IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO.1748 OF 2025

Kent Car Lounge Private Limited
(Through its Director)
Mr. Chandan Ram Sumaya
Occ. Business.
R/o. Mehra Compound,
Opp. Saki Naka Telephone Exchange,
Saki Naka, Andheri (E), Mumbai- 72. …Petitioner

Versus

1) Universal Sompo General Insurance Company Ltd.
A-201, Crystal Plaza,
2nd Floor, Opp. Infiti Mall,
Link Road, Andheri (w), Mumbai- 58.

2) Allahabad Bank Limited
KK Chaya Building,
Pant- Nagar, Ghatkopar (E) Branch,
Mumbai- 400 077. …Respondents

Mr. Jaydeep Deo i/b. Mr. Onkar Gawade, for the Petitioner.
None for the Respondent.

CORAM : RAVINDRA V. GHUGE &
ABHAY J. MANTRI, JJ.
RESERVED ON : 24th MARCH, 2026
PRONOUNCED ON : 07th APRIL, 2026

JUDGMENT : (Per: ABHAY J. MANTRI, J.)

1. Heard. **Rule**. Rule is made returnable forthwith and heard finally with the consent of the learned counsel for the parties at the admission stage.

2. The Petitioner assails the legality and validity of the judgment and order dated 16th February, 2024 (pronounced on 30th July, 2024) passed by the learned National Consumer Disputes Redressal Commission, New Delhi (for short, the "***National Commission***") in First Appeal No. 137 of 2015 whereby confirming the judgment and order dated 6th January, 2015 passed by the State Consumer Disputes Redressal Commission, Mumbai (for short, the "***State Commission***") which dismissed the Consumer Complaint No. CC/11/2015.

3. The brief facts giving rise to this Petition are as follows:-

The Petitioner company is in the business of automobile goods. On 31st July, 2009, the Petitioner had availed a cash credit facility of Rs. 40 lakhs and a term loan of Rs. 10 lakhs from Respondent No. 2 – Allahabad Bank Limited (for short, '***the Bank'***) against hypothecation of stocks. It is alleged that the Respondent No. 1 Universal Sompo General Insurance Company Limited (for short, "***Insurance Company***") is a subsidiary of the Respondent No. 2 Bank. Accordingly, the Respondent No. 2 Bank filled out and signed the 'Bancassuarance Proposal Form' and availed a standard fire and special perils policy (for short, "***insurance policy***") from Respondent No. 1 Insurance Company bearing policy No.

2114/50184589/00/000 for the period from 31st July, 2009 to 30th July, 2010 for a sum assured of Rs. 50 lakhs. The policy documents were never sent to the Petitioner by either Respondent No. 1, the Insurance Company, or Respondent No. 2, the Bank. Respondents Nos. 1 and 2 were only aware of the said insurance policy. The premium of the insurance policy was paid by Respondent No. 2 Bank to Respondent No. 1 insurance company. It is alleged that neither the Petitioner nor his authorised person signed the said proposal, whereas the Respondent No. 2 Bank did. Respondent No. 2 Bank did not share the proposal or the policy documents with it. The hard copy of the insurance policy was provided by Respondent No. 2 only after the fire incident. In the said insurance policy, the address of the workshop of the Petitioner Company was mentioned as "*Kent Car Lounge India Private Limited, c/o. **Bansal Estate, Chandivali Naka, Saki Vihar Road, Andheri (E)**, Mumbai 72*".

4. In a Board meeting dated 4th April, 2020 the Petitioner company, resolved to shift the work shop operations including stocks of spares from "Kent Car Lounge India Private Limited, c***/o. Bansal Estate Chandivali Naka, Saki Vihar Road***, Andheri (E), Mumbai 72" to a new address "Kent Car Lounge India Private Limited, ***c/o. Autograph Cars India***

Private Limited, Mehra Compound, Opposite Saki Naka Telephone Exchange, Andheri-Kurla Road, *Saki Naka*, Andheri(E), Mumbai 72". The Petitioner, vide communication dated 12th April, 2010, claims to have intimated the change of address for the workshop operations, including stocks of spares, to Respondent No. 2 Bank. Pursuant to the same, the Respondent No. 2 Bank vide its letter dated 21st April, 2010, informed the said change of address of the Petitioner's workshop to Respondent No. 1 Insurance Company.

