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

1. FAO-7313 of 2011

Mehar Singh Saini ......Appellant

Vs.

Reliance General Insurance Co. Ltd and ors. ......Respondents

2. FAO-7314 of 2011

Mehar Singh Saini ......Appellant

Vs.

Reliance General Insurance Co. Ltd and ors. ......Respondents

3. FAO-7315 of 2011

Mehar Singh Saini ......Appellant

Vs.

Reliance General Insurance Co. Ltd and ors. ......Respondents

4. FAO-7316 of 2011

Mehar Singh Saini ......Appellant

Vs.

Reliance General Insurance Co. Ltd and ors. ......Respondents

**Date of Reserve: 24.02.2026
Date of Pronouncement: 11.03.2026
Uploaded on:- 17.03.2026**

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. Virshank Suri, Advocate and
Ms. Garima Jindal, Advocate
for the appellant (s) in all the cases.

Mr. Nigam K. Bhardwaj, Advocate
for respondent-Reliance General Insurance Co.

* * *

SUDEEPTI SHARMA J.

1. Since the challenge in the above referred to four appeals is to award dated 10.08.2010 passed in the claim petitions filed under Sections 166 of the Motor Vehicles Act, 1988 by the learned Motor Accident Claims Tribunal, Yamuna Nagar at Jagadhari(for short, 'the Tribunal') by owner of the offending vehicle bearing registration No. Temp No. HR-99-MB-TEMP-1161) against the recovery rights granted to Reliance General Insurance Company to pay the compensation to the claimants in all the appeals, therefore, the same are decided vide this common judgment.

FACTS NOT IN DISPUTE

2. Brief facts of the case are that on 22.5.2008 Ajay Bakshi, Gavinder Singh, Rajinder Singh and Vijay Gupta were going to Bilaspur from Yamuna Nagar for taking dinner at Radha Rasoi, in Mahindra Scorpio No. HR-99-BM-11161. The vehicle was being driven by Surinder Saini. He was driving the vehicle at a fast speed and in rash and negligent and zigzag manner. When they reached near Bhateri, respondent no. 1 could not control the vehicle due to rashness and fast speed and struck the Mahindra Scorpio against the trees standing on the side of the road. Due to the impact the Scorpio turned turtle and the occupants sustained injuries. Gavinder Singh and Ajay Bakshi died at the spot while Vijay Gupta, Ravinder Singh and respondent no. 1 sustained injuries. They were removed from the vehicle by the inhabitants of village Bhateri and were sent to hospital for treatment. FIR No. 61 dated 23.05.2008 was registered regarding the accident on the statement of Rajinder Singh.

3. Upon notice of the claim petition, respondents appeared and denied the factum of compensation.

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

> *"1. Whether the accident in question took place due to rash and negligent driving of Mahindra Scorpio baring Temp. no. HR-998M-T-1161 by Surinder Saini? OPP*
>
> *2. If issue no. 1 is proved whether Ajay Kumar Bakshi son of petitioners in petition no. 39 of 2008 died in the said accident? OPP*
>
> *3. If issue no. 1 proved whether Gavinder Singh died in the said accident as alleged in petition no. 40 of 2009? OPP*
>
> *4. If issue no. 1 is proved whether Vijay Gupta of petition no. 59 of 2008 sustained injuries in the said accident?OPP*
>
> *5. Whether vehicle in question was being 5. driven in contravention of the terms and conditions of the insurance policy. If so, to what effect? OPR-3.*
>
> *6. If issue no. 1 is proved, what amount of compensation the petitioners Smt. Bandana etc. are entitled to and from whom? OPP*
>
> *7. If issue no. 1 is proved, what amount of compensation, the petitioner Swatantar Kumar Bakshi etc. are entitled to and from whom? OPP*
>
> *8. If issue no. 1 is proved what amount of compensation the petitioner Vijay Gupta is entitled to and form whom? OPP*

5. After taking into consideration the pleadings and the evidence on record, the learned Tribunal awarded compensation to the claimants. The liability to pay compensation was fastened upon the Insurance Company of the offending vehicle at first instance and recovery rights were granted to recover the same from appellant-owner of the offending vehicle. Hence the present appeals.

<u>SUBMISSIONS OF LEARNED COUNSELS FOR THE PARTIES</u>

6. Learned counsel for the appellant, who is the owner of the offending vehicle, submits that the learned Tribunal has erroneously granted recovery rights

in favour of the Insurance Company. He further contends that the said finding is primarily based on the statement of Vijay Gupta, one of the occupants of the vehicle, from which the learned Tribunal inferred that the vehicle was being used for hire and reward.

7. Learned counsel further argues that the Insurance Company failed to discharge its burden of proving that the passengers travelling in the vehicle were gratuitous passengers or that the vehicle was being used in violation of the terms and conditions of the insurance policy. In the absence of cogent and independent evidence establishing such breach, the learned Tribunal ought not to have fastened recovery rights upon the Insurance Company.

8. On these premises, he prays that the present appeal(s) be allowed, the impugned finding granting recovery rights to the Insurance Company be set aside, and the respondent–Insurance Company be held solely liable to satisfy the compensation awarded to all the claimants.

9. Per contra, learned counsel for respondent-Insurance Company contends that the learned Tribunal has rightly granted recovery rights to the Insurance Company. He, therefore prays that the present appeal (s) be dismissed.

