IN THE PUNJAB AND HARYANA HIGH COURT AT CHANDIGARH

106 **CWP-24610-2024**
Date of Decision: 10.12.2024

SHIV KUMAR SINGHI

... Petitioner

VERSUS

THE PERMANENT LOK ADALAT PATIALA AND OTHERS

... Respondents

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

****

Present: Ms. Harmanpreet Kaur (Simmi), Advocate
for the petitioner.

****

VINOD S. BHARDWAJ, J. (ORAL)

Challenge in the present petition is to the Award dated 14.07.2023 passed by respondent No.1 - Permanent Lok Adalat (Public Utility Services), Patiala, whereby the application filed by the petitioner under Section 22-C of the Legal Services Authorities Act, 1987 has been dismissed.

Learned counsel for the petitioner has argued that the petitioner is a senior citizen and he had received a call from an official of the insurance company about a scheme launched for the senior citizens, pursuant whereto, the petitioner purchased a policy bearing No.100511919068 in the name of his grandson namely Pratham Singhi, aged about 5½ years. Thereafter, two more insurance policies were taken, with intent to gift money to his grandson on his birthday. Premium amount of Rs.25,000/- each for all the policies was paid/deposited continuously over a period of three years. The signatures of the petitioner were stated to have been procured on blank papers at the time of the issuance of the insurance policies. She further argued that the petitioner was, however, shocked to receive a call from the Survey Department of IRDAI, who informed that all three policies were executed through agents whose codes were inserted in the policies and benefits accrued in the policies are being transferred to the agents. Letters regarding non-receipt of bonus/benefits were addressed to the respondents, which came back undelivered.

Feeling cheated, he returned/surrendered the policies with a request to refund the total premium amount paid/deposited alongwith the benefits etc. Cheques dated 17.09.2014 were accordingly received by the petitioner. She contends that the as against the premium of Rs.2,25,000/-, an amount of Rs.1,57,864.77/- was paid to the petitioner. Accordingly, an application under Section 22-C of the Legal Services Authorities Act, 1987 was instituted by the petitioner.

The said application was, however, opposed by the respondent-Insurance Company by *inter alia* taking objection regarding non-maintainability of the application. It was also stated by the Insurance Company that an application had earlier been preferred by the petitioner to the Insurance Ombudsman, Chandigarh which was dismissed vide order dated 01.01.2015 and that the application was hit by the principle of *res-judicata* apart from being time barred.

While admitting that the insurance policies had been issued by the respondents and a sum of Rs.2,25,000/- had been paid, it was, however, denied that there was a mis-selling of the policies. It was stated in the policy documents duly supplied to the petitioner that he had a free-look period to examine all the essential terms and conditions and the entire premium could have been sought for within a period of 15 days from the receipt of the policy document. Having not done so and the request for surrendering the policies having been submitted beyond the stipulated period of 15 days, the surrender value of the policies had been credited to the account of the petitioner in September 2014 and there is no dispute about the surrender value of the policies being in accordance with the prescribed terms and conditions of the policy documents. There was thus no deficiency in service or unfair trade practice.

As the settlement proceedings could not result in an amicable resolution of the dispute, an adjudication under Section 22-C(8) of the Legal Services Authorities Act, 1987 was undertaken.

On considering of the documents, evidence as well as the arguments advanced by the counsel for the parties, the Permanent Lok Adalat (Public Utility Services), Patiala dismissed the application preferred by the petitioner by observing that the payment of Rs.1,57,864.77/- was paid by the respondents-Insurance Company vide cheque dated 17.09.2014, which was got encashed and the amount in question was credited to the account of the petitioner on 24.09.2014. Despite the same, the application in question was instituted on 14.07.2017 i.e. after a lapse of almost three years from the date of receiving the refund from the Insurance Company. The operative part of the said Award reads as under:

> *"14. Admittedly, all the three policies were surrendered by the applicant after paying the premium installments for three years. He, thus, paid/deposited Rs.2,25,000/- (Rs.25,000/-x3x3) in all. Browsing of letters (Ex.A12 to Ex.A14) depicts that against policies No. 100511919068, 100712070490, 100812127323, Rs.53,289.74 paisa, Rs.52,568.29 paisa, Rs.52,006.74 paisa, respectively (total Rs.1,57,864.77 paisa) were refunded by the*

respondents to the applicant vide cheques dated 17.09.2014. These cheques were got encashed by him. Statement of account (Ex.P15) unfolds that the amounts of all the three cheques were credited the account of the applicant on 24.09.2014. Payment was received by him without any demur. The instant application was instituted on 14.07.2017 i.e. after the lapse of almost three years from the date of receiving the refunded amount. If the applicant was paid less as alleged, then why he remained tight lipped and complacent about his rights for such a long period? The reasons to that effect being obscure go to show that the applicant is not speaking the truth.

15. Due amount as per policy terms and conditions has already been paid/refunded by the respondents to the applicant. He is not entitled to the balance amount as claimed. No deficiency in service or unfair trade practice can be attributed to the respondents. It appears to us that avarice of the applicant to grab the money has forced him to file a totally false and baseless application/complaint. The same is an afterthought and deserves dismissal."

Aggrieved thereof the present writ petition has been filed.

The counsel for the petitioner has vehemently argued that the Permanent Lok Adalat (Public Utility Services), Patiala has failed to appreciate that the petitioner had paid a sum of Rs.2,25,000/- towards the premium and as against the same the surrender value has been worked out to the tune of Rs.1,57,865.77/-, which is much lower than the premium paid by the petitioner. She contends that the aforesaid is a clear instance of mis-selling of the policies.

However, a specific question was posed to the counsel for the petitioner as to whether the surrender value has been returned in accordance with the terms and conditions of the insurance policy, counsel for the petitioner, despite having availed an opportunity to examine the same, is not in a position to rebut that the surrender value returned by the respondent-Insurance Company was not in accordance with the terms and conditions of the policy.

Under the given circumstances, this Court is not in a position to hold that there is any case of mis-selling of the policy and/or that the surrender value of the policies, returned on 17.09.2014, were not calculated in accordance with the terms and conditions or as per the IRDAI regulations. In the absence of any fault or deficiency in service on the part of the Insurance Company and there being no illegality, perversity or impropriety in the Award passed by the Permanent Lok Adalat (Public Utility Services), Patiala, the same cannot be held to be bad in law. Hence, I am not in a position to indicate any error in the Award passed by the Permanent Lok Adalat (Public Utility Services), Patiala or to hold that the said Award is not based upon the correct appreciation of the evidence led before it.

For the foregoing reasons, the present writ petition is hereby dismissed in *limine.*

(VINOD S. BHARDWAJ)
JUDGE

DECEMBER 10, 2024.
rajender

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