2026:PHHC:079061

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

1. FAO-519-2013 (O&M)

M/S ROYAL SUNDARAM ALLIANCE INSURANCE CO LTD.
..Appellant
Versus
KELA DEVI & ORS.
..Respondents

2. FAO-520-2013 (O&M)

M/S ROYAL SUNDARAM ALLIANCE INSURANCE CO LTD.
..Appellant
Versus
KELA DEVI & ORS.
..Respondents

3. FAO-521-2013 (O&M)

M/S ROYAL SUNDARAM ALLIANCE INSURANCE CO LTD.
..Appellant
Versus
KELA DEVI & ORS.
..Respondents

Reserved on: 13.05.2026
Pronounced on : 15.05.2026
Uploaded on : 20.05.2026

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. P.H.S. Pannu, Advocate
for the appellant-Insurance Company.

Mr. Amit Sheoran, Advocate
for respondents No.1 to 3.

SUDEEPTI SHARMA, J.

1. Since the challenge in the present appeals is to award dated 04.09.2012 passed in a claim petition filed under Section 166 of the Motor

2026:PHHC:079061

Vehicles Act, 1988 by the Motor Accident Claims Tribunal, Panipat (for short, 'the Tribunal'), therefore, all the above referred to appeals are decided vide this common judgment.

2. In all the above referred to appeals, Insurance Company has challenged award dated 04.09.2012 on issue No.3, therefore, the brief facts are not required to be reproduced.

3. It would be apposite to reproduce issues framed by the the learned Tribunal :-

> *"1. Whether death of Johny son of Balinder alias Balvinder Singh aged 9 years, (MACT case no.65 of 2012), death of Neelam wife of Balinder alias Balvinder Singh aged 31 years (MACT case no. 67 of 2012) and death of Balinder alias Balvinder Singh son of Dhanna Singh aged 37 years (MACT case no. 66 of 2011) had occasioned 4 p.m. in the area of P.S. Matlauda District Panipat, because of rash and negligent and negligent driving of respondent no. 1 Inder Singh while driving Machindra Max Pick-up no. HR-67-6921? OPP.*
>
> *2. If issue no. 1 is proved, then what amount of compensation do the claimants of all these three claim petitions are held entitled to and from whom? OPP.*
>
> *3. whether claim petitions are not maintainable in the present form and whether there has been any breach of policy conditions/provisions of Motor Vehicle Act on the part of insured and whether respondent no. 1-Inder Singh was not holding a valid and effective driving licence at the material time of accident? OPR-2.*
>
> *4. Relief."*

2026:PHHC:079061

SUBMISSIONS OF LEARNED COUNSEL FOR THE PARTIES:

4. Learned counsel for the appellant–Insurance Company contends that learned Tribunal has failed to appreciate that the insurance policy produced before learned Tribunal was forged and still fastened the liability to pay compensation upon the appellants. He, therefore, prays that the present appeal be allowed and liability to pay compensation be fixed upon respondent No.4 (driver and owner of the offending vehicle).

5. *Per contra*, learned counsel for the respondents No.1 to 3 contends that liability has rightly been fixed upon the appellants by learned Tribunal after appreciating the evidence on record. He, therefore, prays that the present appeal be dismissed.

6. I have heard learned counsel for the parties and perused the whole case file with their able assistance.

7. It would be apposite to reproduce the findings of learned Tribunal on issue No.3, which is reproduced as under:-

> *"19. This issue is taken up firstly for disposal. The onus to prove this issue was placed upon respondent no. 2 insurance company. The learned counsel for respondent insurance company has argued that offending vehicle no. HR-67-6921 was not insured with the insurance company. In-fact the cover not book containing the cover note was lost regarding which a complaint was lodged at Police Station, Sadar Solan on 25.9.2009. The respondent no. 1 was also not driving the vehicle no. HR-67-6921 at the time of accident. The said vehicle also never met with an accident with motor cycle driven by Balinder Singh (deceased). In support of his contention the learned counsel for respondent no. 2 has placed reliance upon the*

2026:PHHC:079061

statement made by RW2 Puneet Gupta, Regional Head, Legal and Third Party Claims, Royal Sundaram Alliance Insurance Company Ltd., Gurgaon and RW2 HC Chander Mohan.

