STATE CONSUMER DISPUTES REDRESSAL COMMISSION, PUNJAB, CHANDIGARH.

First Appeal No. 76 of 2025

Date of institution : 29.01.2025
Reserved on : 05.08.2026
Date of Decision : 20.08.2026

Harbans Singh, aged about 70 years W/o Sh. Wazir Singh, resident of Village Ghabdan, Tehsil Sangrur Punjab (148001), now residing at House No. 249/08, Bazigar Basti, Jakhal, Tehsil Tohana, District Fatehabad (HR)

….Appellant/Complainant

Versus

United India Insurance Company Limited, Govt. School Road, Khanauri Mandi, Sangrur (Punjab) 148027, through its Branch Manager

….Respondent/Opposite Party

First Appeal under Section 41 of the Consumer Protection Act, 2019 against the order dated 21.10.2024 passed by the District Consumer Disputes Redressal Commission, Sangrur in C.C. No. 726 of 2021.

Quorum:-

Hon'ble Mrs. Justice Daya Chaudhary, President

Ms. Simarjot Kaur, Member

Mr. Vishav Kant Garg, Member

1) Whether Reporters of the Newspapers may be allowed to see the Judgment? **Yes/No**

2) To be referred to the Reporters or not? **Yes/No**

3) Whether judgment should be reported in the Digest? **Yes/No**

Present:-

For the appellant	:	Sh. Sanjeev Goyal, Advocate (Through VC)
For the respondent	:	Sh. Nitin Gupta, Advocate (Through VC)

VISHAV KANT GARG, MEMBER :

The Appellant/Complainant, has filed the present Appeal under Section 41 of the Consumer Protection Act, 2019 (in short the 'Act'), being aggrieved by the order dated 21.10.2024 passed by the District Consumer Disputes Redressal Commission, Sangrur (in short, "the District Commission"), whereby the Complaint filed by the Complainant (Appellant herein) had been partly allowed.

2. It would be apposite to mention here that hereinafter the parties will be referred, as were arrayed before the District Commission.

3. Briefly, the facts of the case of the Complainant, which are necessary for the disposal of the present Appeal are that the Complainant's insured Truck bearing No. PB-13-AL-6579 was snatched near Gurdaspur. Said vehicle was insured with the OP. The OP had settled the claim on non-standard basis. The Complainant had alleged the settlement to be wrong and illegal. Being aggrieved from the action of the OP, the Complainant had filed the Complaint before the District Commission with the following prayers:-

> "(i) The opposite party may kindly be directed to release the balance claim amount of Rs.2,11,500/- alongwith interest @ 18% per annum from the date of loss till realization.
>
> (ii) The opposite party may kindly be directed to pay the interest @18% per annum on the delayed payment of Rs.11,88,500/- from the date of theft i.e. 10/01/2019 to 19/02/2021.

> (iii) The opposite party may kindly be directed to pay compensation of Rs.1,00,000/- on account of harassment, financial loss, mental agony as well as unfair trade practice.
>
> (iv) The opposite party may kindly be directed to pay Rs.22,000/- as litigation expenses."

4. Upon issuing notice in the said Complaint to the OP, the OP had appeared through Counsel and had filed reply/written version. After receiving information of theft of the Truck, the OP had appointed an Investigator to verify the incident. The Police had also submitted the untraced report before the Illaqa Magistrate, Gurdaspur. Said Court had accepted the same on 01.10.2019. Thereafter, the OP had settled the claim on a sub-standard basis for an amount of Rs.11,88,500/-. All other averments made in the Complaint were controverted by the OP.

5. By considering the averments made in the Complaint and reply thereof as well as the oral arguments raised by the Counsel for the parties and documents available on the record, the District Commission had partly allowed the Complaint. The part of the order dated 21.10.2024 as mentioned in Para-14 is reproduced as under:

> "14. Resultantly, keeping in view of the facts and circumstances of the present complaint in hand and with careful analysis of the evidence available on record and in the light of the decisions of the Hon'ble Supreme Court of India, Hon'ble National Consumer Commission and Hon'ble Delhi high Court, we partly allow the complaint of the complainant and direct the Op to pay only the interest on the already paid amount Rs.11,88,500/- @ 7% per annum from 01.10.2019 to 24.12.2020. Further, the Op is directed to pay consolidated sum of Rs.10,000/- as compensation and litigation expenses."

