



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

FAO-775-2012 (O&M)
Reserved on: 07.11.2025
Date of decision: 22.12.2025
Uploaded on: 24.12.2025

PADAM

..Appellant

Versus

GULAB SINGH AND ORS.

..Respondents

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. Digvijay, Advocate
for Mr. Vikram Singh, Advocate
for the appellant.

Ms. Tarranum Madan, Advocate
for respondent No.1.

Ms. Swatantar Kapoor, Advocate (through v.c.)
for respondent No.3-Insurance Company.

SUDEEPTI SHARMA, J.

1. The present appeal has been filed by the appellant-owner of the offending vehicle against the award dated 18.10.2011 passed in a claim petition filed under Section 166 of the Motor Vehicles Act, 1988 by the Motor Accident Claims Tribunal, Palwal (for short, 'the Tribunal'), wherein the appellant/driver of the offending vehicle was fastened with the liability to pay the compensation of Rs.70,000/- to the claimant/respondent No.1 along with interest @ 8% per annum from the date of filing of claim petition till recovery.

BRIEF FACTS OF THE CASE

2. Brief facts of the case are that on 1.9.2008, at about 8.30 PM Mahender Singh and Satbir Singh were going from Palwal to the village



Misa on motorcycle No.HR 30-C 1275, Make Hero Honda. When they reached Shani Dev Mandir, near village Sihaul-Kherla crossing, a motorcycle No.HR 30-G-0148 (hereinafter referred to as offending vehicle) being driven by respondent No.1 came from the side of village Chandhat at a very high speed and struck against motorcycle HR 30C-1275. The petitioner was a pillion rider on the said motorcycle. Due to the collision, occupants of both the motorcycles fell down and received injuries. Satbir Singh who was driving motorcycle No.HR 30C 1275 succumbed to his injuries and died at the spot. The petitioner also received injuries in the accident and he was admitted in Government hospital, Palwal where he was medically examined by Dr. J.P Parshad. Thereafter, he remained admitted from 8.9.2008 to 17.9.2008 in B.K. Hospital, Faridabad. He has spent Rs.35000/- on his treatment and he is still under treatment. He was running a Kiryana shop at village Lohagarh and was earning Rs.10000/- per month, but due to the injuries sustained in the accident he could not do his work for a long time and suffered loss of income. The accident in question took place due to negligence of respondent No.1 and case FIR No.214 dated 2.9.2008 under section 279/337/427/304 IPC was registered against him regarding accident in question.

3. Upon notice of the claim petition, respondents therein appeared and contested the claim petition by filing separate written statement denying the factum of accident/compensation.

4. From the pleadings of the parties, the Tribunal framed the following issues:-

“i) Whether the accident has taken place on 1.9.2008 at 8.30 P.M at Shanidev Mandir, near Sihol Kherla Chowk,



Tehsil & Distt Palwal on account of rash and negligent driving of offending vehicle No.HR 30 G 0148 driven by respondents No.1. If so, whether the petitioner sustained injuries in this accident?OPP

ii) If first issue No.1 is proved, whether the petitioner is entitled to claim compensation. If so, to what amount and from whom?

iii) Whether the respondent No.1 was not holding any valid and effective driving licence at the time of alleged accident.

iv) Relief”

5. Thereafter, both the parties led their evidence in support of their respective pleadings.

6. After taking into consideration the pleadings and the evidence on record, the learned Tribunal awarded compensation to the claimant. However, the respondent No.3-Insurance Company was held liable to pay compensation at first instance and recovery rights were given to respondent No.3-Insurance Company to recover the same from appellant-driver of the offending vehicle. Hence, the present appeal.

SUBMISSIONS OF LEARNED COUNSEL FOR THE PARTIES:

7. Learned counsel appearing for the appellant-owner contends that the learned Tribunal has committed error in law in fastening liability upon the appellant to pay compensation. It is submitted that the insurance policy in force in the present case was a comprehensive/package policy, which, by its very nature and as settled by judicial precedent, covers the risk of a pillion rider.

