

Bajaj Allianz General Insurance Company Ltd. v. The State of Madhya Pradesh

Supreme Court of India

Civil Appeal No. 2366-67 of 2020

Bench: Dr Dhananjaya Y Chandrachud, Ajay Rastogi

Pronounced on: 24th April 2020

Facts:

1. The state of Madhya Pradesh purchased a Bell – 430 helicopter from Langley, Canada to be sent to Bhopal. The state purchased a ‘Transit Marine insurance policy’ for a sum of Rs. 20, 00, 00,000 from the Bajaj Allianz General Insurance Co. on 21 July 2005.
2. The helicopter was transported to New Delhi. On the first inspection the crew window was found to be damaged and thus was shifted to hangar, New Delhi for repair. On another inspection the tail boom was also found to be damaged.
3. Accordingly to the company the insurance cover for the helicopter ended once it was delivered to the final warehouse hence, the claim for both the crew window and the tail boom are inadmissible.
4. State Consumer Disputes Redressal Commission (SCDRC) found appellant at fault by not covering the insurance. Further, National Consumer Disputes Redressal Commission (NCDRC) agreed with SCDRC plus 6% interest on the sum. Hence SLP has been filed before the court.

Legislations:

1. Article 136 of the Indian Constitution.
2. Institute Cargo Clauses (ICC)

Issue: Whether the insurance policy in the ordinary course of transit covers the storage, unpacking and un assembly of helicopter at the New Delhi?

Judgment: The apex court set aside the order given by NCDRC to pay compensation of Rs. 64 lakh to M.P. Government for the damaged helicopter. It observed that the helicopter was supposed to be directly sent from Canada, manufacturing place to Bhopal, final destination. The assembling of helicopter at New Delhi does not fall under the ordinary line of transit and thus falls out of the insurance policy. The transportation of a packaged helicopter is different

from transporting it via flying it using its own power and fuel. Therefore, once the helicopter is transported the appellant is free from its liability. It does not cover operation and flying risk and is no more under the shade of ordinary course of transit.

