

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH.**

(201) CWP-4187-2020
Date of Decision: February 17, 2021

Oriental Insurance Company Limited .. Petitioner

Versus

Narinder Kaur and others .. Respondents

(2) CWP-15049-2020

Narinder Kaur .. Petitioner

Versus

Permanent Lok Adalat and others .. Respondents

(Through video conferencing)

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Mr. Surinder Singh Sidhu, Advocate, for the petitioner,
(in CWP No.4187 of 2020) and for respondents No. 2 and 3
(in CWP No.15049 of 2020).

Mr. Ashish Gupta, Advocate, for the petitioner,
(in CWP No.15049 of 2020) and for respondent No.1,
(in CWP No.4187 of 2020).

Ms. Sunint Kaur, Assistant Advocate General, Punjab.

HARSIMRAN SINGH SETHI, J.(ORAL)

By this common order, two writ petitions are being disposed of,
details of which have been given in the heading of the order as these
petitions involve the similar facts and same question of law.

Learned counsel for the respondents in CWP No. 4187 of 2020
submits that the respondents are satisfied with the grant of Rs.25 lacs, which
has already been paid to the petitioner and the order dated 13.12.2019
passed by the Permanent Lok Adalat, Moga awarding Rs.30 lacs be
modified accordingly.

Keeping in view the undisputed fact that on the date of death of the employee namely Hardev Singh, who died on 19.01.2016, the maximum limit of the insurance claim was Rs.25 lacs only and it was only after the death, said claimed amount was raised by Rs.25 lacs to Rs.30 lacs, the legal heirs of the employee will only be entitled for the amount which is admissible on the date of the death, which admittedly was Rs.25 lacs and the said amount has already been paid to the claimants keeping in view the order passed by this Court dated 17.02.2020, no further directions are needed to be passed and the impugned order dated 13.12.2019 passed by Permanent Lok Adalat is modified to the extent that claimants will be entitled for a sum of Rs.25 lacs and not Rs.30 lacs as directed by Permanent Lok Adalat.

The award given by the Permanent Lok Adalat is silent as to why 9% interest has been granted to the claimants and that too from the date of award only upon the failure of the Insurance Company to pay the awarded amount. Once, the amount for which the claimants were entitled, has been retained by the Insurance Company and is being paid to the claimants much after the date on which they should have received the amount, the claimants are entitled for the interest. The grant of interest @ 9% in the facts and circumstances of the present case is on higher side and hence, the said direction is modified to the extent that the claimants will be entitled for interest on the awarded amount @ 7.5% per annum but from the date of the application.

The writ petitions are disposed of by modifying the order of the Lok Adalat dated 13.12.2019 to the extent that the claimants will be entitled for Rs.25 lacs as insured amount instead of Rs.30 lacs as directed alongwith

interest @ 7.5% per annum instead of 9% from the date of filing of the claim petition till the realization of the said amount.

As a sum of Rs.25 lacs has already been paid to the claimants under the interim order dated 17.02.2020 passed by this Court, let the calculation of the interest be done by the Insurance Company, as awarded under this order within a period of two months and the amount so calculated will be released to the claimants within a period of one month thereafter.

Both the writ petitions are allowed in above terms.

February 17, 2021
harsha

(HARSIMRAN SINGH SETHI)
JUDGE

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