

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH****240****FAO-2412-2016(O&M)****Date of decision: 17.03.2026****M/s Ishwar Coop. Transport Society Ltd.****...Appellant(s)****Vs.****United India Insurance Company Ltd. & Others****...Respondent(s)***********CORAM: HON'BLE MS. JUSTICE NIDHI GUPTA**

Present:- Mr. Akshay Jindal, Senior Advocate with
Mr. Vrishank Suri, Advocate
for the appellant.

Mr. V.M. Gupta, Advocate
for respondent No.1.

Mr. Vivek Suri, Advocate
Mr. Dushyant Godara, Advocate
Ms. Swati Bansal, Advocate
for respondents No.2 to 4.

*********NIDHI GUPTA, J.**

Present appeal has been filed by the owner of the offending bus laying challenge to the Award dated 05.01.2016 passed by the Motor Accident Claims Tribunal, Rohtak (hereinafter 'the learned Tribunal') whereby, MACT Case No.13 dated 28.01.2015 filed by the claimants/respondents No.2 to 4 herein, under Section 166 of the Motor Vehicles Act (hereinafter "the Act"), has been allowed; and compensation of Rs.11,36,120/- has been awarded to the said claimants.



2. Brief facts of the case are that the Id. Tribunal on the basis of pleadings and oral & documentary evidence adduced by the parties, concluded that deceased Umed Singh has died due to the injuries suffered by him in a motor vehicular accident that took place on 24.12.2014 due to the rash and negligent driving of Bus bearing registration No.HR-63A-9495 (hereinafter “the offending vehicle”) being driven by respondent No.5, owned by the appellant and insured by contesting respondent No.1. The said compensation has been awarded along with interest @ 7.5% per annum. Liability was affixed on the appellant as the offending bus was plying without a valid Route Permit.

3. Ld. counsel for the appellant submits that liability to pay the compensation amount has been wrongly affixed upon the appellant as while granting recovery rights to the respondent No.1, Tribunal has moved on the presumption that the vehicle was being driven in violation of the Route Permit. It is submitted that admittedly, the vehicle had Route Permit from Jhajjar to Kharkhoda and accident had taken place outside the bus stand of Rohtak. Therefore, the offending vehicle possessed a valid Route Permit. Therefore, Tribunal has wrongly affixed liability upon the appellant.

4. It is further submitted that Section 149(2) (a) (i) (c) of the Act provides that only defence available with the insurance company is violation of permit under which the vehicle is used. Section 2(31) defines the word permit, and in no uncertain terms states that the permit under



the Act refers to the permit issued by the State or the Regional Transport Authority and not to the route permit. Learned counsel refers to the provision wherein it is stipulated that: -

“(2) No sum shall be payable by an insurer under sub-section (in respect of any judgement or award unless, before the commencement of the proceedings in which the judgement or award is given the insurer had notice through the Court or, as the case may be, the Claims Tribunal of the bringing of the proceedings, or in respect of such judgement or award so long as execution is stayed thereon pending an appeal; and an insurer to whom notice of the bringing of any such proceedings is so given shall be entitled to be made a party thereto and to defend the action on any of the following grounds, namely:-
(a) that there has been a breach of a specified condition of the policy, being one of the following conditions, namely:-
(i) a condition excluding the use of the vehicle -
(a) for hire or reward, where the vehicle is on the date of the contract of insurance a vehicle not covered by a permit to ply for hire or reward, or
(b) for organised racing and speed testing, or
(c) for a purpose not allowed by the permit under which the vehicle is used, where the vehicle is a transport vehicle...”

5. It is submitted that from the bare perusal of the above mentioned provision it is absolutely clear that the violation of route permit is not a ground available under section 149 of the Act and if the owner of the vehicle is plying the vehicle in violation of the route permit then the same can only be a ground for prosecution under section 192 of the Act. Hence,



the Ld. Tribunal erred in awarding recovery rights to the insurance company.

Especially as admittedly, the appellant possessed a valid Route Permit.

6. Learned counsel further submits that on the last date of hearing, the matter had been adjourned for the appellant to go through the judgment of Hon'ble Supreme Court in "**Gohar Mohammed Vs. Uttar Pradesh State Road Transport**" (2023) 4 SCC 381, relied upon by learned counsel for the respondent No.1. It is submitted that the said judgment is not applicable to the facts of the present case as facts, as in the said case, the offending vehicle did not possess a Route Permit; whereas in the present case, the appellant had a valid Route Permit. Thus, the said judgment is distinguishable.