5. On 23rd July, 2010, a fire broke out at the Petitioner's workshop situated at the new premises, causing substantial loss and damage to the Petitioner. On the same day, the Petitioner informed Respondent No. 2 Bank about the fire incident. At that time, Respondent No. 2 Bank provided a hard copy of the insurance policy to the Petitioner for the first time. Accordingly, the Petitioner immediately approached Respondent No. 1 Insurance Company and filed its claim for Rs. 50 lakhs. Thereafter, Respondent No. 1 Insurance Company appointed a surveyor M/s. Cunningham Lindsey International Private Limited for the assessment of the loss of damages and claim amount. On 24th July, 2010, the surveyor visited the site and, upon detailed inspection and verification, submitted its report to Respondent No. 1, the Insurance Company, on 16th February,

2011. The Respondent No.1 neither accepted nor repudiated the Petitioner's claim within the stipulated period set out by the regulatory authority. As per Regulation 8(c) of the IRDA, since there was no positive response from the Respondents, the Petitioner filed a consumer Complaint bearing CC No. 206/2011, before the State Commission. By Judgment and Order dated 6th January, 2015, the State Commission, Mumbai, after considering the material placed before it and based upon the evidence on record, dismissed the complaint. Aggrieved thereby, the Petitioner has preferred First Appeal No. 137/2015 before the National Commission. The National Commission, vide its Judgment and Order dated 30th July, 2024, after considering the material before it, dismissed the Appeal and confirmed the Judgment and Order passed by the State Commission. Being dissatisfied with both the judgments and orders, the Petitioner invoked the writ jurisdiction to challenge their legality.

6. The Respondent No. 1, an insurance company, filed a written statement before the State Commission, resisting the Petitioner's claim, contending that the Petitioner changed the risk location/place of insurance without prior permission or intimation to it. Hence, insurance for the workshop and spares stock at the new location is not covered under the

policy, *as* it is expressly excluded thereunder. It is further contended that the petitioner received the insurance policy on 14.08.2009 through Professional Couriers. Therefore, the Petitioner's contention that it was unaware of the insurance policy is false. Without prejudice to the above, it was contended that if the Petitioner alleges that they did not sign the insurance policy and that the same was signed by the authorised person of Respondent No. 2 Bank, then the policy would cover the bank’s interests, not the Petitioner's. In such an eventuality, their claim is not maintainable, as they are not privy to the insurance contract. They categorically denied that Respondent No. 2 Bank had informed them regarding the change in the address of the workshop, i.e., the place of insurance, by the Petitioner. Hence, it is urged that the Petitioner is not entitled to an insurance claim.

7. The Respondent No. 2 Bank also opposed the claim of the Petitioner by filing the written statement and contended that, as per clause - 5 of the terms and conditions of the sanction letter, it had been agreed between the Bank and the Petitioner that stocks/goods would be insured for the full value under the comprehensive risk with the Bank at the borrower’s risk. The Petitioner has accepted and acknowledged the terms and conditions set forth in the sanction letter. As per the terms and conditions of

the sanction memo, as well as at the request of the Petitioner company, the entire hypothecated stock of the Petitioner company, viz., automobile goods, was insured by Respondent No. 1-Insurance Company under the Insurance Policy. The Petitioner had paid the insurance premium of the said policy from its Bank account. Which could be gathered from their bank account statement. As per the conditions in the Deed of Hypothecation, the Petitioner shall be duty-bound to obtain prior permission from the Bank for shifting/ changing the place of the workshop. However, the Petitioner failed and neglected to obtain prior permission from it and only intimated to them after shifting the workshop. Lastly, it is contended that the Petitioner has paid the insurance premium to Respondent No. 1. Hence, the Petitioner has no right to raise any grievance against it.

8. The Petitioner does not disclose any negligence on the part of the Respondent No. 2 or any deficiency in the service as alleged. Therefore, the claim against it was not maintainable.

9. Having heard the learned Advocate for the respective parties and gone through the record, at the outset, the core issue that arises before

us is as to "*whether the Petitioner is entitled to an insurance claim based on the terms and conditions of the insurance policy as claimed*".

