**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

**FAO-6285-2012 (O&M)
FAO-6286-2012 (O&M)**

PRINCE TRADING COMPANY ......Appellant

Vs.

DEEPAK GUPTA AND ORS. ......Respondents

**Reserved on: 16.03.2026
Pronounced on: 08.05.2026
Uploaded on: 11.05.2026**

Whether only the operative part of the judgment is pronounced? NO
Whether full judgment is pronounced? YES

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. Sandeep Arora, Advocate
for the appellant(s).

Mr. Vishal Aggarwal, Advocate with
Mr. G.S. Sarao, Advocate
for the respondent No.3-Bajaj Allianz General Insurance Co. Ltd.
(in both the appeals).

Mr. Vikas Mohan Gupta, Advocate
for the respondent No.4-United India Insurance Co. Ltd.
(in both the appeals).

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SUDEEPTI SHARMA J.

1. The present appeals are preferred by owner of offending vehicle against award dated 06.09.2012, whereby, liability to pay compensation was fixed upon the driver/owner and insurance company is exonerated by, learned Tribunal.

2. Since the appellant/owner has challenged only the liability to pay compensation, therefore, brief facts are not required to be reproduced.

3. Upon notice of the claim petition, the respondents appeared and filed their separate replies denying the factum of accident/compensation.

4. From the pleadings of the parties, the learned Tribunal framed the following issues:-

> *"1. Whether respondent Satnam Singh while driving his Mohindra Pick Up Vehicle No.PB02-AR-9706 causing a road accident with a motorcyclist Deepak Gupta due to his rash and negligent driving and caused injuries upon his person?OPP*
>
> *2. Whether respondent No.2 being owner of the above said vehicle is vicariously liable to compensate the petitioner/claimant?OPP*
>
> *3. Whether the claimant is entitled to Motor Vehicle Claim, if so to what extent?OPP*
>
> *4. Whether the vehicle driven by respondent No.1 was not covered under the Insurance Policy at the time of alleged accident, if so its effect?OPP*
>
> *5. Whether no cause of action has accrued to file the present petition against respondent No.3?OPR3.*
>
> *6. Relief."*

5. After taking into consideration the pleadings and the evidence on record, the learned Tribunal granted compensation to the claimant and the appellant was held liable to pay compensation. Hence, the present appeal.

6. Learned counsel for the appellant contends that learned Tribunal has wrongly decided issue Nos.2 and 4 and affixed liability to pay compensation upon the driver and owner on the ground that cheque issued by

the appellant was not cleared and the appellant was informed by respondent No.3-Bajaj Allianz General Insurance Company (in short respondent No.3-Insurance Company) regarding the same. He furthermore contends that without appreciating the fact that there was no proof regarding presentation of cheque and only by relying upon evidence of RW-1 (Accounts Executive, Bajaj Allianz General Insurance) the liability was affixed upon appellant. He further contends that the vehicle was insured on 12.01.2008 and was valid from 13.01.2008 to 12.01.2009 i.e. for one year and the accident took place on 04.04.2008. Therefore, the vehicle was insured and the liability should have been fixed upon the respondent/insurance company. He further contends that cheque was never presented to the Bank. Therefore, there is no question of its being dishonoured and that there is no receipt of dishonour of cheque. On these premise, he prays that present appeal be allowed.

7. *Per contra*, learned counsel for respondent contends that owner-appellant never informed the respondent No.3-Insurance Company regarding the accident. He, therefore, prays that the present appeal be dismissed.

8. I have heard learned counsel for the parties and perused the whole file of the case with their able assistance.

9. A perusal of record shows that respondent No.3-Insurance Company categorically submitted before learned Tribunal that Mahindra & Mahindra Pick Up van was not insured since the cheque submitted for payment of the policy premium of Rs.9190/- dated 13.01.2008 drawn of Punjab National Bank, Jandiala Guru was not cleared and the appellant-owner was informed by respondent No.3-Insurance Company vide letter dated 27.04.2008 (Exhibit R3) and appellant was advised that he should pay the

premium in cash so that the risk from the date of issuance of cover note can be covered but appellant did not pay the same.

10. Further perusal of record shows that cover note dated 12.01.2008 (Exhibit RW2/2) was for period of one year i.e. from 13.01.2008 to 12.01.2009. The premium of this insurance was Rs.9190/- and the premium was paid through cheque bearing no.655596 dated 13.01.2008 drawn on Punjab National Bank, Jandiala Guru but said cheque was not honoured.

11. A perusal of record further shows that RW1/2 is the intimation received by respondent No.3-Insurance Company to the appellant regarding the same. Accordingly, intimation regarding dishonouring of cheque was sent vide letter (Exhibit RW1/C) to appellant but no premium in cash was paid by the appellant. A perusal of the (RW2/2) column 8 of cover note shows that period of cover note will expire on 60 days. And it is specifically written in column 9 of the same that the cover note becomes *void ab initio* in case of dishonoured cheque. Satpal/proprietor Prince Trading Company i.e. appellant, was examined as RW2 who in his cross-examination admitted the entry of issuance of cheque dated 13.01.2008 for getting vehicle number PB 02-AR-9706 in the books of account. He further admitted that accident took place in April, 2008 and he never informed the insurance company about the accident. RW2/Satpal was maintaining the accounts of cheque books as well and it is further admitted by him that on the date of accident the vehicle was not insured.

12. In view of the above discussion and undisputed factual position of record, learned Tribunal has rightly come to the conclusion that the offending vehicle was not insured on the date of accident.

13. Consequently, the present appeals are ***dismissed*** being devoid of any merits.

14. Pending application (s), if any, also stand disposed of.

08.05.2026 **(SUDEEPTI SHARMA)**
Ayub/Sahil **JUDGE**

Whether speaking/non-speaking : Yes/No
Whether reportable : Yes/No