6. Being aggrieved by the order dated 21.10.2024 passed by the District Commission, Appellant/Complainant has filed the present Appeal by raising a number of grounds.

7. **Mr. Sanjeev Goyal, Advocate, learned Counsel for the Appellant** appeared through VC and has submitted that it is undisputed that the Complainant's Truck was snatched near URO Kid School, Kalanour Road, Gurdaspur by some unknown persons. DDR No. 64 dated 12.02.2019 regarding the theft incident was lodged with the Police Station (City), Gurdaspur. On receiving intimation, the OP had appointed an Investigator, who verified the theft. The OP after considering the Investigator's report dated 22.02.2020, had settled the claim at Rs.11,88,500/-, without providing any justification, whereas the vehicle was insured for Rs.14,00,000/- with the OP. The OP had wrongly and illegally settled the claim on non-standard basis, by deducting Rs.2,11,500/- from the IDV of the Truck and had delayed the payment of Rs.11,88,500/- for two years. The Complainant's case is that since the Driver was unwell, he had taken the medicine, fell asleep inside the truck under the influence of the medicine. The OP had failed to prove any negligence on the part of the Driver and had accepted the Investigator's finding regarding the snatching. The Complainant had clearly mentioned that he had signed the Settlement Form under the influence, coercion and compelling circumstances. If the consent is obtained under coercion and threat, the party is entitled to seek the remaining amount. The District Commission had wrongly observed that the Complainant was not entitled for remaining insured amount of Rs.2,11,500/-. It was prayed that the Appeal be accepted and the impugned order be modified and the Appellant be granted the due amount in toto as per the prayer in the Complaint.

8. On the other hand, **Sh. Nitin Gupta, Advocate** learned Counsel for the Respondent has also appeared through VC and has submitted that the theft was intimated to the OP after the delay of 8 days. DDR was also lodged on 12.02.2019 with the delay of 31 days. Due to said

delay caused by the Complainant, the OP could not take the immediate action to trace the vehicle. It was admitted stand of the Complainant that the Driver had left the ignition key in the truck, while sleeping, therefore, the driver had failed to take due and reasonable care. There was violation of the terms and conditions of the Insurance Policy. However, the OP had sympathetically approved the claim on a non-standard basis, by deducting only 15% from the sum insured and had settled and sanctioned the claim for Rs.11,88,500/- (85% of IDV release). The Complainant had accepted this amount voluntarily and did not submit any protest at that time. However, after receiving the settled amount, the Complainant had raised the claim of remaining amount with the malafide intention to grab more money. The District Commission had thoroughly considered the submissions of the Complainant while partly allowing the Complaint. It was prayed that the Appeal being devoid of any merit, be dismissed.

9. We have heard the oral arguments of the learned Counsel for the parties and have carefully perused the impugned order passed by the District Commission, written arguments submitted by the parties and all the relevant documents available on the file. We have also gone through the judgments cited by both the parties.

10. There is no dispute that the Complainant's Truck was snatched by unknown persons in Gurdaspur. The Complainant had informed the Police and the OP about the theft. After accepting the Investigator's report, the OP had settled the claim for Rs.11,88,500/-. The Complainant had challenged this settlement on the ground that the OP had wrongly and illegally deducted Rs.2,11,500/- from the IDV and took 25 months' time in settling the claim. It was argued that the District Commission had wrongly granted the interest for the period w.e.f.

01.10.2019 till 24.12.2020, failing to consider the accrued due interest from the date of theft as well as claim of Rs.2,11,500/-.

11. As it is the responsibility of the insured to take all reasonable steps to safeguard the Truck, therefore, it was the duty of the Driver to lock the truck and remove the keys. By considering such negligence on the part of the Driver, the OP while settling the claim of the Complainant, had deducted 15% amount out of IDV value and settled the claim on non-standard basis.

12. Now to examine the issue regarding admissibility of claim on a non-standard basis, the Hon'ble Supreme Court of India in "**Amalendu Sahoo** Vs. **Oriental Insurance Co. Ltd."**, **2010(3) CLT 1, has** upheld the criteria established by the Hon'ble National Commission for settling the claim on a non-standard basis (relevant part), which reads as follows:-

13. "In the case of Nitin Khandelwal (supra) the State Commission allowed 75% of the claim of the claimant on non-standard basis. The said order was upheld by the National Commission and this Court refused to interfere with the decision of the National Commission.

