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**(2008) 01 DEL CK 0013**

**In the Delhi High Court**

**Case No :** MAC. APP. No. 7 of 2008 and CM No's. 266-67 of 2008

United India Insurance Co. Ltd.

APPELLANT

Vs

Smt. Anita and Others

RESPONDENT

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**Date of Decision :** 08-01-2008

**Acts Referred:**

**Citation :** (2008) ACJ 1725

**Hon'ble Judges :** Kailash Gambhir, J

**Bench :** Single Bench

**Advocate :** S.L. Gupta, for the Appellant; Nemo, for the Respondent

**Final Decision :** Dismissed

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## **Judgement**

Kailash Gambhir, J.—The appellant, United India Insurance Company insurer of the offending vehicle has preferred an appeal challenging the impugned order dated 21.11.2007 passed by the learned MACT. The impugned award has arisen out of the claim petition filed by respondent No. 1 against the appellant as well as against respondent Nos. 6 & 7 claiming compensation for the death of Shri Ashok Kumar.

2. The brief facts which are necessary for deciding the present appeal inter-alia are that on 2.2.2006 at about 11.00 A.M., the deceased Shri Ashok Kumar was traveling by TSR bearing No. DL 1R E 2032. When he had reached at Outer Ring Road, Curt Service Road, Vijay Ghat, suddenly the TSR turned upside down due to the rash and negligent driving. As a result thereof, Shri Ashok Kumar fell down on the road along with the TSR and due to which he died.

3. The Tribunal after taking into consideration the facts of the case as well as evidence led by the parties had passed an award vide order dated 21/11/2007 in the sum of Rs. 13,46,000/- along with interest at the rate of 6% per annum payable from the date of the filing of the petition till its realization. The said order passed by the Tribunal is now under challenge in the present appeal.

4. I have heard learned Counsel for the appellant at considerable length.

5. The appeal is liable to be dismissed at the admission stage itself as the very maintainability of the appeal is in dispute. The appellant cannot assail the findings of the Tribunal on the quantum of compensation as determined by the Tribunal. The appellant had not taken over the defense of the owner and driver as envisaged u/s 170 of the Motor Vehicles Act and, Therefore, is debarred from challenging the impugned award so as to assail the findings of the Tribunal on the quantum of compensation. Counsel for the appellant vehemently disputes this position and contends that the insurer cannot be rendered remediless especially in a case where the Tribunal has awarded an excessive amount of compensation in favor of the claimants ignoring all basic principles of law for the award of compensation. Counsel for the appellant has also placed reliance on the judgment of the Supreme Court reported in *New India Assurance Company Ltd. Vs. Smt. Shanti Pathak and Others*, to contend that the Apex Court had interfered to lower down the compensation amount even in a case where the insurer had not taken any permission from the Court u/s 170 of the Motor Vehicles Act. Counsel for the appellant also contends that the Hon"ble Supreme Court has already referred the said issue of lack of competence of the insurer to assail the findings of the Tribunal on the ground of quantum of compensation and negligence to a larger Bench and, Therefore, this Court may follow the decision of the Supreme Court in this regard.

6. After having given my thoughtful and conscious consideration to the issue involved in the present case, I am of the view that the issue is no more rest integra as in the judgments cited by the respondent the Hon"ble Supreme Court has authoritatively held that in the absence of permission sought from the Court as envisaged u/s 170 of the Motor Vehicles Act, the insurer has no right to file an appeal to challenge the quantum of compensation or finding of the Tribunal as regards the negligence or contributory negligence of offending vehicles are concerned. It would be appropriate to refer Section 170 of the Motor Vehicles Act as under:

170. Impleading insurer in certain cases- Where in the course of any inquiry the Claims Tribunal is satisfied that-

(a) there is collusion between the person making the claim and the person against whom the claim is made, or

(b) the person against whom the claim is made has failed to contest the claim,

It may, for reasons to be recorded in writing, direct that the insurer who may be liable in respect of such claim, shall be imp leaded as a party to the proceeding and the insurer so imp leaded shall thereupon have, without prejudice to the provisions contained in Sub-section (2) of Section 149, the right to contest the claim on all or any of the grounds that are available to the person against whom the claim has been made.

7. It is an admitted case between the parties that no permission u/s 170 of the Motor Vehicles Act was obtained by the appellant which clearly means that the procedure laid down u/s 170 of the Motor Vehicles Act was not followed. In the judgment of the Supreme Court reported in Shankarayya and Another Vs. United India Insurance Co. Ltd. and Another, , the Supreme Court has held that the insurance company when imp led as a party by the Court can be permitted to contest the proceedings on merits only if the conditions mentioned in Section 170 are found to be satisfied and for that purpose the insurance company has to obtain an order in writing from the Tribunal and such an order should be a reasoned order of the Tribunal. In such circumstances unless the said procedure is followed, the appellant insurer cannot have a wider defense on merits than what is available to it by way of a statutory defense. Relevant part of Para 4 of the said judgment in this regard is referred as under:

4. It clearly shows that the Insurance Company when imp led as a party by the Court can be permitted to contest the proceedings on merits only if the conditions precedent mentioned in the section are found to be satisfied and for that purpose the Insurance Company has to obtain order in writing from the Tribunal and which should be a reasoned order by the Tribunal. Unless that procedure is followed, the Insurance Company cannot have a wider defense on merits than what is available to it by way of statutory defense.

8. In view of the said legal position, I cannot appreciate the argument of counsel for the appellant that even without seeking permission of the Court as required u/s 170, the Appellant can proceed with the appeal. Once the application u/s 170 of the Motor Vehicles Act was preferred by the appellant before the Tribunal for taking over the defense of an owner or driver, the Tribunal is required to pass specific order and that too a reasoned order as per the observations of the Supreme Court referred above and, Therefore, in the instant matter the argument of counsel for the appellant cannot be appreciated that non-filing of an application u/s 170 of the Motor Vehicles Act by the appellant in this regard is no bar in preferring present appeal.

9. In the light of the above discussion, I do not find any merit in the submission of counsel for the appellant. The judgment cited by the counsel in Shanti Pathak's case (supra) has not dealt with the said legal proposition and, Therefore, the same is not applicable in the facts and circumstances of the present case.

10. There is no merit in the appeal and the same is dismissed.

11. At the oral request of counsel for the appellant, a sum of Rs. 25,000/- as deposited by the appellant insurance company with the Registrar General of this Court towards statutory deposit be released in favor of the appellant.