20. However I am not inclined to accept the contention raised by learned counsel for respondent no. 2. As per the DDR, Ex. R5 proved by RW3 HC Chander Mohan, the cover note books issued by the insurance company to its agents bearing nos. CCB1001295, CCB1007488, CCB1009984, CCB1012624, CCB1012625, CCB1012630, SSX CCM112692 to CCN1126300, LUB0062439, LUB0062440, LUB0062444, CCB1017691, CCB1018304, CCB10118305, CCB1018307, CCB1018309, LUB0066320, LUB0066321, CCN1159009, LUV1115001, CCN1062392, CCN1062393, CCN113395, CCN1112902, CCN1057072, CCN1176915, CCN1161374, CCN171988 and CCB1007476 were lost. However, the cover not Ex. R3 produced on record by respondent no. 1 mentions the number LUN-0999408. It is nowhere stated that the cover note books containing cover note no. LUN- 0999408 was lost. Even otherwise Shri Pankaj Sethi, who got registered the said DDR has not been examined by respondent no. 2. The statement of RW2 Punit Gupta, Regional Head, Legal and Third Party Claim, Royal Sundaram Alliance Insurance Company Ltd. by itself does not prove that the cover note book containing cover note Ex. R3 was lost. He stated that he joined the company only in September, 2010. The written statement on behalf of the insurance company was also signed by Shri Suresh Mahesharavan. He has also not been examined by respondent no. 2.

2026:PHHC:079061

21. On the other hand, the respondent no. 1 has specifically stated that he got vehicle no. HR-67-6921 insured with the respondent no. 2 insurance company. From the cover note Ex. R3 it stands proved that the vehicle no. HR-67-6921 bearing Engine no. 4A81A11843 Chasis no. 81A15572 was registered with respondent no. 2 insurance company. There is nothing on record which may show that the said cove note Ex. R3 has been forged by the petitioners-claimants or respondent no. 1 in any manner. The respondent no. 2 thus cannot escape from the liability simply on the ground that any such DDR was got registered by its officer. Once the premium has been paid by the insurer, the insurance company cannot absolve itself of its liability to compensate the aggrieved persons. When a cover note has been issued showing cash payment of the premium, then without any cogent and reliable evidence, it cannot be deemed to be cancelled without proper explanation. The non-issuance of regular policy makes no difference as the proposal fo insurance stands accepted by the insurance company on payment of the premium amount. By itself issuing a cover note, a legal right accrues in favour of the insurer. The cover note serves the same purpose as the policy of insurance serves. Reference in this regard may also be made to the rulings Parveen Vaidya Vs. Kailash and others (2009) ACC 665 (Madhya Pradesh High Court) and Tipu Vs. New India Assurance Co. Ltd. 2005(2) ACJR 245 (Rajasthan High Court).

22. As per the insurance cover note Ex. R3, vehicle no. HR-67- 6921 was duly insured with respondent no. 2 on the day when the accident took place. The certificate of registration of vehicle no. HR- 67-6921 shows that it is owned by respondent no. 1 Inder Singh. The respondent

2026:PHHC:079061

> *no. 1 also possessed a legal and valid driving licence as is evident from its copy Ex. R2. No effort has been made by respondent no. 2 to get the same verified from the office of the concerned DTO. There is also nothing on record to show that any term and condition of the insurance policy has been violated by respondent no.1. Accordingly it is held that both the respondents are jointly and severally liable to compensate the petitioners-claimants for the death of Johny son of Balinder Singh, Balinder Singh son of Dhana Singh and Neelam wife of Balinder Singh in the unfortunate accident. Therefore findings on this issue are recorded in favour of the petitioners and against respondent no.2"*

8. A perusal of above shows that learned Tribunal has categorically dealt with this argument. And further the oral as well as documentary evidence on record shows that there is no infirmity in the decision of above referred to issue No.3.

9. In view of the above discussion, all the appeals are hereby ***dismissed***.

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

May 15th, 2026 **(SUDEEPTI SHARMA)**
Ayub/Sahil **JUDGE**

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