

**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

**FAO No. 8538 of 2014 (O&M)
Date of Decision: 12.01.2017**

Oriental Insurance Company Limited

... Appellant

vs.

Shamsher Singh and others

... Respondents

CORAM: HON'BLE MRS. JUSTICE ANITA CHAUDHRY

**Present:- Mr. Gaurav Gaur, Advocate for
Mr. Ashwani Talwar, Advocate
for the appellant.**

**Mr. S.K. Panwar, Advocate
for respondent No.2.**

**Mr. Surinder Dagar, Advocate
for respondent No.3.**

ANITA CHAUDHRY, J.

The insurance company-appellant has filed the instant appeal questioning the legality and propriety of the award dated 30.05.2014 to a limited extent. Though respondents No.2 and 3 had been held liable to pay the compensation amount to respondent No.1, but it had been asked to satisfy the award in the first instance and then recover the amount from respondents No.2 and 3.

The insurance company has come up with the plea that once it was held that the offending vehicle was driven in violation of the terms and conditions of the policy, learned Tribunal has gone wrong in burdening it with the liability to satisfy the award and the

interest awarded @ 7% was on higher side.

The factual aspect of the matter is not in dispute. The Tribunal had returned the finding that the offending vehicle was a good's vehicle and it was carrying passengers in violation of the terms of the policy and the driver was not holding a valid driving license at the time of accident. It is not in dispute that the offending vehicle was insured with the appellant insurance company.

Once it is not disputed that the vehicle was insured with the appellant, it was obligatory on its part to satisfy the award in the first instance and then recover it from the owner and driver as laid down by the Apex Court on numerous occasions and the case is **National Insurance Co. Ltd. Vs. Swaran Singh 2004(1) PLR 510** and by this Court in **Reliance General Insurance Co. Ltd. Vs. Sunita Pandey & Ors. 2014(5) RCR(Civil 791**. No fault could be found with the approach of the Tribunal in directing the appellant to satisfy the award in the first instance and then recover it from the driver and owner.

In the present scenario, it cannot be said that the interest awarded on the amount of compensation was on the higher side.

With the aforesaid observations, the instant appeal stands disposed of.

12.01.2017

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**(ANITA CHAUDHRY)
JUDGE**

Whether speaking/ reasoned

Yes/ No

Whether reportable

Yes/ No