

New India Assurance Co. Ltd.

Vs

Ram Dayal and Others

Civil Appeals Nos. 1188-89 of 1987

(K. Ramaswamy, Ranganath Misra JJ)

20.04.1990

JUDGMENT

RANGANATH MISRA, J. -

1. These are appeals by special leave challenging the reversing common decision of the Punjab and Haryana High Court holding the insurer liable for compensation under the Motor Vehicles Act of 1939.
2. 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 midnight and since the accident took place on the date of the policy, the insurer became liable.
3. 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 and 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 v. Malti Devi (AIR 1983 All 87) supports this view on principle.
4. There is evidence in this case that the vehicle was insured earlier up to August 31, 1984 and the same was available to be renewed but instead of obtaining renewal, a fresh insurance was taken from September 28, 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 liability of the owner under the award.
5. As pointed out in Stroud's Judicial Dictionary "'Date' means day, so that where a cover note 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."
6. 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".
7. To the same effect is the decision in In re F.B. Warren ((1938) 1 Ch 725 : (1938) 2 All ER 331),

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.

8. The ratio of these also supports the view we have taken.

9. The appeals fail and are dismissed. There would, however, be no order for costs.

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