



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

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**FAO-2165-2025 (O&M)
Date of decision : 06.02.2026**

New India Assurance Company Ltd.**..... Appellant**

versus

Neetu Rani and another**..... Respondents****CORAM : HON'BLE MR. JUSTICE PANKAJ JAIN**

Present: Mr. R.C. Kapoor, Advocate
for the appellant.

Mr. Ashwani Arora, Advocate and
Mr. Vipul Sharma, Advocate
for respondent No.1.

Mr. Jagjit Singh Chatrath, Advocate
for respondent No.2.

PANKAJ JAIN, J. (Oral)**CM-6916-CII-2025**

This is an application for condonation of delay of 12 days
in filing the appeal.

For the reasons mentioned in the application, the same is
allowed. Delay of 12 days in filing the appeal stands condoned.

Main case

1. The insurance company is in appeal aggrieved of the order
dated 17.12.2024 passed by Commissioner under the Employees
Compensation Act, 1923.

2. The claim petition relates to death of Prem Kumar
employed as salesman with respondent No.2-company, who lost his life



vehicle on 23.01.2021. His widow filed present claim petition under 1923 Act. The Commissioner allowed the claim petition holding her entitled to compensation of Rs. 15,28,875/- holding employer, i.e. the insured owner of the vehicle and the insurer of the vehicle, i.e. the appellant liable jointly and severally.

3. Insurance company is in appeal disputing its liability. Mr. Kapoor has drawn attention of this Court to the insurance policy Ex.R-4/R-6 to submit that the premium was paid for a legal liability to cover paid driver/conductor/cleaner employed for operating the vehicle. He submits that the deceased being salesperson is not covered under the policy. Thus, Commissioner erred in holding the insurance company jointly and severally liable to shoulder the responsibility to indemnify the insured.

4. *Per contra*, counsel for respondent No.2-the insured submits that the plea being raised before this Court was never raised before the Commissioner. The same being beyond pleadings, should not be entertained. Counsel for respondent No.1-claimants has drawn attention of this Court to the contract of insurance. He submits that as per the policy cover, it is a commercial vehicle package policy with enhanced covers. The vehicle had a seating capacity of two including seat of driver. Premium was paid for the two persons. The insurance company accepted the premium and issued policy to cover two persons including driver. Merely for the reason that the other person has been mentioned as a conductor or cleaner cannot absolve the insurance company from its liability when it stands proved that the other person sitting in the vehicle was employed for the operation of the company. In



order to support his contention, he relies upon ***A. Ganesh Rao vs. United India Insurance Co. Ltd. and others reported as 2024 ACJ 2512.***

5. I have heard counsel for the parties and have carefully gone through the records of the case.

6. The employment of the deceased with the owner of the insured vehicle is not disputed. It is also not disputed that the deceased was travelling in the vehicle along with the driver on business tour. The insurer issued a comprehensive commercial vehicle package policy with enhanced cover. Premium was accepted to cover two persons employed for the operations of the company. Seating capacity of the vehicle was two only. Employer is a manufacturer of PVC pipes. The product was being taken on vehicle in question for demonstration. The deceased being salesman was accompanying driver for demonstrating the product.

7. In these circumstances, counsel for the claimant is right in contending that merely for the reason that the deceased was employed as salesperson, the insurance company cannot be absolved of liability to indemnify the insured.

8. The view of this Court is guided by following observations made by Supreme Court in ***A. Ganesh Rao's case (supra):-***

“xxx xxx The deceased was not just a sales officer, but a sales officer-cum-driver, all rolled into one. His duties included sales and promotion of the appellant's vehicles, explaining the features of the vehicles to the customers, conducting of test drives of the vehicles along with individual customers and reporting to his seniors. That being the position, it cannot be urged that the deceased was not a paid driver so as to fasten the liability to pay the awarded amount on the appellant-employer. It is also not in dispute that the



deceased did possess a driving licence for a motor vehicle and the insurance policy taken out by the appellant-employer from the respondent No.1-insurance company covered a paid driver.”

9. Once a person was admittedly working for the operation of the company and was in the vehicle as per the seating capacity of the vehicle, the plea raised by Mr. Kapoor cannot be accepted.
10. In view of above, this court finds no merit in the present appeal and the same is ordered to be dismissed.
11. Since the main case has been decided, pending miscellaneous application, if any, shall also stands disposed off.

(PANKAJ JAIN)
JUDGE

06.02.2026
Dinesh

Whether speaking/reasoned :	Yes
Whether Reportable :	No