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

FAO-3441-2009 (O&M)

SANTOSH KAPOOR

..Appellant

Versus

UNITED INSURANCE CO. LTD.

..Respondent

Reserved on: 13.02.2026
Pronounced on: 16.03.2026
Uploaded on: 19.03.2026

Whether only the operative part of the judgment is pronounced? *NO*
Whether full judgment is pronounced? *YES*

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. Ram Lal Yadav, Advocate
Mr. Kartikeya Puri, Advocate
for the appellant.

Mr. Neeraj Khanna, Advocate for
Mr. Ravinder Arora, Advocate
for respondent No.1.

Mr. Rajesh Arora, Advocate
for respondent No.2.

SUDEEPTI SHARMA, J.

1. The present appeal has been filed by the appellant/owner of the offending vehicle against the award dated 03.02.2009 passed in a claim petition filed under Section 166 of the Motor Vehicles Act, 1988 by the Motor Accident Claims Tribunal, Gurgaon (for short, 'the Tribunal'), wherein the appellant/owner of the offending vehicle was fastened with the liability to pay the compensation of Rs.3,53,100/- to the claimant/respondent No.1 along with interest @9% 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 11.6.2007 Ami Chand (deceased) alongwith one Jumna, started from Azadpur Sabzi Mandi after loading vegetables in Tata-407 bearing registration No. HR-47A-0181 being driven by Manohar s/o Kham Chand at a moderate speed observing traffic rules. At about 3 a.m. they reached near signature Tower over bridge on N. H. No. 8, where the offending truck bearing registration No. RJ-02G-6356 was parked in the middle of the road without any indication or parking lights on by its driver and thus due to darkness it could not be seen by Manohar the driver of Tata-407, as a result thereof struck the same into the aforesaid stationary truck and could not avoid the accident resulting into serious and grievous injuries to its occupants. The injured were taken to Pushpanjali Hospital, Gurgaon for treatment where Ami chand succumbed to his injuries. A criminal case vide FIR No. 125 dated 11.6.2007 under sections 279, 337 and 304-A IPC was registered in P. S. Sector-40 against respondent No. 1. The deceased was aged 21 years and earning Rs.8,000/- per month from his vegetable business. A sum of Rs.30,000/- was spent for conveyance and on his last rites. The claimants being his widow and minor children and dependent on him, were entitled compensation aforementioned from all the respondents who were none else but driver, owner to the insurer of the offending vehicle and respectively.

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:-

> *"1. Whether the accident in question was caused by respondent No. 1 while driving truck bearing registration No. RJ-02-G-6356 in a rash and negligent manner resulting into death of Ami Chand, as alleged? OPP*
>
> *2. If issue No. 1 is proved, whether the claimants are entitled to any compensation and if SO to what extent and from whom? OPP*
>
> *3. Whether respondent No.3 is not liable to make payment of any compensation on account of alleged violation of the terms and conditions of the insurance policy? OPR (3)*
>
> *4. 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 appellant-owner of the offending vehicle was held liable to pay compensation. Hence, the present appeal.

SUBMISSIONS OF LEARNED COUNSEL FOR THE PARTIES:

7. Learned counsel for the appellant–owner of the offending vehicle contends that the Insurance Policy does not contain any stipulation with regard to the requirement of a route permit. He further contends that the ground on which the Insurance Company has been exonerated by the learned Tribunal was neither specifically pleaded nor proved before the Tribunal. In the absence of any such pleading or evidence, the learned Tribunal could not have absolved the Insurance Company of its statutory liability. On these premises, it is prayed that the present appeal be allowed.

8. Per contra, learned counsel appearing on behalf of the respondent–Insurance Company contends that there was a clear violation of

the terms and conditions of the Insurance Policy, as the offending vehicle was being plied without a valid route permit at the time of the accident. It is further submitted that the respondent–Insurance Company had specifically raised the plea before the learned Tribunal regarding the absence of a valid route permit. Learned counsel further submits that the appellant–owner did not contest the claim petition and was proceeded against ex parte before the learned Tribunal. In these circumstances, it is argued that the learned Tribunal has rightly exonerated the Insurance Company from the liability to pay compensation.

