IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

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CWP-9323-2023 (O&M)
Date of decision: 23.04.2024

ICICI Lombard, General Insurance Co. Ltd., Chandigarh
...Petitioner

VERSUS

Permanent Lok Adalat (Public Utility Services), SAS Nagar (Mohali) and another
...Respondents

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

Present :- Mr. Sanjeev Goyal, Advocate for the petitioner.

Mr. Yogesh Gupta, Advocate for respondent No.2.

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VINOD S. BHARDWAJ, J. (Oral)

1. Challenge in the present petition is to the award dated 01.06.2022 passed by respondent No.1, whereby the application filed by respondent No.2-applicant had been allowed and the petitioner-Insurance Company was directed to pay a sum of Rs.4,77,198/-, which is the IDV value of the car along with interest @9% per annum from the date of application till its realization as well as compensation of Rs.25,000/- for mental agony and harassment and Rs.10,000/- towards litigation expenses, to respondent No.2-applicant.

2. Briefly summarized facts of the case are that respondent No.2-applicant had purchased an Insurance Policy bearing No.3001/MI02767159/00/000 from the petitioner-Insurance Company with respect to

his Maruti Swift Dzire Car bearing registration No.PB07-AK-6355 having its validity from 06.05.2015 to 05.05.2016. On the intervening night of 16.04.2016/17.04.2016, the car met with an accident near the light points, Phase-6, Mohali, when a tourist bus bearing registration No.JK-02-AV-0307 hit the said car, which was being driven by then deceased-son of respondent No.2-applicant who unfortunately passed away. An FIR No.64 dated 17.04.2016 was registered under Sections 279, 337, 338, 427 and 304-A IPC at Police Station Phase-I, Mohali. The car was totally damaged in the said incident. Information in this regard was sent to the petitioner-Insurance Company and a claim was also raised for the total value thereof. The amount was however not paid despite respondent No.2-applicant approaching the petitioner on numerous occasions. Hence, an application was preferred by respondent No.2-applicant under Section 22-C of The Legal Services Authorities Act, 1987 before the Permanent Lok Adalat (Public Utility Services), SAS Nagar (Mohali).

3. The petitioner-Insurance Company entered appearance and filed its written statement denying the claim and it was averred that respondent No.2-applicant had not submitted the requisite documents to the petitioner-Insurance Company and that various letters were sent asking for the said documents and in the absence of necessary documents not being furnished by respondent No.2-applicant, the claim could not have been processed.

4. The terms of possible settlement were framed on 27.04.2022 for exploring the possibility of an amicable resolution of the dispute, however, as no settlement could be arrived at, adjudication of the dispute was

undertaken under Section 22C(8) of the Legal Services Authorities Act, 1987.

5. On consideration of the evidence as well as the contentions raised by the parties, the application of respondent No.2-applicant was allowed by the Permanent Lok Adalat (Public Utility Services) vide award dated 01.06.2022.

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

7. Learned counsel for the petitioner contends that the Permanent Lok Adalat (Public Utility Services) has failed to take into consideration that the petitioner-Insurance Company could not pay the claimed amount as the necessary documents referred in Annexure P-4 i.e. (1) Claim Form duly filled and signed by insured; (2) Indemnity Bond; (3) AML documents; and (4) Legal heir certificate, death certificate/relationship proof of nominee with insured, had not been filed. Hence, there was no lapse on the part of the petitioner-Insurance Company. He further submits that the salvage has also not been handed over by respondent No.2-applicant to the petitioner-Insurance Company and that it is entitled to the same.

8. Learned counsel appearing on behalf of respondent No.2-applicant on the other hand contends that no issue qua the salvage was ever raised by the Company and the only defence taken was that the necessary documents had not been furnished. He contends that as per the award passed by the Permanent Lok Adalat (Public Utility Services), the IDV value of Rs. 4,77,198/- along with interest was to be released in favour of respondent No.2-applicant subject to submission of relevant documents by

respondent No.2-applicant. He contends that thereafter, the amount in question has already been released by the petitioner-Insurance Company in favour of respondent No.2-applicant. Hence, the documents as were relevant and as required by the petitioner are deemed to have been fully satisfied and supplied by respondent No.2-applicant and that there was no other due.

9. He contends that the issue of salvage having never been raised by the petitioner either in the proceedings before the Permanent Lok Adalat (Public Utility Services) or at the stage of filing of present petition, it does not arise any further. It is contended that the petitioner never was in possession of the vehicle after the accident and having lodged the claim with the petitioner. The lapse thereafter was on the part of the Company in not taking the possession of the vehicle for which respondent No.2-applicant cannot be faulted.

10. Learned counsel for the petitioner does not dispute that the entire payment has already been released in favour of respondent No.2-applicant in furtherance with the award dated 01.06.2022.

11. I have heard the learned counsel appearing on behalf of the respective parties and have gone through the documents available on record.

12. It is evident from a perusal of the documents that a conditional award was passed by the Permanent Lok Adalat (Public Utility Services), whereby the ID value of the vehicle was ordered to be released subject to the requisite documents being supplied by respondent No.2-applicant. The fact that the entire amount already stands released in terms of the award passed by the Permanent Lok Adalat (Public Utility Services), it is inherent that the

documents as were necessary for processing the claim and release of payment had already been furnished to the petitioner-Insurance Company. No fresh demand can now be raised by the petitioner-Insurance Company at this stage as conditions necessary for the release of the said payment have already been met by respondent No.2-applicant. Any other objection being raised at this juncture by the petitioner-Insurance Company is merely an after-thought and cannot form the basis of setting aside the award.

13. In any case, learned counsel for respondent No.2-applicant has reiterated that he has no objection in executing any further documents that may be so desired by the petitioner for seeking possession of salvage, if the same has not already been taken by the petitioner-Insurance Company.

14. There is thus no illegality or perversity in the award and it cannot be said that the same has been passed in violation of the guiding principles under Section 22-D of The Legal Services Authorities Act, 1987.

15. The present petition is accordingly dismissed and the award dated 01.06.2022 passed by the Permanent Lok Adalat (Public Utility Services), SAS Nagar (Mohali) is affirmed.

(VINOD S. BHARDWAJ)
JUDGE

23.04.2024
Mangal Singh

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