IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
FIRST APPEAL (ST). NO. 36310 OF 2017
with
CIVIL APPLICATION NO. 1620 OF 2018
IN
FA (ST) NO. 36310 OF 2017

Bajaj Allianz General Insurance
Co. Ltd. ..Appellant

v/s.

Alka Raju Mahale & Ors. ..Respondents

Mr. Sarthak Diwan for the Appellant

CORAM : SMT. ANUJA PRABHUDESSAI, J.
DATED : 17th APRIL, 2018.

P.C.

1. Heard. With consent of the parties, matter is taken up for final hearing.

2. The appellants herein have challenged the order dated 22nd June, 2017 in MACP NO. 1041 of 2014, whereby the MACT, Nashik has awarded no fault compensation of Rs.50,000/- under Section 140 of the Motor Vehicle Act.

3. The learned Counsel for the applicant submits that the insurance company is not liable to pay compensation towards no fault liability because of breach of the terms and conditions of the policy. He further submits that the deceased had expired on account of injury sustained in a different accident.

4. At the outset it may be mentioned that the object of Section 140 of the MV Act 1988 which is based on the principle of no fault liability, is to provide immediate financial help to the victims of motor vehicular accident. In terms of sub-section 2 of section 140 an amount of compensation of Rs.50,000/- is payable in case of death amd Rs.25,000/- in respect of permanent disability. It is further to be noted that the compensation received under sub-section (2) of Section 140 is to be adjusted while paying the compensation on the principles of “fault liability”.

5. In the instant case, the appellant has disputed its liability to pay the compensation under Section 140 of the Motor Vehicles Act on the ground of breach of terms and conditions of the policy. The defence

raised by the appellant insurance company cannot be considered at this stage. It may be mentioned that Section 140 of the Motor Vehicle Act is a welfare legislation and these proceedings are to be decided in summary manner. Conducting detail investigation or inquiry at this stage would defeat the object of this provision.

6. As stated earlier, the defence raised by the insurance company has to be decided in the main application. If the insurance company ultimately succeeds in proving its defence and is exonerated of its liability of indemnifying the third party, the tribunal can pass appropriate order at the stage of final award directing the owner to refund the amount along with interest thereon to the appellant insurance company.

7. In the light of the above, the appeal has no merits and is accordingly dismissed. In view of dismissal of the appeal, the application for stay does not survive and the same is dismissed.

(ANUJA PRABHUDESSAI, J.)