IN THE HIGH COURT FOR THE STATES OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP No.12771 of 2018
Date of Decision:21.05.2018

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The Manager, New India Assurance Company Limited

. . . . . Petitioner

Vs.

Chairman, Permanent Lok Adalat (Public Utility Services), Union Territory, Chandigarh and others

. . . . . Respondents

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CORAM: HON'BLE MR.JUSTICE RAKESH KUMAR JAIN

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Present: - Mr.Sukhdarshan Singh, Advocate,
for the petitioner.

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RAKESH KUMAR JAIN, J. (ORAL)

This petition is filed against the order passed by the Chairman, Permanent Lok Adalat (Public Utility Services), Union Territory, Chandigarh [for short 'the PLA'] by which an application filed by respondent No.2 under Section 22C(1) of the Legal Services Authorities Act, 1987 [for short 'the Act'] has been allowed and the petitioner has been saddled with the liability to pay the balance amount to the legal heirs of the deceased-Bahadur Singh after deducting and depositing the amount due towards the loan account of Bahadur Singh with the Punjab State Cooperative Bank Limited, Sector 8, Chandigarh [for short 'the Bank'] along with interest @ 9% per annum with effect from the date of death of the deceased-Bahadur Singh i.e. 29.12.2014 till the balance amount is paid to the legal heirs.

In short, deceased-Bahadur Singh had raised a loan of ₹1,50,000/- on 17.9.2014 from the Bank. He was supposed to pay the amount of loan in 48 installments of ₹4161/- per month. It is alleged that Bahadur Singh had expired on 29.12.2014 and respondent No.2 has deposited a sum of ₹16000/- in installments with the Bank but still the Bank has issued a notice for recovery of ₹1,57,710/- due as on 31.3.2016. It is not in dispute that when the Bank sanctioned the loan to the deceased Bahadur Singh it had got the loan insured with the Insurance Company (petitioner). The insurance claim by the Bank was denied by the petitioner only on the ground that Bahadur Singh has committed suicide. The factum of suicide could not be proved before the PLA and the counsel for the petitioner has fairly stated that there is no evidence to prove that Bahadur Singh has committed suicide except for the evidence that his body was found in the canal.

Be that as it may, the PLA has passed the impugned order holding the Insurance Company liable in view of the insurance policy executed between the Insurance Company and the Bank.

Learned counsel for the petitioner has though vehemently argued that the Insurance Company is not liable as the liability is of the Bank but I am not impressed with this argument because once the policy is purchased by the Bank from the Insurance Company to protect their interest in case of non-payment of loan by Bahadur Singh, the liability is of the Insurance Company which has rightly been held by the PLA. No other point has been raised.

In view of the above, I do not find any merit in the present petition and the same is hereby dismissed.

(RAKESH KUMAR JAIN)
JUDGE

21.05.2018
Vivek

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