



IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

152

FAO-328-1994

Date of decision : 19.11.2025

Bala Ram

..... Appellant

versus

Tirveni and others

..... Respondents

CORAM : HON'BLE MR. JUSTICE PANKAJ JAIN

Present: Mr. B.R. Rana, Advocate
for the appellants.

Mr. Vinod Gupta, Advocate
for the respondent-insurance company.

PANKAJ JAIN, J. (Oral)

1. On 14.10.2025, following order was passed:-

“The only issue involved in the present appeal is:

(i) *whether the insurer can be absolved of his liability to indemnify the amount paid by the insured?*

The reasoning recorded by the Commissioner is lack of communication by the insured to the insurer. It is a death case. In view of Section 10(1)(a) of Workmen's Compensation Act, 1923 (now named as Employees' Compensation Act, 1923), the reasoning does not hold good. Accordingly, the impugned order is modified to the extent that insurance company shall bear the liability to pay compensation to the claimants along with statutory interest.

At this stage, counsel for the appellant has brought to the notice of this Court order dated 29.11.1994 which reads as under:-

“After hearing the learned counsel for the parties, I am of the view that the point that will require determination is as to “whether it is the appellant, who is liable to pay the compensation to the claimants or it is the Insurance Company? otherwise, the award as far as quantum is concerned is not being challenged. I am of the view that if



the stay is granted the claimants would suffer unnecessarily and in case the appellant is asked to pay according to the award of the workmen Compensation Commissioner, he can be suitably compensated ultimately if his appeal succeeds. Consequently, the stay application is dismissed.

F.A.O. is admitted.

The appellant is directed to deposit in this Court the sum awarded by the Workmen Compensation Commissioner on or before January 9, 1995. If the amount is not deposited as aforesaid, the appeal stand dismissed. On the deposit of the amount as aforesaid, the claimants may move necessary application for the release of the same.

Considering the peculiar facts and circumstances of the case, the office is directed to list the main appeal for hearing within six months.”

Counsel for the respondent-insurance company to seek instructions regarding compensating the appellant in terms of order dated 29.11.1994.

On his request, adjourned to 04.11.2025.”

2. In view of the settled proposition of law, it is the insurance company which has to indemnify the insured and to pay the entire compensation along with interest apart from liability in view of the ratio of law laid down by Supreme Court in the case of ***Ved Prakash Garg vs. Prem Devi*** reported as ***1997 AIR (SC) 3854***.

3. In view thereof, the impugned order is modified and the owner is held entitled to get the amount indemnified by the insured within a period of six weeks from today. In case of failure to do so, the amount shall carry interest of 12% per annum.

4. Disposed off, accordingly.

19.11.2025

Dinesh

Whether speaking/reasoned :
Whether Reportable :

(PANKAJ JAIN)
JUDGE

Yes
No