RA-CW-472-2017 in CWP-25973-2013
ASHOK KUMAR V/S PERMANENT LOK ADALAT & ORS

Present: Mr. Divya Saroop, Advocate,
for the applicant-petitioner.

Mr. Nitin Gupta, Advocate,
for the respondents No. 2 and 3.

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This application is filed by the petitioner for seeking review of the order dated 18.09.2017 passed by this Court in CWP No. 25973 of 2013.

Learned counsel for the applicant-petitioner has submitted that he had purchased a Vehicle i.e. TATA LPT 2515 from the Magma Finance Company who was paying the insurance premium to the insurance company in respect of the said vehicle. It is submitted that the said vehicle had met with an accident on 11.09.2006 and was totally damaged. The surveyor assessed the total loss of ₹8,50,000/-. The said vehicle was sold by the applicant-petitioner as a scrap for a sum of ₹1,90,000/-. Since, the finance company had stopped paying the premium to the insurance company and never informed the applicant-petitioner, therefore, the insurance company repudiated the claim of the applicant-petitioner and as a result thereof, the petitioner had to approach the Permanent Lok Adalat (Permanent Utility Services). The application filed by the applicant-petitioner was dismissed and therefore, the writ petition was filed.

Learned counsel for the applicant-petitioner has submitted that though this Court had allowed the writ petition on 18.09.2017, directing the respondent No. 2 and 3 (Insurance Company) to make good the loss of the applicant-petitioner within a period of one month but the interest on the amount which was retained by them for such a long time was not determined. Learned counsel for the applicant-petitioner has submitted that the amount belonging to the applicant-petitioner was used by the respondent - Insurance Company. Had it been paid to the petitioner when it was claimed and the petitioner was not involved in the rigmarole of the litigation, he would have received the amount long back but he got the same after the decision of the writ petition in the year 2017. It is, thus, submitted that the applicant-petitioner is entitled to the interest on the said amount at least at the bank rate.

Notice in the application was issued to which reply has been filed by the learned counsel appearing on behalf the respondent-insurance company.

I have heard learned counsel for the parties.

Learned counsel for the respondent-insurance company could not deny its liability to pay the amount of interest. All that has been argued by him is that the amount of interest should be calculated after the expiry of two months from the accident which had taken place on 11.09.2006.

In any case, the respondent-Insurance Company is liable to pay the component of interest, calculated after two months from 11.09.2006 till date at least @ 9% per annum (simple interest) on the total amount which has already been received by the applicant-petitioner.

The amount of interest shall be calculated by the respondent and paid to the applicant-petitioner within a period of one month from the date of receipt of certified copy of this order.

May 22, 2019 **[RAKESH KUMAR JAIN]**
Ess Kay **JUDGE**