legal Services Authorities Act, 1987 (for short "the Act") for settlement of the dispute regarding insurance policy No.1119033114P105209995 of Mahindra & Mahindra Scorpio bearing registration No.HR-22G-5050. The said vehicle was insured with the petitioner-Insurance Company vide insurance policy No. No.1119033114P105209995 for the period from 12.10.2014 to 11.10.2015. However, on 27.03.2015 Manvir Singh, son of respondent No.2 had gone to Chandigarh in the said vehicle. But on 28.03.2015 at about 6.30 a.m., he found the vehicle missing which he had parked in front of his house bearing No.2821/1, Sector 49-C, Chandigarh, where he was residing. Manvir Singh lodged an FIR No.0154 dated 28.03.2015 under Section 379 IPC in Police Station South, Sector 34, Chandigarh. The petitioner-Insurance Company was also informed about the theft of the vehicle. After completion of all the formalities, in order to get a claim from the petitioners, respondent No.2-claimant served a legal notice dated 27.01.2016, but the same was of no use. He repeatedly visited the office of the petitioner-Insurance Company, however, his claim was not accepted.

The claim of respondent No.2 was repudiated on 01.03.2016 by the petitioner-Insurance Company on the ground that respondent No.2 had failed to immediately intimate the petitioner-Insurance Company as per the terms & conditions of the policy about the theft of the vehicle. Since the claim was repudiated by the petitioner-Insurance Company, respondent No.2 filed a petition under Section 22-C of the Act. Vide impugned award dated 15.06.2016, the Permanent Lok Adalat allowed the claim of respondent No.2 and the order of repudiation passed by the petitioners repudiating the claim of respondent No.2 was quashed. The petitioner-Insurance Company was directed to make the payment of ₹7,20,000/- along with interest @ 9% per annum from the date of claim till its realization.

It is in these circumstances, the petitioners have filed the present revision petition, impugning the award dated 15.06.2016 passed by the Permanent Lok Adalat.

Learned counsel for the petitioners has argued that since respondent No.2 has not adhered to the terms & conditions of the policy, whereby he was required to inform to the petitioner-Insurance Company in writing immediately upon occurrence of any loss or damage, he is not entitled for the claim as projected in the complaint. He has argued that though the theft of the vehicle took place on 27/28.03.2015 but it is on 10.04.2015, the petitioner-Insurance Company was informed by respondent No.2 about the theft of the vehicle. Therefore, respondent No.2 has not adhered to the terms & conditions of the policy. The claimant was required to inform the petitioner-Insurance Company about the theft immediately. Respondent No.2 was also further required to cooperate with the petitioner-Insurance Company in the matter. Resultantly, claim of respondent No.2 was rightly repudiated by the petitioner-Insurance Company. He has further argued that the Permanent Lok Adalat has not afforded adequate opportunity to the petitioner-Insurance Company to put forward its case.

Learned counsel for the petitioners has placed reliance on the judgment of the Hon'ble Apex Court in **M/s Suraj Mal Ram Niwas Oil Mills (P) Limited Versus United India Insurance Company Limited and another, 2010(4) R.C.R. (Civil) 845,** to contend that in a contract of insurance, rights and obligations are strictly governed by the terms of the policy and no exception of relaxation can be given on the ground of equity. He has argued that in the terms & conditions of a contract of insurance, the words used therein must be given paramount importance and it is not open for the Court to add, delete or substitute any words. On issuance of an insurance policy, the insurer undertakes to indemnify the loss suffered by the insured on account of risks covered by the policy, its terms have to be strictly construed to determine the extent of liability of the insurer. Since respondent No.2 has not immediately informed the petitioner-Insurance Company about the theft of the vehicle, he has not acted as per terms of the policy and therefore, not entitled for any compensation.

