



2026:CGHC:6180

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

MAC No. 781 of 2019

- Iffco- Tokio General Insurance Company Ltd., Through Divisional Manager, Divisional Office, 305 - 2 Nd Floor, Khichiriya Complex, Hogel Grand Dhillion, Nehru Nagar, Bhilai, District Durg Chhattisgarh.

... Appellant

versus

1. Smt. Yaad Bai W/o Late Hariram Sahu Aged About 48 Years R/o Village - Matewa, Thana - Arjunda, Tahsil - Gunderdehi, District Balood Chhattisgarh
2. Manoj Sahu S/o Late Hariram Sahu Aged About 24 Years R/o Village - Matewa, Thana - Arjunda, Tahsil - Gunderdehi, District Balood Chhattisgarh.
3. Mamta Sahu D/o Late Hariram Sahu Aged About 20 Years R/o Village - Matewa, Thana - Arjunda, Tahsil - Gunderdehi, District Balood Chhattisgarh.
4. Sanjay Meshram S/o Jai Lal Prakash Meshram Aged About 45 Years R/o Near Arjunda Bus Stand, Ward No. 11, Thana - Arjunda, Tahsil - Gunderdehi District Balod Chhattisgarh.

... Respondent(s)

For Appellant	:	Ms. Shrejal Gupta, Advocate holding the brief of Mr. Vaibhav Shukla, Advocate
For Respondents No. 1 to 3 Claimants	:	Mr. Arjun Lal Singroul, Advocate
For Respondent No. 4	:	Mr. Utsav Mahishwar, Advocate

Hon'ble Shri Justice Rakesh Mohan Pandey
Order on Board

04.02.2026

1. The Insurance Company has assailed judgment and award passed by the learned First Additional Motor Accident Claims Tribunal, Balod in Claim Case No. 42/2018 dated 30.10.2018, whereby the learned Tribunal has



granted compensation to the tune of Rs. 5,38,000/- with interest at the rate of 10% per annum on account of death of Hariram Sahu.

2. The facts in brief are that on 30.12.2017 the scooter of the deceased was dashed by the offending Tractor bearing registration No. CG 07 AN 3862. In the said accident, Hariram sustained injuries and succumbed to death. The claimants who are widow and two children filed claim case under Section 166 of Motor Vehicle Act, wherein, they pleaded that at the time of accident age of the deceased was 53 years and earning Rs. 4,00/- per day. They further pleaded that the deceased was a Mason. The Insurance Company filed reply and took a plea that on the date of accident, the vehicle was not insured with the Insurance Company. The learned Tribunal framed issues, parties led evidence, and thereafter, award was passed.
3. Ms. Shrejal Gupta, Advocate appearing for the Insurance Company would submit that the Insurance policy was effective from 12:00 midnight of 30.12.2017 till 29.12.2018. She would submit that the accident took place at around 9:45 am on 30.12.2017, and thus, on the date of accident, the Insurance policy was not in existence. She would submit that though the learned Tribunal exonerated the Insurance Company, but directed it to first indemnify the award and recover it from driver & owner of the vehicle. She would submit that as there was no Insurance policy, the stipulation enumerated in the award is bad in law. She has placed reliance on the judgment passed by the High Court of Kerala in the matter of **HDFC ERGO General Insurance Company Ltd Vs. Zeenath and Ors.** passed in **MACA No. 285 of 2017**, wherein it is held that "*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 award of compensation in respect thereof". She would pray to set-aside the award.

4. On the other hand, learned counsel for respondents would oppose. They would submit that the learned Tribunal framed specific issue and held that there was Insurance policy; therefore, the Insurance Company shall satisfy the award first and recover it from owner and driver. They would submit that the appeal deserves to be dismissed.
5. I have heard learned counsel for the parties and perused the record.
6. In the matter of **Zeenath** (supra), the High Court of Kerala has held that where the Insurance policy is cancelled on account of dishonor of cheque and intimation has been given to the owner of the vehicle, liability cannot be fastened with the Insurance Company. The facts of the present case are entirely different. In the present case, the Insurance policy was effective from 30.12.2017 up to 29.12.2018, incident took place on 30.12.2017 at around 9:40 am, whereas, the policy was issued on 30.12.2017 at 17:38:29 hours. On the date of accident, Insurance policy was issued, but accident took place prior to issuance of the Insurance policy; therefore, the learned Tribunal rightly directed the Insurance Company to indemnify the award first and recover it from driver & owner of the vehicle.
7. In the present case, the learned Tribunal has not fastened liability with the Insurance Company rather liability has been fastened with the owner & driver and only direction has been issued to indemnify the award first and recover it from owner & driver.
8. Taking into consideration the above-discussed facts, I do not find any good ground to interfere with the order passed by the learned Tribunal.



Accordingly, this appeal fails and is hereby **dismissed**.

Sd/-
(Rakesh Mohan Pandey)
Judge

\$iddhant