10. The thrust of the argument of the learned Advocate for the Petitioner was that the Directors of the Petitioner company, in a meeting of the Board of Directors held on 4th April, 2010, had resolved to change the address of the work operations/workshop. Accordingly, the Petitioner had informed Respondent No. 2 Bank of the change in the address of the work operations/workshop, and the Bank, in turn, informed Respondent No. 1 insurance company of the said change. As such, it cannot be said that they failed to inform the insurance company; hence, he argued that the question of the petitioner's violation of the terms and conditions of the Insurance Policy does not arise at all.

11. He further propounded that the Surveyor of Respondent No. 1 Insurance Company inspected the new workplace/workshop of the Petitioner company and assessed that the Petitioner has suffered a loss to the tune of Rs. 10,05,882/-. Therefore, the Petitioner is entitled to an insurance claim to that extent.

12. In response, the learned Advocate for the Respondents strenuously argued that the Petitioner had committed a breach of condition No. 13 of the insurance policy. It failed to obtain prior permission from the insurance company or the Bank to relocate/shift its workshop operations, including its spare stock, from the insured premises to the new location. Therefore, the Petitioner is not entitled to the insurance claim. The learned State Commission, as well as the National Commission, have considered the documents on record in their proper perspective and rejected the Petitioner's claim. The learned Advocate for the insurance company further canvassed that it did not receive the letter dated 21st April, 2010, issued by Respondent No. 2 Bank. No cogent evidence is produced on record to demonstrate that the said letter was delivered to Respondent No. 1 company, and therefore, the learned Commissions below have rightly passed the order, and no interference is warranted in writ jurisdiction.

13. It is pertinent to note that it is not in dispute that the premium of the policy was paid to Respondent No. 1 Insurance Company from the Bank account of the Petitioner. Similarly, the Petitioner does not dispute that it did not inform the Insurance Company of the change in the company's workshop operations, including its spare stock, from the insured

premises to the new location. In such an eventuality, to determine the controversy between the parties, we would like to reproduce ***clause/condition 13*** of the General Exclusions and ***clause A(iii)*** of the Agreed Bank Clause of the insurance policy.

> (A) **GENERAL EXCLUSIONS** :
>
> *13) "**Loss or damage to property insured if removed to any building or place other than in which it is herein stated to be insured**, except machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days".*
>
> A) AGREED BANK CLAUSE :
>
> It is hereby declared and agreed :-
>
> *iii) "That if and whenever any notice shall be required to be given, or other communication shall be required to be made by the Company to the insured or any of them in any manner arising under or in connection with the policy, such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank."*

14. A plain reading of clause/condition (13) indicates that loss or damage to the property insured if removed to any building or place other than the insured is not covered by the insurance policy. The entire stock within the insured premises is covered under the insurance policy except

machinery and equipment temporarily removed for repairs, cleaning, renovation, or other similar purposes for a period not exceeding 60 days. It is not the case of the Petitioner that machinery and equipment were temporarily removed for repairs, cleaning, renovation, or other similar purposes from the insured premises/location.

15. In the insurance policy, the address of the insured premise/location is categorically mentioned as *"Kent Car Lounge India Private Limited,* ***c/o. Bansal Estate, Chandivali Naka, Saki Vihar Road****, Andheri (E), Mumbai 72"* (for short, '***Bansal Estate'***). Undisputedly, in the case at hand, the insurance policy denotes that they have insured the premises located at '***Bansal Estate, Chandivali Naka, Saki Vihar Road***' and not the workshop operations, which were shifted/relocated to *"Kent Car Lounge India Private Limited,* ***c/o. Autograph Cars India Private Limited, Mehra Compound, Opposite Saki Naka Telephone Exchange****, Andheri-Kurla Road, Saki Naka, Andheri(E), Mumbai 72*. (for short, ***Mehra Compound***). As per clause/condition No. 13, the stocks kept in the insured premises, i.e. premises located at Bansal Estate, were covered by the insurance policy. Undisputedly, in April, 2010, without the prior permission of the Respondent No. 1, Insurance Company, or Respondent No. 2, Bank, the

Petitioner company resolved to shift its workshop operations/repairs, cleaning, and renovation of spare parts and accessories to a new place/location, i.e., at Mehra Compound and shifted its workshop there. It is also undisputed that the incident, i.e., the fire, broke out at the shifted location rather than at the insured premises.

