



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

CWP-28763-2024

Date of decision:-15.09.2025

New India Assurance Company Ltd.

...Petitioner

Versus

Permanent Lok Adalat (PUS), Rupnagar and anr.

...Respondents

CORAM : HON'BLE MR. JUSTICE SUVIR SEHGAL

Present : Mr. Abhimanyu Kalsy, Advocate
for the petitioner.

Mr. Saurav Kanojia, Advocate
for respondent No.2.

SUVIR SEHGAL, J.(ORAL)

1. Petitioner – insurance company has approached this Court by way of present petition assailing award dated 26.07.2024, Annexure P1, passed by Permanent Lok Adalat (Public Utility Services), Rupnagar (for short - 'Lok Adalat').

2. Factual position is not in dispute. Respondent No.2 availed a loan from State Bank of India and purchased a Maruti Suzuki Baleno car, which was insured with the petitioner under policy dated 06.06.2016 for a period of one year. The vehicle was stolen on 18.11.2016 and respondent No.2 lodged an FIR for offences under Sections 457 and 380 IPC. Police could not recover the vehicle and submitted an untraced



-2-

105

report, which was accepted by the Magistrate on 09.12.2017. Respondent No.2 lodged a claim with the petitioner on 06.12.2016, which was repudiated vide letter dated 12.03.2019, Annexure P2. An application under Section 22-C of the Legal Services Authorities Act, 1987 was filed by insured – respondent No.2 before the Lok Adalat, which was accepted vide the impugned award whereby respondent No.2 has been awarded Rs.9,71,587/- along with interest @ 9% per annum besides compensation of Rs.5,000/-.

3. Counsel for the petitioner has urged that there was an unexplained delay in the lodging of the FIR as well as in giving intimation to the insurance company and thereby respondent No.2 violated the terms and conditions of the policy. It is his argument that vide policy, Annexure P4, vehicle had been insured for Rs.7,99,892/-, but the Lok Adalat has erred in awarding the entire value of the car.

4. Counsel for respondent No.2, in all fairness, has conceded that he is not entitled to a claim beyond the insured amount. He contends that mere delay in giving information of theft to the insurance company cannot be a ground for denying the claim and there was no laxity in intimating the police.

5. I have heard counsel for the parties and considered their respective submissions besides examining the documents appended with the paper-book.

6. There is no dispute about the factual position. Perusal of the insurance policy shows that the insured value of the vehicle was



-3-

105

Rs.7,99,892/-. Vehicle was stolen on 18.11.2016 and respondent No.2 intimated the police to register an FIR, but vehicle could not be recovered. Intimation was given to the insurance company on 06.12.2016, but claim was repudiated vide letter, Annexure P2, on the ground that there had been a violation of Condition No.1 of the insurance policy, which required the insured to intimate the insurance company in writing immediately upon the occurrence of any loss or damage to the vehicle.

7. Interpreting a similar condition in the insurance policy, Hon'ble Supreme Court in **Gurshinder Singh Versus Shriram General Insurance Co. Ltd. & Anr. (2020) 11 SCC 612** 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, the surveyor of the insurance company, at the most, can ascertain the factum regarding the theft of the vehicle. Supreme Court held as under:

“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



105

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.”

8. 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.

9. Case set up by the insured is that he gave prompt information to the police authorities of theft of the vehicle. However, he was told to wait for some time as there is a possibility that vehicle may be recovered and then there will be no need for registration of the FIR. When vehicle could not be traced, FIR was registered which resulted in some delay. In any case, the period of 12 days cannot be said to be so long so as to cast any doubt on the incident or to defeat the claim of the insured. Furthermore, it is an admitted fact that the police authorities investigated the FIR, but could not trace the vehicle and Untraced Report submitted by them was accepted by the learned Magistrate. In any case, this is not even the reason given by the insurance company for repudiation of the claim. Insofar as the delay in the intimation to the insurance company is concerned, it is immaterial. Similar plea has been turned down by the Hon'ble Supreme Court in *Gurshinder Singh's* case (supra). Repudiation of the claim is therefore unjustified. To this extent, no interference is called for in the award, Annexure P1.



105

10. For the reasons recorded above, impugned award is modified. Insured - respondent No.2 is held entitled to an amount of Rs.7,99,892/-. The remaining part of the award passed by the Lok Adalat is upheld.

11. Writ petition is disposed of.

(SUVIR SEHGAL)
JUDGE

15.09.2025

Brij

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