14. ….While granting claim on non-standard basis the National Commission set out in its judgment the guidelines issued by the insurance company about settling all such non-standard claims. The said guidelines are set out below:-

Sr. No.	Description	Percentage of settlement
(i)	Under declaration of licensed carrying capacity	Deduct 3 years' difference in premium from the amount of claim or deduct 25% of claim amount, whichever is higher.
(ii)	Overloading of vehicles beyond licensed carrying capacity	Pay claims not exceeding 75% of admissible claim.
(iii)	**Any other breach of warranty/condition of policy including limitation as to use**	Pay upto 75% of admissible claim.

> From a perusal of the aforesaid guidelines it is clear that one of the cases where 75% claim of the admissible claim was settled was where condition of policy including limitation as to use was breached."

However, in the present case, the OP had already settled the Complainant's claim at the ratio of 85%, inspite of not taking due care. The Appellant in the Appeal has not brought any evidence by which informed the OPs regarding settlement under threat or compelled circumstances. Whereas the Complainant himself has submitted the Consent Letter, Letter of Indemnity, Letter of Undertaking, and Letter of Subrogation as per LCR (page 125-137) on non-judicial stamp paper. The issue has been dealt in detail by the District Commission in para 9 of the impugned order dated 21.10.2024. Therefore, in our view the OP had rightly decided the claim on a non-standard basis.

13. Now the other issue is whether the District Commission had wrongly granted the interest from 01.10.2019 to 24.12.2020.

14. As per the version of the Complainant, the Truck in question was snatched on 10.01.2019 and intimation was given to the OP on the same day, therefore, the Appellant/Complainant has claimed the interest on the settlement amount after two months of giving intimation of theft to the OP. He has relied upon the judgment of the Hon'ble National Commission **"Amirali A Mukadam Vs. United India Insurance Co. Ltd."** IV (2007) CPJ 234 (NC). No doubt there is a specific timeline to settle the claims, however, the said law is not applicable in the present case as upto the date of acceptance of Untrace Report by the Competent Court, non-traceable element of the Truck was not confirmed. For settling the theft claim, said report was/is the most important document. The Court of CJM, Gurdaspur had accepted the untrace report on 01.10.2019. Ex.OP/19 proved that the Complainant had submitted the documents for the

settlement of claim on non-standard basis on 24.12.2020. Therefore under the circumstances, the District Commission had rightly granted the interest w.e.f. the date of acceptance of the untrace report to date of submission of documents for settlement. Keeping in view the said circumstances, the said finding is fully justified. Therefore in view of the above, the prayer seeking the interest immediately after the lodging of the claim is not acceptable in the present case. **Hence, the said ground of the Appellant is rejected.**

15. As the settlement of the claim on non-standard basis has already been found justified, therefore, the Appellant in no way is entitled to the full and final IDV of the Truck. Vide letter dated 24.12.2020, the Complainant had submitted his consent letter/affidavit on non-judicial stamp papers and clearly mentioned in other documents that he had received the amount as full and final settlement. Since there was neither any disagreement on the part of the Complainant upto the date of submission of the Consent Form nor any letter is available on record wherein the Complainant had informed about his disagreement with the said settlement, therefore, no fraud, coercion, undue influence on the part of the OP has been proved on record. Therefore, the judgments relied upon by the Appellant do not support the case of the Complainant. Hence, it is held that at a later stage, the Complainant was not entitled to claim the balance insured amount.

16. The Appellant/Complainant has failed to pin-point any irregularity in the impugned order. The findings of the District Commission are based on the proper appreciation of the record and are fully justified. The impugned order is a well-reasoned order, having no ground to set aside. Accordingly, finding no merit in the present Appeal, the same **is**

hereby dismissed and the impugned order dated 21.10.2024 of the District Commission is upheld.

17. Since the main case has been disposed off, so all the pending Miscellaneous Applications, if any, are accordingly disposed off.

18. The Appeal could not be decided within the statutory period due to heavy pendency of Court Cases.

(JUSTICE DAYA CHAUDHARY)
PRESIDENT

(SIMARJOT KAUR)
MEMBER

(VISHAV KANT GARG)
MEMBER

August 20, 2026.
as-jw