IN THE PUNJAB AND HARYANA HIGH COURT AT CHANDIGARH

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CWP-29300-2018 (O&M).
Date of Decision: 09.12.2022.

Raj Pal

.. Petitioner

Versus

Permanent Lok Adalat and others

... Respondents

CORAM: HON'BLE MR. JUSTICE VINOD S. BHARDWAJ.

Present: Mr. Rajbir Singh, Advocate,
for the petitioner.

Mr. Ashwani Talwar, Advocate,
for the respondents No.2 to 4.

VINOD S. BHARDWAJ, J. (ORAL)

The instant petition raises a challenge to the Award dated 29.09.2016 (Annexure P-1) passed by the Permanent Lok Adalat (Public Utility Services), Panchkula.

Briefly summarized, the facts of the case are that the petitioner-applicant purchased vehicle Mahindra Balero bearing registration No.HP-12-D-5704 from the earlier registered owner Navneet Singh. The registration of the vehicle was changed in the name of the petitioner on 02.01.2013. An acknowledgement/receipt in this regard was also issued by the Registering Authority to the petitioner with an assurance that registration certificate shall be duly handed over after executing the transfer.

The said vehicle was insured with respondents - New India Assurance Company Limited, for the period from 19.10.2012 to 18.10.2013 in the name of its previous owner i.e. Navneet Singh. The petitioner claims to have requested the respondent No.2 - New India Assurance Company Limited to transfer the insurance policy in his name, however, it was informed by the said respondent - New India Assurance Company Limited that the needful can only be done after the registration certificate is issued. However, on 09.02.2013, the above registered vehicle was stolen from outside the house of the petitioner and a criminal case bearing FIR No.41 dated 10.02.2013 was duly registered at Police Station, Pinjore, for the commission of offence under Section 379 of the Indian Penal Code. The petitioner thus sought the insurance cover of the Insurance Declared Value to the tune of Rs.4,32,950/-. The claim of the petitioner was however declined by the respondent - New India Assurance Company Limited for the reason that the petitioner had no insurable interest since the insurance policy had been issued in the name of Navneet Singh who was the registered owner of the vehicle. Since the policy in question had not been transferred in the name of the petitioner within the time schedule, the benefit of insurance policy cannot enure in favour of the petitioner.

Aggrieved thereof, the petitioner preferred an application under Section 22-C of the Legal Services Authorities Act, 1987. Vide award dated 29.09.2016 (AnnexureP-1), the Permanent Lok Adalat (Public Utility Services), Panchkula, accepted the objection raised by the respondent - New India Assurance Company Limited and the dismissed the application for the above reason. Hence, the present petition was filed.

The learned counsel for the petitioner has, during the course of argument submitted, that the claim of the petitioner was declined for the reason that the insurance cover had not been transferred in the name of the petitioner within a period of 14 days as stipulated under Section 157 of the Motor Vehicles Act. He contends that the said issue had already been decided by the Hon'ble Supreme Court in the matter of ***Surendera Kumar Bhilawe Vs. The New India Assurance Company Limited, reported as 2020 (18) SCC 224***. The operative part of the aforesaid judgment reads thus:-

> *"43. The National Commission also failed to appreciate that Section 157 of the Motor Vehicles Act provides that where a person, in whose favour the certificate of insurance has been issued in accordance with the provisions of Chapter XI of the Motor Vehicles Act, transfers to another person the ownership of the motor vehicle in respect of which such insurance was taken together with the policy of insurance relating thereto, the certificate of insurance and the policy described in the certificate are to be deemed to have been transferred in favour of the person to whom the motor vehicle is transferred, with effect from the date of its transfer."*

It is argued that in view of the aforesaid authoritative pronouncement of the Hon'ble Supreme Court, the period of limitation cannot stand in favour of the respondent - New India Assurance Company Limited to deny the benefit to the petitioner and that the petitioner is entitled to the benefit of the insurance.

Learned counsel appearing on behalf of the respondent - New India Assurance Company Limited fairly conceded that the judgment of the

Hon'ble Supreme Court rules on the aforesaid issue against the respondent-New India Assurance Company Limited.

Accordingly, the present petition is allowed. The impugned order/award 29.09.2016 (Annexure P-1), passed by the Permanent Lok Adalat (Public Utility Services), Panchkula, is set aside. The respondent -New India Assurance Company Limited, is directed to reimburse the loss suffered by the petitioner. The insured declared value of Rs.4,32,950/- is accordingly awarded in favour of the petitioner. The above amount along with interest @ 6% per annum from the date when the said amount became due till its reimbursement be released within a period of six weeks from today.

December 09, 2022 **(VINOD S. BHARDWAJ)**
raj arora **JUDGE**

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