IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH : NAGPUR

FIRST APPEAL NO.847 OF 2010

The Oriental Insurance Company
Limited, Divisional Office, Amravati.
Through : The Divisional Office No.2 :
8, Hindustan Colony, Wardha Road,
Nagpur. .. Appellant
(On R.A. Original Resp. No.2.)

..Versus..

1. Gulvi wd/o Ramdas Belsare,
Aged 34 years, Occ : Household work. (On R.A.)
(Original Petitioners)

2. Vijay s/o Ramdas Belsare,
Aged 18 years, Occ. Nil.

3. Ramesh s/o Ramdas Belsare,
Aged 15 years, Occ. Education,
(Deleted as died on 15-5-2008
vide Pursis Exh.60)

4. Laxmi d/o Ramdas Belsare,
Aged 12 years, Occ. Education.

(Petitioners No.3 being Minor
through Petitioner No.1-Mother)

All R/o. At Bhilkheda, Tah. Chikhaldara,
District-Amravati.

5. Ramesh s/o Sampatrao Warhekar,
Aged Major, Occ. Not Known,
R/o. At Mangilal Plot, Amravati,
Tq. And Distt. Amravati
(Original Resp. No.1) (Owner of MH-31/M-3201)

(Owner of Tipper Reg. No.
MH-31-M-3201)

6. Ramrao s/o Dattuji Wankhade, Aged Major, Occ. Driver, R/o. Gorala, Tq. Morshi, Distt. Amravati. .. (Original Resp.3) (Driver of MH-31/M 3201) Respondents

…………….
Shri A.W. Paunikar, Advocate for Appellant.
None for the respondents though served.
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CORAM : PRAVIN S. PATIL, J.
DATED : 21.11.2025.

JUDGMENT

1. The appellant-insurance company challenged the judgment and order passed by the District Judge, Achalpur dated 25.7.2008 in M.A.C.P. No.21/2006 mainly on the ground that the cheque which was deposited towards the premium of insurance policy by owner of vehicle was dishonoured and the same was intimated to the owner of the vehicle before the date of occurrence of the incident. Hence, Appellant-Insurance Company is not responsible to pay compensation in the matter, in view of the law laid down by the Hon'ble Supreme Court of India in the case of ***United India Insurance Company Limited .vs. Laxmamma and***

others, reported in AIR 2012 SC 2817. Hence, directions of the learned Tribunal to pay jointly and severally the amount of compensation to the claimant is illegal and unjustified in the fact and circumstances of the matter.

2. In the present matter, it is an admitted fact that deceased Ramdas Belsare, while working on road side construction, died due to dash given by the offending vehicle on 7.2.2006. Therefore, the legal heirs of deceased Ramdas filed the Claim Petition before the District Judge, Achalpur and thereby claimed the compensation of Rs.5,00,000/- before the Claim Tribunal.

3. In the light of above said submission made by the parties, the learned Tribunal by holding that Appellant-Insurance Company failed to prove the fact that intimation was duly given to owner of offending vehicle, partly allowed the petition with proportionate costs and thereby awarded the compensation of Rs.2,40,100/- inclusive of no fault liability to the claimants and all the respondents are held responsible to pay the compensation amount.

4. In the present appeal, the bone of contention of the insurance company is that the cheque towards the premium of policy was of dated 5.1.2006 issued by the owner of the vehicle. The said cheque was dishonoured on 13.1.2006 as per the intimation of the bank. After the dishonour of the cheque, the appellant-insurance company has issued the intimation to the owner of the offending vehicle on 1.2.2006 (Exh.55). According to Appellant, the accident took place on 7.2.2006 and intimation was given prior to the date of accident, therefore, the insurance company cannot be burdened to pay the compensation amount.

5. In support of his submission, the appellant has relied upon the judgment of the Hon'ble Supreme Court of India in the case of ***United India Insurance Company Limited .vs. Laxmamma and others*** (supra) and more particularly para 19 of the judgment which reads thus :

> *19. In our view, the legal position is this ; where the policy of insurance is issued by an authorized insurer on receipt of cheque towards payment of premium and such cheque is returned dishonoured, the liability of authorized insurer to indemnify*

> *third parties in respect of the liability which that policy covered subsists and it has to satisfy award of compensation by reason of the provisions of Sections 147(5) and 149 (1) of the M.V. Act unless the policy of insurance is cancelled by the authorized insurer and intimation of such cancellation has reached the insured before the accident. In other words, where the policy of insurance is issued by an authorized insurer to cover a vehicle on receipt of the cheque paid towards premium and the cheque gets dishonored and before the accident of the vehicle occurs, such insurance company cancels the policy of insurance and sends intimation thereof to the owner, the insurance company's liability to indemnify the third parties which that policy covered ceases and the insurance company is not liable to satisfy awards of compensation in respect thereof."*

6. After going through the judgment of the Hon'ble Supreme Court of India, it is clear that the Hon'ble Supreme Court has made it clear that where the policy of insurance was issued by an authorized insurer to a vehicle on receipt of premium amount through cheque and cheque gets dishonoured, insurance company has to intimate the owner of the vehicle immediately and if such intimation was received by the owner before occurrence of accident, in that circumstances, insurance company cannot be held responsible

to satisfy the awards of compensation in respect thereof.

7. In the light of this legal position which was pointed out by the appellant, I have perused the record.

8. As stated earlier, here the insurance company has came with a case that in the present mater accident occurred on 7.2.2006 and intimation of cancellation of policy was served by communication dated 1.2.2006 to the owner of the offending vehicle. However, perusal of record, no-where shows any postal receipt on record to demonstrate that same was issued by the registered post and same was duly acknowledged by owner of vehicle to demonstrate that the same was received by the owner of the vehicle on or before the date of accident. Therefore, in my view, the findings recorded by the learned Tribunal in para 12 of the judgment cannot be faulted with in the matter.

9. In addition to this, the perusal of the original record also shows the dak-book of the appellant-insurance company (Exh.56) that communication was issued in the name of owner of the vehicle on 6.3.2006.

10. It is also pertinent to note that in the deposition of the witness of insurance company categorically admitted the fact in cross-examination that he has not placed on record postal receipt and copy of acknowledgment which according to him was served by registered post to owner of vehicle.

11. In the circumstances, it is crystal clear that on the date of accident, the intimation was not given to the owner of the vehicle and, therefore, it cannot be said that the policy was not in existence on the date of accident. In that view of the matter, I am of the opinion that the law laid down by the Hon'ble Supreme Court of India in the case of ***United India Insurance Company Limited*** (supra) is not applicable in the matter.

12. For the aforesaid reasons, I do not find any merit in the present appeal, same stands **dismissed.** No order as to cost.

(Pravin S. Patil, J.)

Gulande