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224 IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CWP-4926 of 2020 (O&M)
Date of decision : August 07, 2024

Oriental Insurance Company Ltd.
..... Petitioner
Versus
Avtar Singh and others
..... Respondents

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

Present : Mr. Satpal Dhamija, Advocate for the petitioner.

Mr. Naresh Chander, Advocate
for respondent No.1.

None for respondent No.2.

Mr. Parveen Kumar Rohilla, Advocate
for respondent No.3.

VINOD S. BHARDWAJ, J (Oral)

1. Challenge in the present petition is to the award dated 19.08.2019 passed by the Permanent Lok Adalat (Public Utility Services), S.A.S. Nagar, Mohali. The petition came up for hearing on 25.02.2020 when the following order was passed:-

“Learned counsel for the petitioner, inter alia, contends that direction regarding cancellation of Registration Certificate (RC) and salvage has not been made by the learned PLA while directing the present petitioner to pay a sum of ₹6 lakhs towards total loss of vehicle. It is further submitted that the petitioner is aggrieved of the quantum of compensation awarded on account of mental tension and harassment.

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*Notice of motion for 17.08.2020.
Recovery beyond ₹8 lakhs to remain stayed till the next
date of hearing.”*

2. The grievance of the petitioner as noticed above was only with respect to the quantum of compensation awarded on account of mental tension and harassment.
3. Learned counsel appearing on behalf of the petitioner refers to the operative part of the impugned award wherein a sum of Rs. 2 lacs was awarded as compensation and it was ordered to be apportioned. The operative part reads thus:-

“In view of our above discussion the applicant has been able to substantiate his application and his application is allowed and the award is passed in favour of the applicant as under:-

- 1. The respondent shall pay Rs.6 lacs towards total loss of the vehicle involved in the accident to the applicant along with interest @ 8% from the date of accident;*
- 2. That the applicant is also entitled to Rs.2 lacs on account of PA cover note u/s 3 for owner/driver;*
- 3. The applicant is also entitled to Rs.2 lacs on account of mental tension and harassment by respondent No.1 in refusing to accept the claim.*
- 4. Out of the amount of Rs.2 lacs awarded as compensation is the respondent No.1 directed to deposit one lac in the PGI, Chandigarh towards the PGI Poor Patient Welfare Fund, Chandigarh and Rs.1 lacs shall be paid to the applicant.*

The amount of Rs.100000/- imposed on the respondent No.1 shall be paid to the PGI in Poor Patient Medicine Welfare Funds, Chandigarh within 45 days from the date of receipt of this Award failing which this amount of Rs.100000/- shall be recoverable by Collector as Land Revenue under the Punjab Land Revenue Act and shall be deposited in PGI Poor Patient Welfare Fund, Chandigarh. The applicant shall also be entitled

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to Rs.8000/- as costs of litigation. Out of the awarded amount, respondent shall have a first charge on this amount as the vehicle was purchased after taking a loan from respondent No.3 Bank of Baroda and if after satisfying the claim of respondent No.3, any amount is left it shall be paid to the applicant according to the rules. Copy of this award be supplied to the parties free of costs. File be consigned to record. Announced in open Lok Adalat at Mohali”

4. It is evident from the perusal of the said award that the amount of Rs. 2 lacs awarded as compensation has been apportioned between PGI, Poor Patient Medicine Welfare Funds, Chandigarh and to the applicant.

5. Learned counsel for the petitioner has emphatically argued that the Insurance Company has not committed any lapse and that the salvage has not been deposited and the petitioner has not been given any benefit of the salvage to which it is lawfully entitled.

6. Learned counsel for the respondent contends that there is no dispute with respect to the entitlement of the Insurance Company to the salvage value of Rs.35,000/- but submits that the same has already been given to the Insurance Company. He defends the cost imposed.

7. Since the claim is now confined only to the quantum of compensation, the said part of the award has been examined by this Court. It is seen that the amount of Rs. 2 lakhs awarded, the same has been apportioned equally between the PGI and the respondent applicant. Hence, the substantive compensation awarded to the respondent-applicant is only Rs.1 lakh.

8. The present writ petition is partly allowed, without entering further into the merits. The compensation as ordered to be apportioned



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between PGI, Poor Patient Medicine Welfare Funds, Chandigarh and the applicant is modified. Whilst the compensation awarded in favour of the respondent-applicant is upheld, the share ordered to be deposited with the PGI is set aside. The petitioner-Insurance Company is also held entitled to the salvage of the vehicle or its value thereof. Hence, in the event of the respondent-applicant failing to hand over salvage to the petitioner-Insurance Company, a deduction to the extent of Rs.35,000/- i.e. value of the salvage would be the admissible to the petitioner.

9. No other interference to the discretion exercised by the Permanent Lok Adalat (Public Utility Services), S.A.S. Nagar, Mohali is called for.

10. The writ petition is accordingly disposed of as partly allowed.

(VINOD S. BHARDWAJ)
JUDGE

August 07, 2024
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Whether speaking/reasoned	Yes
Whether Reportable :	No