

## **New India Assurance Co. Ltd vs Ram Dayal And Ors on 20 April, 1990**

**Equivalent citations: 1990 SCR (2) 570, 1990 SCC (2) 680, AIRONLINE 1990 SC 41, (1990) 16 ALL LR 554, 1990 ALL CJ 602, (1990) 2 PUN LR 144, (1990) 1 KER LT 817, (1990) 2 CIV LJ 135, (1990) 2 ANDH WR 9, 1990 (2) SCC 680, (1990) 1 ALL WC 689, (1990) 2 CHAND CRI C 64, (1990) 2 CUR CC 339, (1990) 2 TAC 141, (1990) 2 JT 164, (1990) 2 ACC 90, (1990) 2 CUR LJ (CIV&CRI) 170, (1990) 2 LJR 24, 1990 UP CRIR 293, (1990) 2 ACJ 546, 1990 SCC (CRI) 432, 1990 UJ(SC) 1 712, (1990) 2 CURLJ(CCR) 170, (1990) 2 JT 164 (SC), 1990 CRI LR (SC&MP) 559, 1990 UJ(SC) 712**

**Author: Misra Rangnath**

**Bench: Misra Rangnath, K. Ramaswamy**

PETITIONER:  
NEW INDIA ASSURANCE CO. LTD.

Vs.

RESPONDENT:  
RAM DAYAL AND ORS.

DATE OF JUDGMENT 20/04/1990

BENCH:  
MISRA RANGNATH  
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MISRA RANGNATH  
RAMASWAMY, K.

CITATION:  
1990 SCR (2) 570                      1990 SCC (2) 680  
JT 1990 (2) 164                      1990 SCALE (1) 783

ACT:  
'Motor Vehicles Act, 1939.' Insurance Policy--When  
becomes effective.

HEADNOTE:  
In a claim for compensation, the Motor Accident Claims  
Tribunal held that the insurer was not liable to meet the  
award of compensation against the owner of the vehicle, as

the policy had been taken after the accident. On appeal, the High Court held that the insurance policy obtained on the date of accident became operative from the commencement of the date of insurance, i.e. from the previous mid-night, and since the accident took place on the date of the policy, the insurer became liable.

Dismissing the appeals by the insurer, this Court.

HELD: When a policy is taken on a particular date, its effectiveness is from the commencement of the date.

In the instant case, the insurance was taken from 28th September, 1984, which is the date of the accident. The High Court was, therefore, right in holding that the insurer was liable in terms of the Act to meet the liability of the owner under the award. [571F-G]

Jaddoo Singh & Anr. v. Smt. Malti Devi & Anr., AIR 1983 All. 87, approved.

In re. F.B. Warren, [1938] Ch. 725, referred to.  
Stroud's Judicial Dictionary, referred to.

#### JUDGMENT:

CIVIL APPELLATE JURISDICTION: Civil Appeal Nos. 188-89 of 1987.

From the Judgment and Order dated 21.11. 1986 of the Punjab & Haryana High Court in First Appeal Order Nos. 620 & 619 of 1986.

K.K. Jain and Pramod Dayal for the Appellant. Meera Chhabra and Ms. Pani Chhabra for the Respondents. The Judgment of the Court was delivered by RANGANATH MISRA, J. These are appeals by special leave challenging the reversing common decision of the Punjab & Haryana High Court holding the insurer liable for compensation under the Motor Vehicles Act of 1939. The insurer repudiated its liability by maintaining that the policy had been taken after the accident and, therefore, it had no liability to meet the award of compensation against the owner. The Tribunal accepted this stand and rejected the claim against the insurer. In appeal, the High Court took the view relying upon certain decisions that the insurance policy obtained on the date of the accident became operative from the commencement of the date of insurance--i.e. from the previous mid-night and since the accident took place on the date of the policy the insurer became liable.

Apart from the judgment under appeal, we find that this view is supported by two judgments of the Madras High Court and an earlier decision of the Punjab & Haryana High Court. Two Division Benches of the Madras High Court have taken the view after discussing the law at length that the policy taken during any part of the day becomes operative from the commencement of that day. Besides these judgments a Division Bench decision of the Allahabad High Court in Jaddoo Singh & Anr. v. Smt. Malti Devi & Anr., AIR 1983 All. 87 supports this view on principle.

There is evidence in this case that the vehicle was insured earlier upto 31.8. 1984 and the same was available to be renewed but instead of obtaining renewal, a fresh insurance was taken from 28th of

September, 1984, which is the date of the accident. We are inclined to agree with the view indicated in these decisions that when a policy is taken on a particular date its effectiveness is from the commencement of the date and, therefore, the High Court, in our opinion, was right in holding that the insurer was liable in terms of the Act to meet the inability of the owner under the award.

As pointed out in Stroud's judicial Dictionary 'Date' means day, so that where a cover not providing for temporary insurance of a motor car expires 15 days after date of commencement, it runs for the full 15 days after the day on which it was to commence." Similarly it has been stated in Stroud that "a bill of exchange, or note, is of the date expressed on its face, not the time when it is actually issued."

'To the same effect is the decision in Re F & B Warren, [1938] Ch. 725 where it has been held that a judicial act will be referred to the first moment of the day on which it is done. A payment made by a bankrupt in the morning of a day is, therefore, not made, within section 45 of the Bankruptcy Act, 1914 before the date of a receiving order made later in the same day.

The ratio of these also supports the view we have taken. The appeals fails and are dismissed. There would, however, be no order for costs.

N.P.V.  
missed.

Appeals dis-