10. I have heard learned counsel for the parties and perused the whole record of this case.

11. Before proceeding further, it is relevant to reproduce the relevant portion of the award, which reads as under:-

> ***ISSUE NO. 5 IN THE MAIN PETITION AND ISSUE NO. 3 IN THE PETITION TITLED PINKY ETC. VS. MEHAR SINGH.***
>
> *22. There is no dispute that Surinder Saini wan driving the vehicle at the time of accident. He was having a valid driving licence and vehicle was insured with the insurance company. However, the insurance company has strongly denied the liability*

to pay the compensation. It was argued that the vehicle was insured as a private vehicle whereas it was used as a taxi against the terms and conditions of the insurance policy. The police specifically excluded the traveling for hire or reward. The liability of the insurance company in accident does not arise. In support of his arguments. case of judgment the learned counsel referred to the reported as Jayakumar Va. Rajamma & Ors. 2004(3) civil Court Canes 331. Further reference was made to New India Assurance Co. Ltd. Shimla Devi and others 2004 ACJ 77. The insurer has to pay to the third party only on account of the fact that a policy of insurance has been issued in respect of the vehicle and insurer is entitled to recover any such sum from the insured by virtue of the condition of the contract of insurance indicated by the policy. The policy does not cover the passenger traveling in the vehicle for hire or reward as held in United India Insurance Co. Lt. vs. Limgampalli Mondi and others 2004 ACJ 233. Section 147(1) clarified that the policy shall not be required to cover an employee of an insured in respect of bodily injury or death arising out of and in course of his employment. The object of insisting on insurance seems to be to compulsorily cover the liability relating to their person or properties of the third parties.

On the other hand, the counsel for the Mimanta argued that insurance company is liable to pay compensation. However, they can recover it from the owner. He referred to the judgments reported as ***National Insurance Co. Ltd. Va. Baliit Kaur & Ors. 1***

(22004) ACC 269 and United India Insurance Co. Ltd. vs. Balbir Kaur and others 2007 ACJ 1455*.*

It is submitted in the written statement that the vehicle in by the insurance company question was used as a commercial vehicle (taxi) whereas it was insured as a private vehicle. Vijay Gupta, the surviving injured, witness in this case. He appeared as PW11. It has come during the cross was the material examination that Surinder Saini was known to him for about one week from the date of accident. Ajay Bakshi and Gavinder Singh were his fast friends for so many years. They called him on telephone to go for dinner. They hired the jeep in question. He had no knowledge how much amount was settled. He boarded the jeep from his use. Ajay Bakshi and Gavinder Singh used to live in his neighbourhood. They were already in the jeep when they came to his house. There is an oral statement of Vijay Kumar on the file that the jeep was hired. Accordingly to the police Ex.R1, there is # stipulation in the policy itself that vehicle covers use of the vehicle for any purpose other than hire or reward.

25. Thus in view of the above discussion, it is held that there was violation of the terms and condition of the deceased/injured being was bound to insurance the The policy. third party, insurance statutory discharge company liability cast upon it under the provisions of the Act pay the compensation determined by the Tribunal to the claimants and it can recover the same from the insured/owner. The issue is accordingly decided in favor of the insurance company."

ANALYSIS OF THE RECORD

12. Upon a careful consideration of the material available on record, this Court finds no infirmity in the finding recorded by the learned Tribunal on the issue of breach of the terms and conditions of the insurance policy.

13. A perusal of the impugned award reveals that Vijay Gupta (PW-11), the surviving injured witness, was examined before the learned Tribunal. During the course of his cross-examination, he categorically stated that Ajay Bakshi and Gavinder Singh, who were known to him, had telephonically invited him to accompany them for dinner and had hired the jeep (offending vehicle bearing registration No. Temp No. HR-99-MB-TEMP-1161) in question for that purpose.

14. Although PW14 expressed ignorance regarding the exact amount settled for hiring the vehicle, his categorical assertion that the jeep had been hired clearly indicates that the vehicle was being used for hire and reward at the relevant time. The mere fact that the witness was unaware of the amount paid does not dilute the evidentiary value of his statement regarding the nature of the use of the vehicle.

15. Significantly, nothing substantial has been elicited in the cross-examination to discredit or impeach the credibility of PW14 on this aspect. His testimony, therefore, remains intact and lends due support to the defence raised by the Insurance Company.

16. Furthermore, the insurance policy (Ex. R-1) placed on record clearly stipulates that the insured vehicle was meant to be used only for private purposes and expressly prohibits its use for hire or reward. Consequently, the use of the vehicle in the manner admitted by PW-11 constitutes a clear breach of the terms and conditions of the insurance policy.

17. In view of the aforesaid evidence, the learned Tribunal was justified in arriving at the conclusion that the offending vehicle was being plied for hire and reward in violation of the policy conditions. At the same time, keeping in view the statutory liability of the insurer towards third parties under the provisions of the Motor Vehicles Act, the learned Tribunal rightly directed the Insurance Company to satisfy the award in the first instance with liberty to recover the same from the appellant/owner.

18. Accordingly, the finding recorded by the learned Tribunal on this issue is based upon a proper appreciation of the evidence on record and does not call for any interference by this Court.

19. In view of the above, the present appeals are dismissed.

20. Pending application (s), if any also stands disposed of.

(SUDEEPTI SHARMA)
JUDGE

11.03.2026
Gaurav Arora

Whether speaking/non-speaking : Speaking
Whether reportable : Yes