



CGHC010147332019



2026:CGHC:27668

**NAFR****HIGH COURT OF CHHATTISGARH AT BILASPUR****MAC No. 953 of 2019**

United India Insurance Company Limited, Through Its Branch Manager,  
Branch Office - Shanti Bhawan Albert Ekka Chowk, Ranchi, District  
Ranchi (Jharkhand)

(Local Branch Office - Mishra Complex, Shanti Palace, IInd Floor, Chakradhar  
Nagar Chowk, Raigarh , District – Raigarh, Chhattisgarh.

(Non-Applicant No.3)

**... Appellant****versus**

**1** - Savita Goswami, Wd/o. Rakesh Goswami, Aged About 50 Years, R/o.  
Village - Biasee Coloney, Dharamjaygarh, District Raigarh, Chhattisgarh.  
(Applicant No. 1)

**2** – Mukesh, S/o. Rakesh Goswami, Aged About 30 Years, R/o. Village -  
Biasee Coloney, Dharamjaygarh, District – Raigarh, Chhattisgarh.  
(Applicant No. 2)

**3** – Vishyjeet, S/o. Rakesh Goswami, Aged About 22 Years, R/o. Village -  
Biasee Coloney, Dharamjaygarh, District – Raigarh, Chhattisgarh.  
(Applicant No.3)

4 - Vakeel Singh, S/o. Shivpujan Singh, R/o. Pandra Basant Bihar Coloney - Ravi Steel Pandra, District - Ranchi (Jharkhand) (Non-Applicant No. 1)

5 - Vikram Kumar Singh, S/o. Parmatma Singh, Aged 31 Years, R/o. Kamde, Police Station - Ratu, District - Ranchi (Jharkhand) (Non-Applicant No. 2).

**... Respondents**

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For Appellant : Mr. Dashrath Gupta, Advocate

For Respondent No.4. : Mr. Anil Kumar Chouhan, Advocate

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**(Single Bench)**

**Hon'ble Shri Justice Sanjay K. Agrawal**

**Judgment on Board**

**06.07.2026**

1. The appellant/insurance company has preferred this appeal under Section 173 of the Motor Vehicles Act, 1988 against the impugned award dated 28.01.2019 passed by learned Additional Motor Accident Claims Tribunal, Gharghora, District Raigarh in Claim Case No.36/2018 by which the claim application of the claimants is allowed and liability has been fastened upon the insurance company to pay the amount of compensation.
2. Mr. Dashrath Gupta, learned counsel for the appellant/insurance company, would submit that it is a case of dishonor of cheque and

principles of pay and recover could not have been imposed upon the insurance company by the learned Claims Tribunal, therefore, the appeal deserves to be allowed.

3. Mr. Anil Kumar Chouhan, learned counsel for the respondent No.4, would support the impugned award and submits that the appeal of the insurance company is liable to be dismissed.
4. I have heard learned counsel appearing for the parties, considered their rival submissions made herein-above and went through the records with utmost circumspection.
5. The Supreme Court in the matter of **New India Assurance Co. Ltd. v. Rula & Others**<sup>1</sup> observed in para 13 as under :

“13. This decision, which is a three-Judge Bench decision, squarely covers the present case also. The subsequent cancellation of the insurance policy in the instant case on the ground that the cheque through which premium was paid was dishonoured, would not affect the rights of the third party which had accrued on the issuance of the policy on the date on which the accident took place. If, on the date of accident, there was a policy of insurance in respect of the vehicle in question, the third party would have a claim against the Insurance Company and the owner of the vehicle would have to be indemnified in respect of the claim of that party. Subsequent cancellation of the insurance

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1 2000(3) SCC 195

policy on the ground of non-payment of premium would not affect the rights already accrued in favour of the third party.”

6. In that view of the matter and in light of the findings recorded by the Claims Tribunal, I do not find any merit in this appeal. The appeal deserves to be and is hereby dismissed. Consequently, the Claims Tribunal has rightly applied the principle of “pay and recover.”

Ashok

Sd/-  
**(Sanjay K. Agrawal)**  
**Judge**