(2026: JHHC:32630)

IN THE HIGH COURT OF JHARKHAND AT RANCHI
Misc. Appeal No. 377 of 2014

Oriental Insurance Company Limited having its Divisional Office at City Centre, Sector 4, Bokaro Steel City, P.O. and P.S. Bokaro, District-Bokaro through its Incharge, Legal Cell, Shri Alok Kumar Singh, son of Suresh Kumar, having its office at Lalpur, P.O.-Lalpur, P.S.-Lalpur, District Ranchi

…. ….. Appellant/ Opposite Party 5

Versus

1. Ghansi Ram Mahato @Hasi Mahato, S/O Late Chaitanya Ram Mahato, R/O Village-Karma, P.O & P.S,. Kasmar, District-Bokaro, Jharkhand

   … … Respondent/Claimant 1
2. Bundiya Devi, W/O Ghansi Ram Mahato, R/O Village-Karma P.O & P.S.-Kasmar, District-Bokaro, Jharkhand.

   … …. Respondent/Claimant 2
3. Rashmi Ranjan Kumar, S/O Surendra Prasad, Resident of Dinesh Prasad Road No. 4, Postal Park, Patna, P.O & P.S.-Mithapur, District-Patna, Bihar, currently resident of Ram Chandrapura Mangala Asthan, Bihar Sharif, P.O, P.S. and District Nalanda, Bihar

   … …. Owner of BR1PA 3583/Opposite Party 1
4. Ram Pravesh Singh, S/O Bahali Singh, Resident of Dhakai, P.O.-Bithosrif, P.S.-Chandoli, District-Gaya, currently resident of BSL, L.H.M.N.-86, Street-7, Bokaro Steel PO+PS+ City District-Bokaro, Jharkhand.

   … … Driver of BRIPA 3583/Opposite Party 2
5. Sri Ram Roadways, I/C Sunil Poddar, Sri Gopal Complex, 4th Floor, Kutchery Road, P.O. G.P.O, P.S. Kotwali, Ranchi, Jharkhand.

   … … Owner of JH01Z 2838/Opposite Party 3
6. Ajit Munda, S/O Ganesh Munda, Chakrawali, P.O.-Maganpur, P.S.-Gola, District-Ramgarh, Jharkhand.

   … … Driver of JH01Z 2838/Opposite Party 4
7. Manager, IFFCO-TOKIO, General Insurance Co. Ltd., Fortune Plaza, Flat No.-210A, Near Ashok Nagar, Road No-4, Argora, P.O. Ashok Nagar, PS-Argora, Ranchi, Jharkhand.

   … …. Respondent/Opposite Party 6

CORAM: HON'BLE THE CHIEF JUSTICE

For the Appellant: Ms Adya Mishra, Advocate
For the Resp. No. 5: Mr Ashutosh Anand, Advocate
For the Resp. No. 6: Mr Santosh Kumar, Advocate
Mr Tarun Kumar Mahato, Advocate

---

11 / Dated: 06.11.2026

1. Heard Ms Adya Mishra for the appellant, Mr Ashutosh Anand for the 5th respondent and Mr Santosh Kumar for the 6th respondent.
2. Ms Adya Mishra, the learned counsel for the appellant states that the respondent nos. 1,2,3,4 and 7 are already served, though there is no appearance on their behalf today.
3. The challenge in this appeal is to the judgment and award dated 19.06.2014 passed by the M.A.C.T, Bokaro to the extent, it has held that the appellant-Insurance Company liable for payment of Rs. 2,06,250/- to the claimants.
4. Ms Adya Mishra submitted that the cheque dated 11.04.2011 issued by the 3rd respondent i.e. the owner of the vehicle bearing registration no. BRI PA 3583 towards premium was dishonoured. As such, on the date of the accident, the insurance policy was in force and therefore, no liability could have been foisted upon the appellant Insurance Company.
5. On perusing the records, I find that a cheque was issued by the 3rd respondent on 11.04.2011 towards premium for third party insurance policy. Such policy was duly issued by the appellant on 11.04.2011 itself but effective from 12.04.2011 and covering the period upto 11.04.2012. The accident took place on 04.11.2011 i.e. within the term of the policy.
6. The fact that the cheque was dishonoured and the factum of dishonour was communicated to the appellant-Insurance Company on 25.04.2011 has been established by the documentary evidence produced on record by the appellant. There is no clarity about the communication of cancellation of the policy either to the 3rd respondent or to the Regional Transport Authorities.

7. In any event, considering that the cheque towards premium issued by the 3rd respondent was dishonoured, a case is made out for making a 'pay and recovery order'. While it is not proper to prejudice the claimants in such a case, at the same time, the owner, cannot be indemnified once the consideration for issue of insurance policy failed.

8. Accordingly, the impugned award is modified. The appellant-Insurance Company is directed to pay compensation of Rs. 2,06,250/- together with interest, as directed, to the claimants. However, upon such payment, the appellant-Insurance Company is held entitled to recover this amount from the owner i.e. the 3rd respondent herein, in accordance with law.

9. The appeal is partly allowed to the above extent without any order for costs.

10. Pending I.A(s), if any, will not survive and are disposed of.

(M. S. Sonak, C.J.)

November 06, 2026

Ranjeet/CP-2
NAFR
Uploaded on 06.11.2026