

2026:PHHC:079938



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

FAO-259-2017 (O&M)
Date of Decision: 21.05.2026

HARVINDER SINGH AND ANOTHER ...Appellants

Versus

THE NEW INDIA ASSURANCE COMPANY LTD.

AND OTHERS ...Respondents

CORAM: HON'BLE MR. JUSTICE PARMOD GOYAL

Present: Mr. K.J.S. Bhullar, Advocate
for the appellants.

Mr. Lalit Garg, Advocate
Mr. Radhe Shyam Sharma, Advocate
for respondent No.1-New India Assurance.

PARMOD GOYAL, J. (ORAL)

CM-813-CII-2017

For the reasons stated in the application for condonation of delay of 1181 days in filing the appeal, the same is allowed. Delay in filing the appeal is condoned.

CM-55-CII-2026

For the reasons stated in the application for fixing actual date of hearing of main case, the same is allowed.

Main case is taken on board. Arguments heard.

Main Case

The present appeal has been preferred by appellants being aggrieved by order dated 25.07.2013, passed by learned Motor Accident Claims Tribunal, SAS Nagar Mohali (hereinafter referred to as 'Tribunal') whereby liability to pay compensation was fastened upon appellants No.1

and 2/respondents No.1 and 4 (before learned Tribunal) i.e. driver and owner of offending vehicle bearing No.HR-37-3210 (hereinafter referred to as 'offending vehicle'). However, respondent No.3/insurance company was directed by learned Tribunal to first pay the compensation and then to get it recovered from appellants No.1 and 2/respondents No.1 and 4 i.e. owner and driver of offending vehicle as vehicle was being plied in the area beyond the route permit.

2. Facts in the present case are not in dispute. The claimants had alleged that deceased Bhupinder Kumar Kaushal (hereinafter referred to as 'deceased') while driving scooter bearing No.CH-03-F-6541 was hit by school bus bearing No.HR-37-3210 being driven by appellant/respondent No.1 in rash and negligent manner at high speed. The bus came from Siswan side to Kurali and had run over deceased and two other boys who were standing there. The bus was chased and stopped, and all the injured were taken to Kurali Hospital. However, deceased succumbed to the injuries suffered in the accident.

3. Appellants No.1 and 2/respondents No.1 and 4 had preferred a joint written statement taking number of preliminary objections with regard to maintainability etc. and had denied the accident in totality. It was asserted that in connivance with police false FIR was registered with wrong facts. Dismissal of claim petition was prayed for.

4. Following issues were framed from pleadings of parties :-

1. Whether deceased Bhupinder Kumar Kaushal has died due to the injuries received by him in a road side accident caused due to the rash and negligent driving by respondent No.1 while driving bus No.HR-37-3210? OPP

2. Whether the claimants are entitled to receive compensation, if so, to what extent and from whom? OPR
3. Whether the driver of the offending vehicle was not holding a valid and effective driving license at the time of accident, if so, its effect ? OPR
4. Whether this claim petition is not maintainable? OPR
5. Relief.

5. Issues No.1 and 2 were accordingly decided in favour of claimants/respondents. Learned Tribunal after considering respective evidences led by parties had concluded that accident was result of rash and negligent driving of offending vehicle and had accordingly, granted compensation of Rs.32,10,300/- along with interest from the date of filing of claim petition till realization.

6. Learned counsel for appellants No.1 and 2/respondents No.1 and 4 has not challenged the findings of learned Tribunal on issues No.1 and 2. Learned Tribunal had duly appreciated evidence of Balwinder Singh, Forester-PW2 who had asserted manner of accident being eye-witness of the accident, as was recorded in FIR (Ex.P1) as was stated by claimants in their claim petition. No serious challenge or rebuttal was led by respondents with regard to manner of accident as no evidence was led by them. It was duly found by learned Tribunal that it was appellant/respondent No.1-driver who was facing trial without any objection or protest. In fact appellant/respondent No.1-driver of offending vehicle has not stepped into the witness box to deny manner of accident stated by PW2. Evidence of PW2, therefore, had discharged onus to prove that accident was result of rash and negligent driving of appellant/respondent No.1-driver. Learned Tribunal after

appreciating evidence on record has, therefore, rightly found manner of accident to be as stated by PW2.

7. In view of findings on issue No.1 learned Tribunal had taken income of deceased as Rs.15,753/- per month, added 50% towards future prospects, 1/4th deduction on account of personal expenses was made, keeping in view the fact that deceased was survived by four dependents. Since deceased was aged 38 years at the time of accident multiplier of '15' was rightly applied by learned Tribunal to determine loss of dependency as Rs.32,10,300/-. Award of Rs.20,000/- was granted under the heads loss of consortium, loss of estate, funeral expenses and transportation expenses.