8. He therefore submits that the liability to satisfy the award ought to have been fastened upon the insurance company, and not upon the



appellant–driver. On these grounds, learned counsel prays that the present appeal be allowed and the impugned finding of the learned Tribunal be set aside.

9. Learned counsel for respondent No.1-claimant contends that the learned Tribunal has rightly decided the issue of liability, therefore, he prays for dismissal of the present appeal.

10. Per contra, learned counsel for the respondent No.3 contends that the learned Tribunal has rightly decided the issue of liability. Therefore, he prays for dismissal of the present appeal.

11. I have heard learned counsel for the parties and perused the whole record of the case with their able assistance.

12. Before proceeding further it is apposite to reproduce the relevant portion of the award. The relevant portion is reproduced as under:-

“13. Now the question for determination is whether petitioner is entitled to recover compensation from all the respondents. Learned counsel for the respondent No.3 has argued that the petitioner was a pillion rider on the alleged offending vehicle and he was not covered under the insurance policy Ex.RW3/A and therefore insurance company is not liable to pay compensation. He has relied upon the judgment of Hon'ble Supreme Court in case of India Insurance Company Limited Vs. Tilak Singh and others 2006, Accident Claims Journal, 1441.

14. It is admitted that the petitioner was riding the motorcycle as a pillion rider. The petitioner has himself stated that the respondent No.1 was driving the motorcycle in a rash and negligent manner. Insurance policy Ex. RW3/A shows that no premium was paid by the owner of the motorcycle for



optional PA cover (pillion rider). It has been held by the Hon'ble Supreme Court in case of United India Insurance Company Limited Vs. Tilak Singh (supra) that insurance company is not liable to pay compensation in case of death of (Pillion Rider) if the vehicle was insured under 'Act only', policy which did not contain any endorsement on payment of additional premium. In the present case also, no additional premium was paid by the insured for covering the pillion rider. Therefore, it is concluded that insurance company is not liable to pay any compensation to the petitioner. Hence, issue No.1 is partly decided in favour of petitioner and it is held that the petitioner is entitled to recover a sum of Rs.70000/- as compensation from respondents No.1 and 2 jointly and severally.”

13. The short issue which falls for consideration before this Court is **whether a comprehensive/package insurance policy of two-wheeler covers the risk of a pillion rider, and if so, whether the insurance company can be held liable to pay compensation to such pillion rider.**

14. Before advertng to the determination of the above-mentioned issue, it is apposite to note the material factual aspect which has a direct bearing on the controversy. Learned counsel appearing for the respondent No.3–Insurance Company, in the proceedings dated 06.03.2024, categorically submitted before this Court that the insurance policy involved in the present case was a comprehensive policy. The relevant order of this Court is reproduced as thus:

“The concerned branch to report whether the appellant has deposited the statutory amount of Rs.25,000/- in the present appeal.



Learned counsel for respondent No.3-Insurance Company has submitted at bar that Insurance Policy in present matter was a comprehensive policy.

At request of learned counsel for the appellant, adjourned to 02.04.2024.”

15. Adverting now to the core legal issue, it is to be noted, at the outset that the question raised is no longer res integra. The Hon’ble Supreme Court has conclusively settled the law on this point in **National Insurance Company Limited v. Balakrishnan & Anr., (2013) 1 SCC 731**. In the said judgment, the Apex Court has unequivocally held that a comprehensive/package policy in respect of a two-wheeler covers the risk of a pillion rider, and similarly, comprehensive/package policy of private car covers the occupants therein.

