
(2012) 09 JH CK 0205

In the Jharkhand High Court

Case No : Writ Petition (C) No. 7054 of 2006

Bajaj Allianz General Insurance Co. Ltd.

APPELLANT

Vs

Supriya Munda and Others

RESPONDENT

Date of Decision : 10-09-2012

Acts Referred:

Constitution of India, 1950 — Article 227

Legal Services Authorities Act, 1987 — Section 22(C), 22(C)(4), 22(C)(8)

Citation : (2013) 2 JLJR 165

Hon'ble Judges : Aparesh Kumar Singh, J

Bench : Single Bench

Advocate : Siddhartha J. Roy, for the Appellant; Ashutosh Anand, for the Respondent

Final Decision : Allowed

Judgement

Aparesh Kumar Singh

1. Heard learned counsel for the parties. The award dated 02.09.2005 passed by the Permanent Lok Adalat, Ranchi in PLA Case No. 160 and 161 of 2005 is under challenge whereby the petitioner-Insurance Company has been made liable to pay a sum of Rs. One Lakh under personal accident coverage to the respondent no. 1 to 5 on account of death of Rudhi Munda, who died in accident caused by the truck which hit the motorcycle on which he was driving.

2. Learned counsel for the petitioner-Insurance Company submits that the impugned award has been passed by the Permanent Lok Adalat without appreciating the provision of the Legal Services Authority Act, 1987 specifically provisions contained in Section 22 (C) (4) to (7) of the Act, 1987 while adjudicating the dispute on merit in a matter relating to claim arising in accident case under Motor Vehicle Act, wherein under a specially constituted Tribunal is already functioning.

3. Learned counsel for the respondents-claimants submits that the petitioner-

insurance company despite service did not choose to appear and take steps and, therefore, the Permanent Lok Adalat was left with no option, but to adjudicate the matter on merit. It is, however, not in dispute that the Permanent Lok Adalat before proceeding to adjudicate the dispute on merit did not take steps for conciliation of the claim between the parties and also did not frame any settlement and offered to the rival parties for arriving at compromise or agreement thereupon. The mandate of Section 22 (C) of the Act clearly lays down that only upon the failure of conciliation between the parties or on failure to arrive at settlement framed by the Permanent Lok Adalat, the Permanent Lok Adalat may proceed to adjudicate the dispute on merit u/s 22(C)(8) of the Act, 1987.

4. Having heard learned counsel for the parties, it is apparent that the issue involved in the PLA Case relating to the writ petitioner is no longer res-integra in view of the categorical pronouncement in W. P.(C) No. 2477 of 2008 vide order dated 26.04.2010 in the case of National Insurance Co. Ltd. Vs. Bhutel Murmu & Others delivered by a single Bench of this Court and in the case of M/s Oriental Insurance Company Limited, Kutchery Road Ranchi Vs. Bodya Oraon & Anr. delivered by a Division Bench of this Court that in a matter relating to motor vehicle accident claim Permanent Lok Adalat can entertain a claim but can adjudicate on merits only upon failure of parties to arrive at conciliation or compromise on the terms of settlement offered to it. The Permanent Lok Adalat, therefore, acted contrary to the provision of the Act, 1987 and the law laid down in this respect and has thus gone beyond jurisdiction, which is required to be interfered in exercise of Article 227 of the Constitution of India in supervisory jurisdiction.

5. In view of these undisputed facts, the impugned award dated 2nd September, 2005 (Annexure-3) cannot be sustained in law and is, accordingly, set aside.

6. However, it is left open to the parties either to arrive at compromise in terms of the any agreed settlement between them or get it adjudicated in duly constituted Tribunal under relevant provision of Motor Vehicle Act, 1988. With the aforesaid liberty and observations made hereinabove, this writ petition is allowed.