



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

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FAO-6725-2018 (O&M)
Date of decision : 25.03.2026

M/s. Kapoor Diesel Garage Private Limited **Appellant**

versus

Arshad and another **Respondents**

CORAM : HON'BLE MR. JUSTICE PANKAJ JAIN

Present: Mr. Tushar Kush, Advocate
for the appellant.

Mr. Lalit Garg, Advocate
for respondent No.2-Insurance Company.

PANKAJ JAIN, J. (Oral)

CM-23499-CII-2018

This is an application for condonation of delay of 146 days
in filing the appeal.

For the reasons mentioned in the application, the same is
allowed. Delay of 146 days in filing the appeal stands condoned.

FAO-6725-2018 (O&M)

1. The employer is in appeal aggrieved of the order dated 29.12.2017 passed by the Commissioner under Employee's Compensation Act, 1923.
2. The grievance is against the recovery rights granted to the insurance company to recover the compensation amount payable to the claimant from the insured.



3. Counsel for the appellant has drawn attention of this Court to the observations made by the Commissioner while deciding issue number No.2 which reads as under:-

“XX XX XX

The next question remains for discussion is whether respondent No. 2, insurance company is liable to indemnify/pay compensation on behalf of respondent No.1. A perusal of insurance policy Ex:A-1 shows that the policy was valid from 28.3.2016 to 27.3.2017 which covers the date of accident i.e. 12.6.2016. In view of the above circumstances and the ratio of the authority reported as **Mahendra Rai Vs United India Insurance Co. Ltd and another, 2015-ACJ-2663**, I hold that the respondent No.2 is liable to pay/indemnify the claim of respondent No.1.”

4. He further submits that in the later part of the order, the Commissioner has granted insurance company liberty to recover the amount from respondent No.1 without recording any reason.

5. Mr. Garg is not in a position to dispute that the observation made in the operative part of the order, is without recording any reason and the contract of insurance was indeed valid and in force on the date of accident. Not only this, the insured had also paid premium for the own damage claim to the insurer.

6. In view thereof, this Court finds that the observation made by Commissioner granting liberty to the insurance company to recover the amount from the appellant-employer cannot be sustained. The same is hereby set aside. It is held that the insurance company shall be jointly and severally liable to pay the compensation to the claimant without any right to recover the same from the insured.

7. Disposed off accordingly.



8. Since the main case has been decided, pending miscellaneous application, if any, shall also stands disposed off.

(PANKAJ JAIN)
JUDGE

25.03.2026
Dinesh

Whether speaking/reasoned :	Yes
Whether Reportable :	No