7. Per contra, learned counsel for the respondents No.1 and 2 to 4 oppose the submissions made on behalf of the appellant and submit that the impugned Award suffers from no error; and the present appeal deserves to be dismissed.

8. No other argument is made on behalf of the parties. I have heard learned counsel and perused the case file in detail. I find no merit in the submissions advanced on behalf of the appellant.

9. Perusal of record of the case shows that the appellant had placed on record his Route Permit (Ex.R6) issued by the Secretary, Regional Transport Authority, Jhajjar at Bahadurgarh. As per the said Route Permit, the appellant was permitted to ply the offending bus on the route from Jhajjar to



Kharkhoda via Jondhi, Girawar, Chhara, Bhaproda, Sampla, Nayabans, Bhainsru, Hassangarh, Rohna. Admittedly, the accident has taken place outside the Bus Stand at Rohtak. Before the learned Tribunal, the appellant had sought to give the explanation that the offending bus was taken to Rohtak only for repair and not to carry passengers. First and foremost, the said explanation constitutes no valid reason for violation of the Route Permit. As per the Route Permit, appellant was permitted only to ply only the route specified above. Clearly, Rohtak does not fall on that route. Thus, appellant was plying the vehicle without a valid route permit; and has therefore, violated the Route Permit.

10. Further, appellant was unable to prove that the offending vehicle was being taken for repair. To prove their above-said contention, the appellant had examined RW2 Sombir, Motor Mechanic from Rohtak, who had deposed that he was running a workshop in the name and style of Balaji Motor Workshop at Hisar-Bhiwani Circular Road, Rohtak. Even if that was so, no explanation has been given by the appellant as to why the offending vehicle was entering the bus stand at Rohtak when the accident had taken place. Thus, Tribunal has rightly rejected the defence of the appellant that the vehicle was being taken for repair, as it is not probable.

11. The argument of the appellant that in terms of Section 149(2)(c) of the Act, validity of the Route Permit is not to be seen and only the purpose for which the Route Permit has been issued has to be seen. Needless to say,



purpose for which a Route Permit is issued is to allow it to ply on a particular route, which necessarily entails that the said vehicle can only ply on that route and cannot be taken elsewhere. That is the whole purpose of issuing a route permit. In the present case, even if the appellant possessed a valid Route Permit, however there was clear-cut violation thereof in view of the fact that the offending bus was not plying on the route as permitted vide the Route Permit (Ex.R6) and had therefore committed violation thereof.

12. Attempt of learned counsel for the appellant to distinguish the judgment in **Gohar (supra)** is tenuous to say the least, as Hon'ble Supreme Court has clearly held in Para 8 thereof as follows:-

"8. Having heard the learned counsel for the parties and on perusal of the material available on record, it clearly reveals that on the date of accident, the appellant did not have a valid and effective permit to ply the offending vehicle on the route where accident took place. Having extensively gone through the fact-finding exercise, it is categorically recorded by MACT that the appellant was neither able to produce/prove the original permit nor was able to prove the information received under the RTI Act. Even if RTI information is considered by which it is not clear as to when the disputed permit was issued and by whom. The alleged permit was issued on 28-7-2012 i.e. on Saturday and no explanation is on record as to why deposit of fee was asked on the next day i.e. Sunday. Moreover, assuming that permit was valid as per letter of the Transport Authority, but it is not of any help to the appellant since the vehicle was being plied on a route different than specified in permit. The appellant has failed to



give any explanation to refute the observations made by MACT to ply the vehicle on Roorkee bypass to Haridwar via Meerut which did not fall within the route of permit issued by the Transport Authority. The said findings of fact have been affirmed by the High Court by the impugned order.”

13. The sum, substance and gist of the above-said pronouncement is that vide the Route Permit, the vehicle can only ply on the Route specified in the Permit, and not on any other route. To not do so, is in violation thereof. The Hon’ble Supreme Court in **“Amrit Paul Singh & Another Vs. TATA AIG General Insurance Company Limited & Others” (2018) 7 SCC 558**, has again held that *“use of a vehicle as a transport vehicle in public place without a permit is a fundamental statutory infraction”*. The aforesaid judgment of the Hon’ble Supreme Court has been followed by this Court in **Puneet Kumar v. Darshan Kumar, (Punjab And Haryana) : Law Finder Doc ID # 2642794**

14. Learned counsel for the appellant is unable to dispute or controvert the aforesaid facts, findings, and the legal position noted above.

15. In view of the above, present appeal stands **dismissed**.

16. Pending application(s) if any also stand(s) disposed of.

17.03.2026

Sunena

(Nidhi Gupta)

Judge

Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No