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

210 CWP-10909-2017
Date of Decision : **January 15, 2025**

NATIONAL INSURANCE COMPANY LTD

.....Petitioner

***VERSUS***

BALJEET SINGH & ANR

.....Respondents

**CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI**

Present : Mr. Paul S.Saini, Advocate
for the petitioner.

Mr. Mukesh Kumar Bhatnagar, Advocate
for respondent No.1.

**KULDEEP TIWARI, J. (Oral)**

1. Through the instant petition, as cast under Articles 226/227 of the Constitution of India, prayer is made for quashing of impugned order dated 3.3.2017, wherethrough direction was passed to pay the amount of Rs.6 lacs with interest @ 9% p.a. since 16.6.2007 (three months after the submission of untraced report Ex.A5) till the payment is made to respondent No.1. Apart from that, a compensation of Rs.2 lacs has also been imposed upon the Insurance Company/petitioner.

2. Learned counsel for the petitioner in an endeavor to throw challenge to the impugned order submits that the application preferred by respondent No.1 is hopelessly time barred. In this regard, he submits that the truck was stolen on 9.2.2007, and respondent No.1 furnished his claim on 14.2.2007, thereafter on 17.3.2008, the Insurance Company informed

respondent No.1 regarding lapses in his claim so submitted with them. A reminder was also issued on 24.3.2008 that in case respondent No.1 failed to submit the documents, his claim will be repudiated, therefore, the application which was admittedly filed on 28.3.2016, was beyond the statutory limitation, as prescribed under Article 44(b) of the Limitation Act, 1963. He further submits that the compensation which has been imposed by the Permanent Lok Adalat concerned, is on the higher side, as it was the fault of respondent No.1, who was unable to complete all the formalities and, therefore, for the default of respondent No.1, the Insurance Company concerned cannot be penalized. He also submits that there is no direction by the Permanent Lok Adalat concerned upon respondent No.1, to transfer the ownership right of the solen truck in favour of the Insurance Company concerned, at the time of paying awarded amount.

3. The submissions made by the learned counsel for the petitioner have been refuted by the learned counsel for respondent No.1. He submits that the Insurance Company concerned, has repudiated his claim on 28.11.2016, therefore, in view of Article 44(b) of the Limitation Act, the limitation would start from the date of repudiation of the claim. He further submits that respondent No.1, was made to run from pillar to post by the Insurance Company concerned to get his entitled due, however, when the same was not given, as per the requirement of Statute, the petitioner was left with no other remedy but to approach the Permanent Lok Adalat concerned, under sub-section 8 of Section 22C of the Legal Services Authorities Act, 1987.

4. Before this Court can embark upon the rival submissions made by the learned counsel for the parties concerned, let us have a glimpse of the facts, which are relevant for adjudication of the instant petition.

5. Respondent No.1, who is the owner of the truck in question was insured with the petitioner-insurance company for a period starting from dated 4.2.2007 to 3.2.2008. The insured value of the said truck was fixed at Rs.6,30,000/-(as per the learned counsel for the petitioner, he infact submits Rs.6 lacs), on which premium was paid by respondent No.1. On the fateful day i.e. on 9.2.2007, when the truck was driven by driver Vijay Kumar, the robber intercepted the truck and at the knife point, drove away the said truck. In this regard, an FIR No.108 dated 9.2.2007 under Sections 392/365/34 IPC, was registered at Police Station Okhla, Industrial Area, Distt. South, Delhi. Thereupon, as already recorded above in the submissions of the learned counsel for the petitioner that respondent No.1 has submitted his claim with the petitioner-Insurance Company and the same was inspected and the theft of the truck was confirmed. The investigating agency concerned has submitted a report before the learned Illaqa Magistrate concerned on dated 16.3.2007 to the effect that the vehicle could not be recovered. Despite the submissions of all documents, the Insurance Company/petitioner did not pay the insurance amount and the matter was lingering on one pretext or the other.

6. What further reflects from the perusal of the instant petition is that the claim was repudiated on dated 28.11.2016 on the ground that respondent No.1-applicant has not submitted the final untraced report, therefore, his case was closed.

7. This Court has considered the rival submissions made by the learned counsel for the parties concerned and has perused the entire record.

8. The facts, which are mentioned above, are not under dispute. Let examine the legal issue, whether, a statutory limitation comes in the way of respondent No.1, to approach the Permanent Lok Adalat concerned, under sub-section 8 of Section 22C of the Legal Services Authority Act. The limitation is prescribed in Article 44(b) of the Limitation Act, 1963 and the same is reproduced hereinafter:-

> *"On a policy of insurance when the sum insured is payable after proof of the loss has been given to or received by the insurers.*
>
> *Three years.*
>
> *The date of the occurrence, causing the loss or where the claim on the policy is denied, either partly or wholly, the date of such denial."*

9. The study survey of the above clearly reflects that the limitation of 3 years, would start, either (i) the date of the occurrence, causing the loss or; (ii) where the claim on the policy is denied either partly, or wholly, the date of such denial. In the instant case, the claim of the petitioner was undoubtedly repudiated on dated 28.11.2016, therefore, in view of the above provisions, the application filed before the Permanent Lok Adalat concerned, by respondent No.1 is very well within the prescribed of limitation period.

10. So far as the other issue, which has been raised before this Court regarding disproportionate of the compensation, as imposed by the Permanent Lok Adalat is concerned, this Court do not find any reason to interfere with the same. The Insurance Company concerned, ought to have given the claim of the petitioner at the relevant time, but infact in the instant case on the flimsy reasons when respondent No.1 approached the Permanent Lok Adalat

concerned, they repudiated his claim only on account that untraced report has not been duly accepted by the Court concerned, which is not in consonance with the terms and conditions of the policy, therefore, on this said aspect, the award passed by the Permanent Lok Adalat concerned does not require any interference.

11. However, this Court finds merit in the final submission made by learned counsel for the petitioner, that there is no direction by the Permanent Lok Adalat concerned, upon respondent No.1-applicant to transfer the registration certificate in the name of the Insurance Company concerned at the time of execution of award. Therefore, this Court deems it fit and appropriate to partially modify the impugned award, to the effect that respondent No.1 would undertake the exercise of transferring the registration certificate of the truck in favour of the Insurance Company concerned at the time of making full and final payment of the awarded amount by the petitioner-Insurance Company.

12. **Disposed** of in the above terms.

**(KULDEEP TIWARI)**
**JUDGE**

**January 15, 2025**
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Whether speaking/reasoned. : Yes/No
Whether Reportable. : Yes/No