IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No. 333 of 2020
Date of Decision:30.01.2020

National Insurance Company Limited

......Petitioner

Versus

Permanent Lok Adalat, Public Utility Services Camp Court, Kurukshetra and another

...... Respondents

CORAM:- HON'BLE MRS.JUSTICE LISA GILL

Present: Ms. Anamika Mehra, Advocate
for the petitioner.

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LISA GILL, J(Oral).

This writ petition has been filed by the National Insurance Company Limited, challenging award dated 16.08.2019 (Annexure P-4), passed by the Permanent Lok Adalat, Public Utility Services, Kurukshetra (for short 'PLA').

Brief facts necessary for the adjudication of this case are that an application under Section 22-C of the Legal Services Authorities Act, 1987 (for short 'Act'), was filed by respondent no.2, claiming recovery of ₹1,22,566/- from the petitioner along with interest at the rate of 24 % per annum as compensation for the loss of his Bolero car, bearing registration no. HR-7T-2204. The said Bolero vehicle, was admittedly insured with the petitioner-Insurance Company for the period 29.04.2014 to 28.04.2015 to be plied as a private vehicle. This vehicle, admittedly met with an accident on 14.08.2014 and was damaged therein. Intimation of the accident was duly given by the applicant. Surveyor of the Insurance Company, submitted his report, Ex.R-5, assessing the amount payable to the applicant to be

₹82,481/-. The vehicle was repaired and applicant-respondent no.2, raised a claim of ₹1,22,566/-.

The claim was repudiated by the Insurance Company, on the ground that the vehicle was insured as a private vehicle, whereas it was being used for commercial purposes.

Learned PLA, Kurukshetra, while relying upon the judgement of the Hon'ble Supreme Court in **Amalendu Sahoo Vs. Oriental Insurance Company Limited, 2010(2) R.C.R (Civil) 635,** concluded that the entire amount due, cannot be released to applicant-respondent no.2. It also discarded the claim of the applicant of ₹1,22,566/- and accepted the assessment as made by the surveyor of the Insurance Company i.e., ₹82,481/-. As the vehicle was being used on hire, therefore, repair charges were awarded to the applicant on Non-Standard Basis. A sum of ₹75,000/- was awarded to the applicant with interest at the rate of 6% from the date of application till its realization along with compensation of ₹15,000/- and litigation expenses of ₹10,000/- with interest at the rate of 6% per annum from the date of award till the date of actual payment.

Aggrieved therefrom, present writ petition has been filed.

Learned counsel for the petitioner vehemently argued that the impugned award deserves to be set aside. Once the applicant had got the vehicle insured as a private vehicle, there is no question of the Insurance Company, being saddled with the liability as it is an admitted position that the applicant was using this vehicle for commercial purposes. The vehicle had been given on hire. It is further submitted that the PLA, Kurukshetra, was not entitled to adjudicate the matter on merits.

I have heard learned counsel for the petitioner and have gone through the file with her assistance.

Learned counsel for the petitioner is unable to point out any illegality and infirmity in the impugned award. It is a settled position that the PLA, Kurukshetra, is entitled to adjudicate the matter, as has been done. Section 22 (C) (8) of the Act, is clear on this aspect. Furthermore, learned PLA, Kurukshetra, as noticed above, has not awarded the entire amount even as assessed by the surveyor of the Insurance Company, but has awarded a sum of ₹75,000/-, while clearly observing that the same is being awarded in terms of the judgement of the Hon'ble Supreme Court in **Amalendu Sahoo's case (Supra).** In **Amalendu Sahoo's case (supra),** it is clearly observed that in case the vehicle, insured as a private vehicle, was being used on hire, the Insurance Company, cannot repudiate the claim in *toto.* Clear cut guidelines have been set out in para no. 14 of the said judgement.

Learned counsel for the petitioner is unable to point out any illegality or infirmity in the impugned award dated 16.08.2019, passed by the learned PLA Kurukshetra, which calls for interference by this Court at the instance of the petitioner-Insurance Company.

Writ petition is accordingly, dismissed with no order as to cost.

[LISA GILL]
Judge

30.01.2020
s.khan

Whether speaking/reasoned : Yes/No.
Whether reportable : Yes/No.