IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No. 14435 of 2019 (O&M)
Date of Decision:14.01.2020

New India Assurance Company Limited

......Petitioner

Versus

Anil Kumar Sharma

...... Respondent

CORAM:- HON'BLE MRS.JUSTICE LISA GILL

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

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LISA GILL, J(Oral).

The petitioner, challenges award dated 21.08.2018 (Annexure P-3), passed by the Permanent Lok Adalat, Public Utility Services, Rewari, being aggrieved thereof.

Respondent no.1, filed an application under Section 22-C of the Legal Services Authorities Act, 1987 (for short 'Act.'), with the averments that he was the owner of a vehicle i.e., Mahindra Pick Up, bearing registration no. HR-66-9666. The vehicle was purchased by respondent no.1. Vehicle was insured by the previous owner i.e., Jai Parkash, as per policy no. 25280431150100000519 valid from 30.04.2015 to 29.04.2016. Relevant documents were claimed to have been submitted by respondent no.1 before the Registration Authority, Mohindergarh, for incorporation of his name in the registration certificate. New certificate of registration was prepared on 28.05.2015 and delivered to him on 03.06.2015 by post. The vehicle on

01.06.2015, turned turtle on the road in the midst of the journey, due to some technical problem. Intimation of the accident was duly sent to the Insurance Company on 01.06.2015. Surveyor of the Insurance Company, inspected the site and the vehicle was retrieved with the help of a crane on 01.06.2015 and taken to Balaji Market, Rewari on 02.06.2015 for repairs. Estimate for repair of the vehicle as well as the labour charges of the crane and for the loss of ice slabs, which were being carried on the vehicle on 01.06.2015, were submitted for indemnification to the petitioner-Company.

Claim was however repudiated by the Insurance Company, on the ground that no contract subsisted between the Insurance Company and the applicant, though the accident in question as well as the estimate by the surveyor of the Insurance Company, was admitted.

When efforts for conciliation failed, the matter was ultimately decided by the Permanent Lok Adalat (Public Utility Services), Rewari, vide impugned award dated 21.08.2018. It is observed therein that the Insurance Company cannot escape from its liability in view of the subsisting insurance policy admittedly taken by the previous owner. The said Insurance policy, was admittedly in currency at the time of the accident which was accepted to have occurred, by the Insurance Company. A sum of ₹62,100/- (38,000 +12,700 +5800) alongwith interest at the rate of 8%, was awarded as well as ₹5500/- for harassment.

Learned counsel for the petitioner contends that once the policy in question was not transferred after sale of the vehicle, the Insurance Company, cannot be held liable there being no privity of contract between the Insurance Company and the subsequent owner.

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

The occurrence of the accident or the assessment by the petitioner's surveyor, is not in dispute. It is relevant to note that insofar as the liability of the insurance company towards third party, is concerned, there arises no dispute. The matter in this regard is settled to the effect that the insurance company cannot escape their liability. The question sought to be raised by the petitioner, is that there is a difference between the liability of an insurance company towards the third party, who may have suffered and in regard to the liability of the company towards the subsequent purchaser with whom there is no privity of contract. The insurance of the vehicle in question, is however not in dispute. There is also no dispute that the insurance policy in regard to the vehicle was in currency at the time of the accident. Be that as it may, it is a loss of ₹38,000/- as estimated by the petitioner's surveyor, which has been accepted by the learned tribunal while rejecting the claim of ₹1,35,995/-, set up by respondent no.1. The total amount ordered to be paid by the learned Permanent Lok Adalat, is ₹62,100/- along with interest at the rate of 8%. Learned counsel for the petitioner is unable to deny that it is not a very handsome amount which is involved in the present matter. It is relevant to note at this stage that the Hon'ble Supreme Court has on various occasions expressed that the valuable time of the Courts should not be taken up while dealing with such matters. Reference in this regard can gainfully be made to the judgement of the Hon'ble Supreme Court in **Haryana Dairy Development Cooperative Federation Limited Vs. Jagdish Lal 2014 (1) R.C.R (Civil) 888.** In **R.S.A No. 552 of 1988, titled as 'Life Insurance Corporation Vs. Smt. Nirmala Devi Sood', decided on 04.02.2014**, this Court had refused to interfere keeping in view the amount involved.

Therefore, keeping in view the facts and circumstances of the case, especially, amount involved, I do not find any ground whatsoever to interfere in the impugned award dated 21.08.2018, passed by the Permanent Lok Adalat (Public Utility Services), Rewari. Needless to say, the question involved in this writ petition, as raised by the petitioner, is kept open, to be decided in appropriate proceedings.

Present writ petition is accordingly dismissed with no order as to costs.

[LISA GILL]
Judge

14.01.2020
s.khan

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