

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH.

CWP No.22220 of 2018

Date of decision: November 27, 2018

Magma HDI General Insurance Co. Ltd.

...Petitioner

Versus

Permanent Lok Adalat (PSU) Ambala & another

...Respondents

CORAM: HON'BLE MR. JUSTICE RAJAN GUPTA

Present: Mr. Sumit Gupta, Advocate for the petitioner.

Rajan Gupta, J.

Petitioner company has prayed for a writ in the nature of certiorari for quashing of Award dated 08.06.2018, passed by the Permanent Lok Adalat (Public Utility Services), Ambala, Camp Court, Kaithal, partly accepting the application of respondent No.2 and directing petitioner company to pay claim of Rs.1,85,000/- with interest @ 6% per annum w.e.f. 30.06.2016, alongwith costs of Rs.5000/- and it was also directed that in case the awarded amount was not paid within three months from the receipt of copy of award, rate of interest would be 9% instead of 6% per annum.

Order has been challenged by the Insurance Company on the ground that it was not liable to pay the claim as directed by the Lok Adalat, as compensation can only be awarded if damage and cost incurred upon repair thereof, is proved. Thus, claim of respondent No.2/claimant was rightly repudiated by the petitioner company.

I have heard learned counsel for the petitioner and given careful thought to the facts of the case.

It appears, respondent No.2 purchased a car bearing registration No.HR-70-B-0617 from Sandeep Kumar and same was got insured with the

petitioner company for the period 30.08.2014 to 29.08.2015. Said vehicle was transferred in the name of respondent No.2 on 12.02.2015. The car met with an accident on 16.02.2015 and DDR No.20 was lodged at Police Station Barara. Intimation of the accident was given to the petitioner insurance company. After arranging a crane, said vehicle was taken to Pearl Ford Company, Ambala and estimate regarding the damage was prepared. Respondent No.2 submitted his claim with the insurance company, but same was repudiated. Aggrieved, respondent No.2 filed application under Sections 22-A and 22-C of the Legal Services Authorities Act, 1987 before Permanent Lok Adalat. The said Forum, vide order dated 08.06.2018, partly accepted the application, directing petitioner company to pay the aforesaid amount alongwith interest and costs.

I find no ground to interfere in writ jurisdiction. Admittedly, the vehicle in question was insured with the petitioner company at the relevant time, when it met with the accident resulting into its damage. As per insurance policy, Insured Declared Value (IDV) of the vehicle was Rs.3,70,000/- as on 30.8.2014 and accident had taken place on 16.02.2015 i.e. within six months of issuance of the policy. The Tribunal after applying 50% of the IDV, held claimant/respondent No.2 entitled to a sum of Rs.1,85,000/- alongwith interest. The Forum has, thus, rightly directed the petitioner company to pay the assured amount alongwith interest and cost to respondent No.2. The petition is without any merit and is hereby dismissed.

November 12, 2018
'Rajpal'

(RAJAN GUPTA)
JUDGE

Whether speaking / reasoned

Yes / No

Whether Reportable:

Yes / No