

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

CIVIL APPEAL NO. OF 2026
(Arising out of SLP (Civil) No. 11439 of 2023)

NATIONAL INSURANCE COMPANY LTD.APPELLANT(S)

VERSUS

GAURI GURUDAS GAONKAR AND ORS.RESPONDENT(S)

ORDER

1. Leave granted.
2. The present appeal has been preferred by the Appellant/Insurance Company challenging the judgment dated 18.08.2022 (hereinafter referred to as “**Impugned Judgment**”) passed in First Appeal No. 86 of 2016 by the High Court of Bombay at Goa (hereinafter referred to as “**the High Court**”).
3. Brief facts are that one Gurudas Zipro Gaonkar, a pedestrian aged 54 years, was hit by a WagonR car bearing registration No. GA-06-D-8495, which was driven by Respondent No. 1 at high speed in a rash and negligent manner, resulting in the death of Gurudas Zipro Gaonkar on the spot.

4. Aggrieved, his wife and children, being Petitioner Nos. 1, 2, 3, and 4, filed Claim Petition No. 107 of 2014 under Section 166 of the Motor Vehicles Act, 1988 (hereinafter referred to as “**the 1988 Act**”) before the Motor Accident Claims Tribunal, North Goa, Mapusa (hereinafter referred to as “**the Tribunal**”), against the Appellant/Insurance Company, the offending vehicle driver being Respondent No. 5, and the offending vehicle owner being Respondent No. 6.
5. The Tribunal, vide award dated 30.09.2015, allowed the claim petition of the Respondents/claimants and assessed the total compensation at Rs. 52,33,440/-, with simple interest thereon at 9% per annum, from the date of filing of the claim petition till the final payment and their costs.
6. Aggrieved by the award of the Tribunal, the Appellant/Insurance Company preferred First Appeal No. 86 of 2016 before the High Court.
7. Vide Impugned Judgment dated 18.08.2022, the High Court dismissed the appeal of the Appellant/Insurance Company as not maintainable by relying upon the decision of the Division Bench of the same High Court in ***I.C.I.C.I. Lombard General Insurance Co. Ltd., Amravati vs. Surekha wd/o. Prakash Ghurde and Ors.***, reported in ***(2020) 2 Bom CR 465***.

8. Aggrieved by the Impugned Judgment, the Appellant/Insurance Company approached this Court.
9. Learned counsel for the Appellant/Insurance Company submitted that the High Court has wrongly relied upon the judgment passed by the High Court as the same is bad in law and contrary to the law laid down by this Court in ***United India Insurance Co. Ltd. vs. Shila Datta & Ors.***, reported in ***[2011 ACJ 2729]***, wherein the scope of application of Section 170 of the 1988 Act was clarified.
10. In response, learned counsel for the Respondents/claimants supported the view laid down by the High Court.
11. Heard learned counsel for the parties and pursued the relevant material on record.
12. On the legal issue regarding the right of the Insurance Company to contest the claim under the 1988 Act on various grounds, the law is well-settled. The issue has categorically been dealt with by a three-Judge Bench of this Court in ***Shila Datta's case (supra)***. The same is extracted below:

“2. On the said reference made, the following questions arise for our consideration, in regard to the position of an insurer under the Motor Vehicles Act, 1988 (“the Act”, for short):

(i) Whether the insurer can contest a motor accident claim on merits, in particular, in regard to the quantum, in addition to the grounds mentioned in Section 149(2) of the Act for avoiding liability under the policy of insurance?

x x x

Re : Point (i) : The position in cases where the claimants implead the insurer as a respondent in the claim petition

13. The scheme of the Motor Vehicles Act, 1988 as contained in Chapters XI (Insurance of Motor Vehicles against Third-party Risks) and XII (Claims Tribunals) proceeds on the basis that an insurer need not be impleaded as a party to the claim proceedings and it should only be issued a statutory notice under Section 149(2) of the Act so that it can be made liable to pay the compensation awarded by the Tribunal and also resist the claim on any one of the grounds mentioned in clauses (a) and (b) of sub-section (2) of Section 149. Sub-sections (1), (2) and (7) of Section 149 clearly refer to the insurer being merely a noticee and not a party. Similarly, Sections 158(6), 166(4), 168(1) and 170 clearly provide for and contemplate the insurer being merely a noticee for the purposes mentioned in the Act and not being a party-respondent. Section 170 specifically refers to impleading of insurer as a party to the claim