16. Apart from that, even assuming that, after the Petitioner company took a decision, the same was informed to the Respondent No. 2, Bank, vide communication dated 12th April, 2010. It does not appear from the said communication that they have requested the Bank to inform the Insurance Company of the change of the workshop location. Although the Petitioner produced a communication dated 21st April, 2010, issued by Respondent No. 2 Bank addressed to the Petitioner. However, neither the Petitioner nor Respondent No. 2, Bank, had produced any document on record to demonstrate that the said letter was accepted or acknowledged by Respondent No. 1, Insurance Company. No endorsement of the receipt of the said letter appears on the said communication. As the petitioner failed to comply with clause/condition No. 13, the mere intimation as contemplated in clause (A) (iii) is hardly of any assistance to the Petitioner to support his case. Both the learned Commissions below have considered

the said fact and held that "*there is no evidence on record to show that the Respondent No. 2, in turn, took up the matter of change of address with the Respondent No. 1 Insurance Company*. *The letter dated 21st April, 2010, reportedly addressed to Respondent No. 1, does not bear any acknowledgement of receipt by Respondent No. 1, the insurance company*; therefore, the National Commission held that repudiation of the claim by the Respondent No. 1 cannot be faulted and has dismissed the Appeal.

17. The concurrent findings were pointed out to the learned counsel for the Petitioner; however, he failed to show that the said letter was delivered by Respondent No. 2 Bank to Respondent No. 1 insurance company. Thus, it is evident that the Petitioner failed to demonstrate that it had obtained the prior permission of Respondent No. 1 Insurance Company or Respondent No. 2 before shifting workshop operations from the insured premises to the new premises. The said fact itself indicates that the Petitioner had violated Condition No. 13 of the insurance policy. Likewise, mere intimation of the shifting of the workshop from insured premises to new premises to Respondent No. 2, Bank cannot be said to have obtained prior permission of the Respondent No. 2 Bank or the Respondent No.1

insurance Company or that the new premises were insured under the insurance policy.

18. Moreover, the Petitioner contended that its authorised person had not signed the insurance policy and was therefore unaware of it. If his contention has been taken into consideration in such circumstances, the Petitioner would not be entitled to the insurance claim, as he is not a party to the contract of the insurance policy. Similarly, he contended that, for the first time after the alleged fire incident, the Respondent No. 2 Bank had handed over the insurance policy to the Petitioner. We do not find any material in support of its contention on record. On 31st July, 2009, the premium was deducted from the Petitioner's bank account. Similarly, the petitioner received the insurance policy on 14.08.2009 through Professional Couriers. Also, as per condition No. 5 of the sanction letter, it was the obligation of the Petitioner to insure the stocks/goods for the full value under comprehensive risk with the Bank, at its risk, to cover stocks, repairs, and other articles. Therefore, it cannot be said that the Petitioner was unaware of the insurance policy. The learned Advocate for the Petitioner has relied upon the judgment of the Hon'ble Supreme Court in ***Universal Sompo General Insurance Company Limited vs. Suresh Chand Jain and Another***[1] to

1 (2024) 9 Supreme Court Cases 148.

demonstrate that this Court has jurisdiction to entertain the Writ Petition. In view of the dictum in the said judgment, we have considered this petition.

19. We have perused the judgments delivered by the learned State Commission and the National Commission. Both the Commissions concurrently recorded a finding that the Petitioner had violated condition no.13 of the insurance policy and failed to demonstrate that it had obtained prior permission from the Respondent Nos. 1 and 2 to shift his workshop operations to a new place and thereby violated clause/condition No. 13 of the terms and conditions of the insurance policy. Therefore, the repudiation of the insurance claim by Respondent No. 1 is just and proper and cannot be faulted. The findings recorded by both the Commissions are based on the evidence on record. There is no illegality or perversity in the said findings that would warrant interference with the impugned orders. In the above backdrop, we do not find any merit in the Petition. Consequently, ***the Petition is dismissed***.

20. The Rule is discharged. No order as to costs.

(ABHAY J. MANTRI, J.) (RAVINDRA V. GHUGE, J.)

Vishal Parekar