16. The relevant extract of the same is reproduced as under:-

“19. It is extremely important to note here that till 31st December, 2006 the Tariff Advisory Committee and, thereafter, from 1st January, 2007, IRDA functioned as the statutory regulatory authorities and they are entitled to fix the tariff as well as the terms and conditions of the policies by all insurance companies. The High Court had issued notice to the Tariff Advisory Committee and the IRDA to explain the factual position as regards the liability of the insurance companies in respect of an occupant in a private car under the "comprehensive/package policy". Before the High Court, the Competent Authority of IRDA had stated that on 2nd June, 1986, the Tariff Advisory Committee had issued instructions to all the insurance companies to cover the pillion rider of a scooter/motorcycle under the "comprehensive policy" and the said position continues to be in vogue till date. It had also admitted that the "comprehensive policy" is presently called a



"package policy". It is the admitted position, as the decision would show, the earlier circulars dated 18th March, 1978 and 2nd June, 1986 continue to be valid and effective and all insurance companies are bound to pay the compensation in respect of the liability towards an occupant in a car under the "comprehensive/package policy" irrespective of the terms and conditions contained in the policy. The competent authority of the IRDA was also examined before the High Court who stated that the circulars dated 18th March, 1978 and 2nd June, 1986 of the Tariff Advisory Committee were incorporated in the Indian Motor Tariff effective from 1st July, 2002 and they continue to be operative and binding on the insurance companies. Because of the aforesaid factual position, the circulars dated 16th November 2009 and 3rd December, 2009, that have been reproduced hereinabove, were issued.

20. It is also worthy to note that the High Court, after referring to individual circulars issued by various insurance companies, eventually stated thus:-

"In view of the aforesaid, it is clear that the comprehensive/package policy of a two wheeler covers a pillion rider and comprehensive/package policy of a private car covers the occupants and where the vehicle is covered under a comprehensive/package policy, there is no need for Motor Accident Claims Tribunal to go into the question whether the Insurance Company is liable to compensate for the death or injury of a pillion rider on a two-wheeler or the occupants in a private car. In fact, in view of the TACs directives and those of the IRDA, such a plea was not permissible and ought not to have been raised as, for instance, it was done in the present case."

21. In view of the aforesaid factual position, there is no scintilla of doubt that a "comprehensive/package policy" would cover the liability of the insurer for payment of



compensation for the occupant in a car. There is no cavil that an "Act Policy" stands on a different footing from a "Comprehensive/Package Policy". As the circulars have made the position very clear and the IRDA, which is presently the statutory authority, has commanded the insurance companies stating that a "Comprehensive/Package Policy" covers the liability, there cannot be any dispute in that regard. We may hasten to clarify that the earlier pronouncements were rendered in respect of the "Act Policy" which admittedly cannot cover a third party risk of an occupant in a car. But, if the policy is a "Comprehensive/Package Policy", the liability would be covered. These aspects were not noticed in the case of Bhagyalakshmi (supra) and, therefore, the matter was referred to a larger Bench. We are disposed to think that there is no necessity to refer the present matter to a larger Bench as the IRDA, which is presently the statutory authority, has clarified the position by issuing circulars which have been reproduced in the judgment by the Delhi High Court and we have also reproduced the same."

17. In view of the aforesaid settled legal position and the authoritative pronouncement of the Hon'ble Apex Court, there remains no scintilla of doubt that a comprehensive/package policy fastens liability upon the insurer for payment of compensation to a pillion rider injured or deceased in a motor accident.

18. Consequently, the finding recorded by the learned Tribunal holding the appellant-driver liable to pay compensation is legally unsustainable and deserves to be set aside. Accordingly, respondent No.3—Insurance Company is held solely liable to satisfy the award of compensation payable to the claimant.

19. In view of the above discussion, the present appeal is allowed.

The impugned findings granting recovery rights to the insurer are hereby set



aside, and the insurance company shall remain solely liable to compensate the claimant.

20. The statutory amount of Rs.25,000/- deposited by the appellant at the time of admission of the appeal, is ordered to be refunded to them.

21. Pending miscellaneous applications, if any, are also disposed of.

22.12.2025

Ayub

(SUDEEPTI SHARMA)
JUDGE

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No