Sr. No.202

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

CWP No.3724 of 2012 (O&M)
Date of Decision: 19.07.2019

The Oriental Insurance Company Limited

... Petitioner

Versus

Permanent Lok Adalat, Gurgaon and another

... Respondents

CORAM:- HON'BLE MR. JUSTICE ARUN MONGA

Present:- Mr. Vinod Khunger, Advocate,
for the petitioner.

Mr. Rakesh Dhiman, Advocate,
for respondent No.2.

ARUN MONGA, J.(ORAL)

Challenge herein is to the award dated 01.12.2011 (Annexure P-11) rendered by the Permanent Lok Adalat (Public Utility Services), Gurgaon, whereby the petitioner was directed to pay a sum of Rs. 5,75,550/- to respondent No.2 within 40 days, failing which to pay interest on this amount @ 9% per annum from the date of institution of the application till payment.

2. Respondent No. 2 had purchased a new Mahindra Bolero Jeep No. HR-26-BB-2386 model 2010 and insured it with the petitioner for the period from 26.02.2010 to 25.02.2011 for a sum of Rs. 5,76,650/-. On 12.04.2010, at about 11-30 PM, it was stolen while parked in front of the driver's house at Gurgaon. FIR was lodged on 13.04.2010 with the local police. Intimation of theft was given to the petitioner and claim for re-imbursement of the loss was lodged. The same was not paid. Respondent No. 2, therefore, filed application before respondent No.1 at pre-litigative stage for

direction to the petitioner to pay the insurance claim. Reply was filed by the petitioner. Conciliation failed and ultimately, respondent No.1 passed the impugned award.

3. I have gone through the record of the case and heard learned counsel for the petitioner and respondent No. 2.

4. Learned counsel for the petitioner argued that the Permanent Lok Adalat should not have entertained and decided the claim as the same was for theft of the vehicle and was beyond the jurisdiction of the Permanent Lok Adalat in view of law laid down in **United India Insurance Co. Ltd., Vs. Ajay Sinha, 2008 AIR (SC) 2398**; that since the parties could not arrive at a compromise or settlement before the Permanent Lok Adalat, they ought to have been relegated to seek remedy in a Court of law and there was no occasion for the Permanent Lok Adalat to adjudicate the dispute more so when it involved appreciation of intricate questions of fact and law; that intimation of theft given to the petitioner was belated and that respondent No.1 has erroneously overlooked the contentions of the petitioner that respondent No.2 had violated the terms and conditions of the insurance policy as the vehicle though insured for personal use, was being used for commercial purpose.

5. Having gone through the record of the case and heard the learned counsel for the parties, I am of the opinion that there is no merit in the writ petition and the same deserves to be dismissed.

6. For ready reference, the relevant part of section 22-C

of the Legal Services Authorities Act, 1987 is reproduced below:

> "*22-C. Cognizance of cases by Permanent Lok Adalat:-*
>
> *1. Any party to a dispute may, before the dispute is brought before any Court, make an application to the permanent Lok Adalat for the settlement of the dispute: Provided that the Permanent Lok Adalat shall not have jurisdiction in respect of any matter relating to an offence not compoundable under the law.*
>
> ………"

7. ***In United India Insurance Co. Ltd., v. Ajay Sinha 2008 AIR (SC) 2398*** relied upon by the learned counsel for the petitioner, allegedly a burglary took place in the godown of the insured giving rise to the claim. The appellant before the Hon'ble Sureme Court had disputed the factum/incident of burglary. It was held that in the given situation, the term "relating to an offence" appearing in proviso 1 below section 22-C(1), reproduced above, must be interpreted broadly. However, in the instant case, the theft of vehicle is not denied by the appellant. Facts being different, the said judgment is not applicable here. It follows that the Permanent Lok Adalat had jurisdiction to entertain the application of respondent No.2.

8. As averred in the petition itself, where the parties do not arrive at a compromise or settlement before the Permanent Lok Adalat, it has the power to decide the case on merits, but such

decision has to be only at pre-litigation stage and where the relief claimed is urgent and petty cases. Admittedly, the parties had gone to the Permanent Lok Adalat at pre-litigation. They could not reach a mutually agreed settlement before respondent No.1. The claim was for less than Rs. 10 lacs within the pecuniary jurisdiction of the Permanent Lok Adalat. Obviously, the relief claimed was urgent. It follows that respondent No.1 had rightly exercised its power to decide the case on merits. Furthermore, it cannot be said that the case fell outside the category of petty cases.

9. Considering the facts and circumstances in totality, I am of the opinion that the case hardly involved appreciation of any intricate questions of fact and law. The award is well reasoned and elaborate. Hence, it cannot be said that the Permanent Lok Adalat could/should not have exercised the power under sub section 8 Section of the Act, *ibid*.

10. Theft took place at 11-30 PM and next day, the FIR promptly lodged with the local police. In view of that, even assuming that there was some delay in intimating the theft to the petitioner, that was not fatal to the claim of respondent No. 2.

11. There is nothing at all pleaded in the petitioner's reply (Annexure P-2) filed in answer to the application before respondent No. 1 to the effect that respondent No. 2 had violated the terms and conditions of the insurance policy in as much as the vehicle though insured for personal use but it was being used for commercial purpose. Record thus negates the contention raised before this Court that respondent No.1 had ignored any such plea

of the petitioner, more so when the vehicle was stolen while it had been parked in front of the driver's house.

12. As a result of the above discussion, I find no merit in the petition. The same is dismissed.

(ARUN MONGA)
JUDGE

19.07.2019
vandana

Whether speaking/reasoned Yes/No

Whether Reportable Yes/No