

**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

111

**CWP-1716-2024 (O&M)
Date of decision: 18.03.2024**

M/s Modern Motors, Fazilka

...Petitioner

VERSUS

The New India Insurance Co. Ltd. and others

...Respondents

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

Present :- M. Paras Jagga, Advocate for the petitioner.

VINOD S. BHARDWAJ, J. (Oral)

1. Challenge in the present petition is to the order dated 11.04.2023 (Annexure P-2) passed by the Permanent Lok Adalat (Public Utility Services), Fazilka, whereby the claim of the petitioner has been declined.

2. It is apparent from a perusal of the application that the petitioner-Firm has moved an application under Section 22 (C) of The Legal Services Authorities Act, 1987, before the Permanent Lok Adalat (Public Utility Services), Fazilka, for recovery of an amount of Rs.1,50,057/- along with the interest @ 18% per annum. The prayer was to the effect that the respondent-Insurance Company was required to pay the dues to the extent of 40% of the premium collected towards infrastructure expenses to the petitioner.

3. The application was partly accepted and award was passed

directing the respondent-Insurance Company to pay Rs.14,710/- to the petitioner-applicant along with interest @ 9% per annum w.e.f. 01.10.2014 till recovery. The claim regarding the balance amount was declined.

4. Aggrieved thereof, the present writ petition has been filed.

5. A specific query was posed to the learned counsel for the petitioner that as the claim in question was in relation to the infrastructure expenses from the respondent-The New Insurance Company Ltd. and was not in relation to a service of insurance being offered by the Insurance Company, the same would not fall within the controls of a dispute amenable to the jurisdiction of Permanent Lok Adalat under Public Utility Services as prescribed.

6. Learned counsel for the petitioner fairly submits that the said aspect was not taken into consideration at the time of institution of the proceedings before the Permanent Lok Adalat (Public Utility Services) under The Legal Services Authorities Act, 1987, and that it would indeed be a case of recovery instead of any deficiency in an insurance service rendered by the respondent- The New Insurance Company Ltd.

7. Since the application in question was not in relation to a deficiency in relation to a service offered by the Insurance Company and was more in the nature of a dispute between two rival parties as regards the share premium so collected, the proceedings before the Permanent Lok Adalat (Public Utility Services) under The Legal Services Authorities Act, 1987, were clearly not within the competence of the Permanent Lok Adalat (Public Utility Services).

8. Faced with the above, the learned counsel for the petitioner

seeks withdrawal of the original application instituted by the petitioner before the Permanent Lok Adalat (Public Utility Services) along with all consequential proceedings. The prayer is accepted subject to just exceptions.

9. The petitioner is allowed to withdraw the initial application preferred before the Permanent Lok Adalat (Public Utility Services) under The Legal Services Authorities Act, 1987, subject to just exceptions, so as to avail the alternative remedies available to him in accordance with law.

10. Disposed of as withdrawn with the liberty as aforesaid.

(VINOD S. BHARDWAJ)
JUDGE

18.03.2024
Mangal Singh

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