8. The findings of learned Tribunal, therefore, cannot be held to be erroneous or perverse, rather is based upon principle of law as has been laid down by Hon'ble Supreme Court. The quantification of compensation cannot be held to be excessive.

9. The main issue in the present case is with regard to liability to pay compensation. The question before this Court is whether driver/owner of offending vehicle and insurance company are jointly and severally liable to pay compensation and whether insurance company is liable to indemnify the appellant/respondent No.1-owner of offending vehicle in view of contract of insurance or that insurance company is not liable to indemnify in view of breach of insurance policy as offending vehicle was being plied outside the area of permit without route permit.

10. It is not disputed that offending vehicle was originally owned by Hans Raj Public School which was arrayed by respondent No.2 before learned Tribunal. The same (offending vehicle) was purchased by appellant No.2/respondent No.4-Avtar Singh and vehicle was insured with

respondent-New India Assurance Company Ltd. As far as purchase of vehicle by appellant No.2/respondent No.4-Avtar Singh is concerned, he while appearing as RW4 duly admitted purchase of offending vehicle on 28.06.2008. Moreover, respondent/Hans Raj Public School had also examined RW1 Prakash Chand, Transport incharge who had also stated that the offending vehicle was sold away to Avtar Singh by way of affidavit dated 19.11.2012. It is also not in dispute that driving licence Ex.P16 and Ex.R1 were duly placed on record along with the route permit as Ex.R2. Admittedly, the route permit was issued from Panchkula and accident had taken place outside State of Haryana, in the State of Punjab, under the jurisdiction of Kharar. Since route permit was issued by Panchkula Authority, therefore, it would not have been for State of Punjab. No material was placed on record to show that Ex.R2 i.e. copy of route permit covers State of Punjab for plying the school bus. Therefore, learned Tribunal concluded that the bus was being plied at Kharar without any valid route permit and that the insurance company is not liable to indemnify appellants No.1 and 2/respondents No.1 and 4. However, the Insurance company was directed to pay compensation and was given right to recover after paying compensation to the claimants.

11. Learned counsel for appellants has argued that it was duty of insurance company to prove that vehicle was driven for hire and it required route permit for plying the vehicle in Kharar. Perusal of evidence led by appellants goes to show that appellant No.2/respondent No.4-Avtar Singh had appeared as RW4, however, in his affidavit which was tendered as Ex.RW4/A he has nowhere mentioned that vehicle was not being plied for hire or any purpose requiring a route permit. He simply had stated about fact

that the offending vehicle was purchased by him on 28.06.2008 and he had executed affidavit in this regard on 19.11.2012. Apart from these two facts, no other fact was stated by RW4.

12. From evidence of RW4 it is clear that RW4 has neither spoken about purpose for which the offending vehicle was being plied at the time of accident nor had spoken about the fact that vehicle was being plied under a valid route permit. Admittedly, offending vehicle was a school bus and commercial transport vehicle which required permit to ply the same. The official RW3, another witness who had appeared on behalf of private respondents had clearly stated that the offending vehicle was sold vide affidavit Ex.RW3/A and had duly identified signatures of Avtar Singh. He also admitted that route permit for Punjab was never issued to offending vehicle as vehicle has not been transferred.

13. All these facts were taken into consideration by learned Tribunal to conclude that at the time of accident, offending vehicle was being driven in violation of insurance policy as it was being plied without any permit. The above noted conclusion finds support from judgment titled **K. Nagendra Vs. New India Assurance Co. Ltd. & Ors.**, 2025 SCC Online SC 2297 referred by learned counsel for insurance company wherein it was clearly held if there is any violation of route permit, insurance company is not liable to indemnify the owner.

14. In view of the facts and circumstances of the present case, I do not find any fault with the conclusion drawn by learned Tribunal. The offending vehicle was being plied without any valid permit and therefore, had violated conditions of insurance policy. Accordingly, insurance company was rightly held not liable to indemnify owner of offending

vehicle. Right to recover given to insurance company is in accordance with law. Appeal is without any merit, hence is dismissed.

15. Pending application(s), if any, is/are disposed of accordingly.

21.05.2026
chiranjeev

(PARMOD GOYAL)
JUDGE

Whether Speaking/Reasoned	:	Yes/No
Whether Reportable	:	Yes/No