On the other hand, learned counsel for contesting respondent No.2 has argued that there is no dispute that the vehicle was stolen during the intervening night of 27/28.03.2015 and immediately thereafter, the matter was reported to the police on 28.03.2015 itself. Immediately, son of respondent No.2 had lodged an FIR No.0154 dated 28.03.2015 under Section 379 IPC in Police Station South, Sector 34, Chandigarh against unknown persons. He has also submitted that an intimation to the petitioner-Insurance Company was sent on 10.04.2015, wherein the claimant had given elaborate reasons for delay regarding intimation. He has further stated that immediately after the theft of the vehicle, respondent No.2 has put his best efforts at his level, though with the help of the police to trace the vehicle and it is in these circumstances, even if there a delay, it was not inordinate. The delay if any, the same is a bonafide as respondent No.2, had been pursuing his cause with the police.

I have heard the learned counsel for the parties.

There is no dispute that the vehicle in question was insured with the petitioner-Insurance Company and respondent No.2 has paid a premium of ₹16,294/-. The vehicle being insured was covered with the policy issued by the petitioner company. The vehicle was stolen during the intervening night of 27/28.03.2015 and it is usual reaction that immediately after the theft, the party would like to approach the police instead of going to the insurance company. Therefore, in natural behaviour, the claimant informed the police first, instead of petitioner-Insurance Company. Normally the people whose vehicle is stolen firstly they would like to trace the vehicle at their own level, whereas in the case in hand, the claimant not only tried to locate his vehicle by himself rather, he also assisted the police so as to locate the vehicle. It is only when he had exhausted his efforts though with the help of the police, the petitioner-Insurance Company was informed on 10.04.2015. No doubt, as per conditions of the policy, respondent No.2 was required to give in writing immediately upon any exceptional loss or damage in the event of any claim to the petitioner-Insurance Company. Thereafter, the insurer was required to give all such information and assistance as the petitioner-Insurance Company shall require. The very purpose of this information is to give an opportunity to the petitioner-Insurance Company to put its efforts also so that they can investigate the matter. The vehicle in question was stolen on 27/28.03.2015 and immediately thereafter, respondent No.2 has informed the police. Accordingly, an FIR was registered. The term 'immediate' does not mean that the claimant was required to intimate the petitioner-Insurance Company within a specified period. Therefore, in the absence of any specific time, it cannot be stated that respondent No.2 has not 'immediately' informed the petitioner-Insurance Company. This Court cannot ignore the fact that when the theft of the vehicle was committed, the matter was reported to the police on the same day. Thereafter, the police must have put in efforts to trace the vehicle. It is but natural, that the petitioner would have also relied upon police assistance, as no specialized mechanism has been pointed out to this

Court, which the insurance company adopts.

The only plea that has been raised by learned counsel for the petitioners is that the petitioner-Insurance Company was not immediately informed about the occurrence of the theft. In the absence of any specific period, the meaning of "immediate" cannot be narrowed-down. This Court finds that claimant respondent No.2 after getting an FIR registered had been trying to trace his vehicle with the help of the police. Even otherwise, though the matter was reported to the petitioner-Insurance Company on 10.04.2015, but the claim was repudiated on 01.03.2016 (Annexure P-6). Therefore, the petitioner-Insurance Company cannot have a one-sided course despite having intimation about the theft of the vehicle on 10.04.2015, the petitioner-Insurance Company repudiated the claim of respondent No.2 on 01.03.2016 i.e. after about one year.

Accordingly, this Court does not find any reason to interfere with the award passed by the Permanent Lok Adalat, Fatehabad.

Dismissed.

However, the direction of the Permanent Lok Adalat, whereby the claimant has been held entitled to interest @ 9% per annum is modified to the extent that the claimant shall be entitled to interest @ 7.5% per annum from the date of claim till realization.

It is however made clear that since the claimant shall get an amount for the stolen vehicle, he shall have no claim over the vehicle in case it is found/traced later on.

February 09, 2018 **(HARI PAL VERMA)**
seema **JUDGE**

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