



CWP-21487-2019

(1)

In the High Court of Punjab and Haryana at Chandigarh

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Date of Decision: 24.02.2026

SHIMBHU DAYAL

..... PETITIONER(S)

VERSUS

PERMANENT LOK ADALAT AND ANR.

.....RESPONDENT(S)

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present: Mr. Ashish Sanghi, Advocate for the petitioner.

None for respondent No.2.

SUVIR SEHGAL, J. (ORAL)

1. This writ petition has been filed, *inter alia*, assailing Award dated 15.03.2018 (Annexure P-3) passed by the Permanent Lok Adalat, Public Utility Services, Narnaul, (for short "Lok Adalat"), whereby an application filed under Section 22-C of the Legal Services Authorities Act, 1987 (hereinafter referred to as "*LSA Act*") has been rejected.

2. Brief facts leading to the filing of the petition are that the petitioner is a registered owner of a motorcycle, which was insured with respondent No.2-insurance company. Petitioner purchased an insurance policy which was valid from 15.01.2014 to 14.01.2015 on deposit of a requisite premium. On 29.06.2014, the vehicle was stolen from Grain Market, Nangal Chaudhary. Petitioner informed the police but they did not register the FIR and asked the petitioner to search for the stolen vehicle. When the petitioner could not locate the vehicle, he approached the police again and an FIR bearing No.173 dated 06.07.2014 (Annexure P-1) was registered. After investigation, an untraced report dated 01.11.2014(Annexure P-2) was submitted. Thereafter, petitioner lodged a claim with the insurance company which has been repudiated by respondent



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No.2 on the ground that there was a delay in the intimation to the insurance company as well as there a delay in lodging of the FIR. Petitioner approached the Lok Adalat and vide impugned Award dated 15.03.2018 (Annexure P-3), application has been dismissed.

3. Counsel for the petitioner has made a reference to instructions dated 20.09.2011 (Annexure P-4), issued by the Insurance Regulatory and Development Authority (I.R.D.A.), to contend that the delay in intimating should not prevent the insurance company from settling genuine claims. He stressed that petitioner had given sufficient reason for delay in lodging the FIR. He asserts that petitioner awaited the outcome of the investigation of the criminal case before lodging a claim.

4. Despite service, respondent No.2-insurance company has remained unrepresented.

5. I have learned counsel for the petitioner and examined the documents relied upon by him.

6. In **Gurshinder Singh Versus Shriram General Insurance Co. Ltd. & Anr. (2020) 11 SCC 612**, the Hon'ble Supreme Court observed that an insured shall give immediate notice to the police and cooperate with the company in securing the conviction of the offender. The object being that if the police is promptly informed, the machinery can be set in motion and steps for recovery of the vehicle can be expedited. In cases of theft, insurance company or its surveyor would have a limited role as it is the police, who acting on the FIR of the insured, will be required to take swift action for tracing and recovering the vehicle. *Per contra*, surveyor of the insurance company, at the most, can ascertain the factum regarding the theft



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“20. We, therefore, hold that when an insured has lodged the FIR immediately after the theft of a vehicle occurred and when the police after investigation have lodged a final report after the vehicle was not traced and when the surveyors/investigators appointed by the insurance company have found the claim of the theft to be genuine, then mere delay in intimating the insurance company about the occurrence of the theft cannot be a ground to deny the claim of the insured.”

7. In **Dharamender Versus United India Insurance Co. Ltd. & Ors.** (2024) 1 SCC 381, Supreme Court came to the conclusion that argument regarding delay in lodging the FIR need not be examined as the case of the insurance company throughout has been based upon the delay in intimation to the insurance company.

8. Petitioner's vehicle was stolen on 29.06.2014 and he immediately informed the police but they did not register the FIR. When petitioner failed to locate the stolen vehicle, he approached the police again, who lodged the FIR, Annexure P-1, on 06.07.2014. Therefore, the delay of about 07 days in the lodging of the FIR, which has been reasonably explained. Criminal case lodged by the petitioner was investigated and an untraced report dated 01.11.2014 (Annexure P-2) was prepared and which was submitted before the Trial Magistrate. It was only thereafter that the petitioner lodged a claim with the insurance company on 16.12.2014, which has been rejected on account of delay of 108 days. The very fact that after the investigation of criminal case, the police could not trace the vehicle and an untraced report was prepared by them, is enough to establish theft of the vehicle. It does not lie in the mouth of the insurance company to reject the claim on the ground of delay in intimation, as they are not in a position to question the veracity of the claim. Vide circular dated 20.09.2011(Annexure P-4), I.R.D.A. has advised all the insurers to

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advisory has been issued that the insurers should not repudiate such claims until and unless the reasons for delay are specifically ascertained, recorded and the insurers are satisfied that delayed claims would have been otherwise been rejected even if reported on time. It has been clarified that the condition laid in the insurance policy which provides for lodging the claim within a specified period, should not prevent settlement of genuine claims, particularly when delay in intimation or submission of documents is due to unavoidable circumstances.

9. Applying the ratio of both the above-noted judgments of Hon'ble Supreme Court as well as circular of the I.R.D.A, this Court has come to the conclusion that the repudiation of the claim by respondent No.2 is unjustified. As a result, impugned Award dated 15.03.2018 (Annexure P-3) passed by the Lok Adalat rejecting the claim, cannot be sustained.

10. For the foregoing reasons, writ petition is allowed and impugned Award dated 15.03.2018 (Annexure P-3) passed by the Lok Adalat, is set aside. Claim is accepted and respondent No.2 is directed to pay the insured value of the vehicle to the petitioner alongwith interest @ 6% from the 01.04.2015 till the date of disbursement.

**(SUVIR SEHGAL)
JUDGE**

24.02.2026

Anjal

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