IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

LPA No.32 of 2019
Date of decision: 13.11.2024

New India Assurance Co. Ltd

......Appellant

Versus

Union of India and Ors.

.....Respondents

CORAM: HON'BLE MR. JUSTICE G.S. SANDHAWALIA
HON'BLE MRS. JUSTICE MEENAKSHI I. MEHTA

Present: Mr. Vinod Kumar, Advocate for the appellant.
Mr. Sudhir Nar, Sr. Panel counsel for respondent No.1.

G.S. SANDHAWALIA, J

Present appeal is preferred against the order dated 28.08.2018 passed by the learned Single Judge, whereby the writ petition filed by respondent Nos.2 & 3 herein was allowed and order dated 05.09.2013 has been modified to the effect that the Insurance Company will renew both the Insurance Policies from the date, they became due i.e on 05.01.2011.

2. Till date, no interim order has been passed in favour of the appellant-Company, and counsel for the appellant has argued that renewal would be effected for a period of 7 years.

3. A perusal of the impugned order passed by the learned Single Judge shows that two cheques had been issued by the petitioners (respondent Nos.2 & 3 herein) for renewal of Policy from 04.01.2011 to 03.01.2012 in favour of the appellant-Insurance Company. However, the policies were cancelled by the Insurance Company on the ground that the cheques, which were issued for payment of premium have been dishonoured by the Bank.

4. It is noticed by the learned Single Judge that the petitioners (respondent Nos.2 & 3 herein) had informed the Insurance Company that the policies could not be cancelled by it as no information regarding dishonouring of the cheques was given to them. It is further recorded that once the letter dated 02.03.2011 was sent by the petitioner, it was the duty of the Insurance Company to present the cheques again before the Bank. Moreover as per the IRDA guidelines, once the Insurance Company came to know that the cheques had been dishonoured , they had to inform the petitioner within 15 days for issuing fresh cheques or for payment in cash and as such the Insurance Company was bound by

the conditions of renewal of the policy to give thirty days time for renewal of the policies.

5. We are of the considered opinion that the present appeal has been rendered infructuous as the renewal for the specified period had expired long back. In the absence of any stay, the Company was bound to comply with the order of the Ld. Single Judge. The renewal had necessarily to be from the date, they had expired being medi claim policies and therefore the order would have to have retrospective effect to nullify the entire action of the appellant. Counsel for the appellant is not in a position to tell us that during the period of renewal, whether any claim had been lodged and therefore no loss has been caused to the appellant.

(G.S. SANDHAWALIA)
JUDGE

November 13, 2024 **(MEENAKSHI I. MEHTA)**
manoj **JUDGE**

1. Whether speaking/ reasoned : Yes /No
2. Whether reportable : Yes /No