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

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

> *"**ISSUE NO. 3**:*
> *16. The burden to prove this issue was upon the respondent No. 3. Its counsel has contended that the route permit Ex. R3 only permits to drive the offending vehicle in three states i.e. Delhi, U.P. and Uttaranchal whereas the accident in question had taken place in Gurgaon, a place in Haryana State where the offending vehicle could not have been and entered, thus respondents No. 1 & 2 have violated the terms and conditions of insurance the - exonerating their liability."*

11. A perusal of the impugned award reveals that the learned Tribunal has rightly concluded that there was violation of the terms and conditions of the insurance policy. The record reveals that the route permit (Ex. R3) authorised the offending vehicle to operate only within the States of Delhi, Uttar Pradesh and Uttaranchal. However, the accident in question

occurred at Gurgaon, situated in the State of Haryana, which was clearly beyond the territorial limits permitted under the said route permit. Consequently, at the time of the accident, the offending vehicle was being plied in a State for which no valid route permit had been obtained by the owner.

12. It is, therefore, evident that the owner of the offending vehicle had permitted the vehicle to operate in contravention of the statutory permit conditions as well as the terms of the insurance policy. Such operation of the vehicle outside the authorised territorial limits amounts to a material breach of the policy conditions.

13. The legal position on this aspect is no longer *res integra*. The Hon'ble Supreme Court in ***Branch Manager, NICL v. Avipsa Pathak and others, 2025 (3) TAC 42***, has categorically held that the absence of a valid route permit constitutes a fundamental and material breach of the conditions of the insurance policy, thereby entitling the insurer to avoid its liability.

14. The relevant paras of the same are reproduced as under:-

> "*11. Similarly, in the matter at hand, the Learned Claims Tribunal despite being seized of the fact that the owner of the vehicle Respondent No.4 had applied for "route permit" for the vehicle in accident from the Motor Vehicles Division, Transport Department, Government of Sikkim, on 08-10-2018, it was issued only on 26-10-2018, i.e., four days after the accident, i.e., on 22- 10-2018, went on to hold that -*
>
> > *"39. Consequently, in view of the finding arrived at issue No.(iv) the principle of pay and recover has been developed by Hon'ble Supreme court of India in the various cases including in the reported case* of *S. Iyyapan vs*

United India Ins. Co. Ltd. (2013 ACJ 1944) in which the apex court has observed as follows-

*"18. *****************************In any case , it is the statutory right of a third party to recover the amount of compensation so awarded from the insurer. It is for the insurer to proceed against the insured for recovery of the amount in the event there has been violation of any condition of the Insurance policy"." [emphasis supplied]*

12. I am consequently in disagreement with the finding of the Learned Claims Tribunal and opine that the Learned Claims Tribunal has mis-directed itself while interpreting the principle of "pay and recovery" which has already been discussed in detail in MAC App. No.03 of 2023 : The Branch Manager, National Insurance Company Limited vs. Ms. Avipsa Pathak and Others CO No.01 of 2023 : Uday Kumar Pradhan vs. Ms. Avipsa Pathak and Others the case of Suresh Khati (supra) as extracted hereinabove, for comprehension of the said principle.

13. In the case at hand, it is evident that all other documents of the vehicle were in order. The Respondent No.4 on 08-10-2018 had applied for the "route permit" much before the accident which occurred on 22-10-2018. The owner of the vehicle cannot be held to ransom for the tardiness in ministerial and administrative works of the concerned Department and he cannot be foisted with paying the Appellant on their satisfying the claims of the Respondents No.1, 2 and 3 in the absence of wilful violation of the terms of insurance on his part. Once the vehicle is validly insured with the Insurance Company and no terms therein are flouted by the insured, it is the *sole responsibility of the Insurance Company to pay the compensation.*"

15. In view of the aforesaid discussion and the settled position of law, the findings recorded by the learned Tribunal are well-reasoned and based on proper appreciation of the material available on record. No illegality, perversity or infirmity can be said to have been committed by the learned Tribunal warranting interference by this Court in the exercise of its appellate jurisdiction.

16. Consequently, the present appeal, being devoid of merit, stands ***dismissed***.

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

16.03.2026 **(SUDEEPTI SHARMA)**
Ayub/Saahil **JUDGE**

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