proceedings. 14. When an insurer is impleaded as a party-respondent to the claim petition, as contrasted from merely being a noticee under Section 149(2) of the Act, its rights are significantly different. If the insurer is only a noticee, it can only raise such of those grounds as are permissible in law under Section 149(2). But if he is a party-respondent, it can raise, not only those grounds which are available under Section 149(2), but also all other grounds that are available to a person against whom a claim is made. It, therefore, follows that if a claimant impleads the insurer as a party-respondent, for whatever reason, then as such respondent, the insurer will be entitled to urge all contentions and grounds which may be available to it.

15. The Act does not require the claimants to implead the insurer as a party-respondent. But if the claimants choose to implead the insurer as a party, not being a noticee under Section 149(2), the insurer can urge all grounds and not necessarily the limited grounds mentioned in Section 149(2) of the Act. If the insurer is already a respondent (having been impleaded as a party respondent), it need not seek the permission of the Tribunal under Section 170 of the Act to raise grounds other than those mentioned in Section 149(2) of the Act.

19. Therefore, where the insurer is a party-respondent, either on account of being impleaded as a party by the Tribunal under Section 170 or being impleaded as a party-respondent by the claimants in the claim petition voluntarily, it will be entitled to contest the matter by raising all grounds, without being restricted to the grounds available under Section 149(2) of the Act. The claim petition is maintainable against the owner and driver without impleading the insurer as a party.”

(emphasis supplied)

13. This Court has also reiterated the same view in the recent case of **National Insurance Company Ltd. versus Master Frewin Seby De Melo & Ors.**, arising out of **SLP (Civil) No. 715 of 2023**.
14. Therefore, in view of the aforesaid enunciation of law, the Insurance Company, when impleaded as a respondent in the claim petition, has the right to contest the claim on all available grounds, without any restriction to grounds available under Section 149(2) of the 1988 Act. The law on the present legal issue has already been settled by this Court, and thus, the same was required to be followed. The error was perpetuated by the High Court by not allowing the Appellant/Insurance Company to address the court on the issue of quantum of compensation.

15. For the reasons mentioned above, the present appeal is allowed. The Impugned Judgment passed by the High Court is set aside, and the matter is remitted back to the High Court for consideration on the issue of quantum of compensation. Needless to mention that both parties will be given due opportunity of hearing.
16. Considering the fact that the accident took place more than 10 years ago, the High Court is requested to expedite the hearing of the appeal. It is also clarified that the amount of compensation already released to the claimants shall remain subject to the final outcome of the appeal by the High Court.
17. The petition is accordingly disposed of.
18. Pending application(s), if any, shall also stand disposed of.

....., J.
(RAJESH BINDAL)

....., J.
(VIJAY BISHNOI)

NEW DELHI;
MARCH 19, 2026.

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Special Leave Petition (Civil) No.11439/2023

NATIONAL INSURANCE COMPANY LTD.

Appellant(s)

VERSUS

GAURI GURUDAS GAONKAR & ORS.

Respondent(s)

Date : 19-03-2026 This appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE RAJESH BINDAL
HON'BLE MR. JUSTICE VIJAY BISHNOI

For Appellant(s) :

Mr. Abhishek Kumar Gola, Adv.
Mr. Anshul Mehral, Adv.
Mr. Arun Kumar Nagar, Adv.
Mr. Manohar Naagar, Adv.
Ms. Rajshree Singh, Adv.
Mr. Sudhir Naagar, AOR

For Respondent(s) :

Mr. Salvador Santosh Rebello, AOR
Mr. Serveshe Malyankar, Adv.
Mr. Raghav Sharma, Adv.
Ms. Moulisheer Pathak, Adv.
Mr. Jaskirat Pal Singh, Adv.

UPON hearing the counsel the Court made the following
O R D E R

Leave granted.

The appeal is accordingly disposed of in terms of
the signed order.

Pending application(s), if any, shall also stand
disposed of.

(KRITIKA TIWARI)
SENIOR PERSONAL ASSISTANT

(MANOJ KUMAR)
COURT MASTER (NSH)

(signed order is placed on file)