Date when reserved: August 18, 2026
Date of pronouncement: August 25, 2026

HIGH COURT OF UTTARAKHAND AT NAINITAL

Appeal From Order No. 239 of 2012

The New India Assurance Co. Ltd. --Appellant

Versus

1: Indramani Sati
2: Smt. Deveshwari Devi --Respondents

Presence:-
Mr. M.K. Goyal, learned Counsel for the appellant appeared through V.C.
Mr. Jaywardhan Kandpal, learned Counsel for respondents.

Hon'ble Pankaj Purohit, J. (Oral)

The present appeal has been preferred by the appellant-Insurance Company against the judgment and award dated 17.03.2012 passed by learned Motor Accident Claims Tribunal, Chamoli at Gopeshwar in M.A.C.P. No. 42 of 2010, whereby the claim petition filed by the respondents-claimants under Section 166 of the Motor Vehicles Act, 1988, was allowed and a sum of Rs.2,73,500/- was awarded as compensation along with interest @ 6% per annum from the date of filing of claim petition till actual payment.

2. The claimants, being the parents of deceased Ratnesh Sati, instituted the claim petition stating that on 28.02.2010, while the deceased was travelling in his own vehicle No.UK11C/A-0162, the vehicle met with an accident near Dulinda, Jwalpa Devi, within the jurisdiction of Police Station Pauri, District Pauri Garhwal, on account of rash and negligent driving by its driver, resulting in death of deceased. The vehicle was insured with the appellant-Insurance Company on the date of accident. The learned Tribunal, upon consideration of the pleadings and evidence, awarded compensation of Rs.2,73,500/- with interest @ 6% per annum, as stated in paragraph no.1 of this judgment.

3. The appellant-Insurance Company contested the claim petition, *inter alia*, contending that the vehicle was not being plied in accordance with the terms and conditions of the insurance policy at the time of accident. It was specifically pleaded that the driver did not possess a valid driving licence, and that the requisite documents relating to the vehicle were not valid. On this basis, appellant disputed its liability to pay compensation and also questioned the maintainability and quantum of claim.

4. The respondents-claimants denied the allegations raised by Insurance Company and pleaded that the accident occurred due to the rash and negligent driving of the vehicle by its driver. It was further pleaded that the vehicle was duly insured with appellant on the date of accident, and that all the relevant documents, including the registration certificate, insurance cover and driving licence, were valid. The claimants accordingly sought compensation from the appellant-Insurance Company.

5. On the basis of the pleadings of the parties, learned Tribunal framed the following issues:

> *"1. Whether on 28.02.2010 at about 6:30 A.M., near Jwalpa Devi, Dulinda, within the jurisdiction of Police Station Pauri, District Pauri Garhwal, vehicle No. UK11C/A-0162 was met with an accident due to rash and negligent driving by its driver, resulting in the death of deceased Ratnesh Sati? If so, its effect?*
>
> *2. Whether, on the date of the accident, the vehicle in question was not being plied in accordance with the terms and conditions of the insurance policy, as alleged by the opposite party-Insurance Company in its written statement? If so, its effect?*
>
> *3. Whether the claimants are entitled to any compensation? If so, from whom and to what*

amount?"

6. While deciding issue no. 1, learned Tribunal, on appreciation of the oral and documentary evidence, found that the accident occurred due to the rash and negligent driving of vehicle No.UK/11C-A-0162 by its driver. The Tribunal further found that deceased Ratnesh Sati died in the said accident. Accordingly, Issue No. 1 was decided in favour of the claimants.

7. While deciding issue no. 2, learned Tribunal considered the documentary evidence produced by claimants, including the registration certificate, tax payment receipt, insurance cover note and driving licence, and found that the relevant documents were valid on the date of the accident. Accordingly, the allegation of violation of the terms and conditions of the insurance policy was not established and Issue No. 2 was decided in favour of the claimants and against the Insurance Company.

8. While deciding issue no. 3, learned Tribunal held that the claimants were the legal heirs of deceased Ratnesh Sati and were entitled to compensation. Taking the notional income of the deceased at Rs.36,000/- per annum, deducting one-third towards personal expenses and applying the multiplier of 11, the Tribunal assessed the loss of dependency at Rs.2,64,000/-. After adding the amounts awarded towards funeral expenses, loss of estate and other permissible heads, total compensation was determined at Rs.2,73,500/-, with interest @ 6% per annum from the date of institution of the claim petition till realization.

9. Having heard learned counsel for the parties and upon perusal of the impugned judgment and award as well as the material available on record, this Court finds no ground to interfere with the findings recorded by the

learned Tribunal.

10. The principal contention of the appellant-Insurance Company is that the deceased, being the owner of the insured vehicle, could not be treated as a third party and, therefore, his legal heirs were not entitled to maintain the claim under Section 166 of the Motor Vehicles Act. The contention, however, cannot be accepted in the manner urged. The policy on record is admittedly a Standard Commercial Vehicle Package Policy, valid from 17.08.2009 to 16.08.2010 which validly covered the date of accident i.e. 28.02.2010. The Hon'ble Supreme Court in Oriental Insurance Co. Ltd. v. Surendra Nath Loomba & Ors., (2012) 13 SCC 792, while considering the distinction between an Act Policy and a Comprehensive/Package Policy, has referred to the position explained in National Insurance Co. Ltd. v. Balakrishnan & Anr., (2013) 1 SCC 731:

> *"26. In view of the aforesaid factual position, there is no scintilla of doubt that a 'comprehensive/package policy' would cover the liability of the insurer for payment of compensation for the occupant in a car. There is no cavil that an 'Act policy' stands on a different footing from a 'comprehensive/package policy'. As the circulars have made the position very clear and IRDA, which is presently the statutory authority, has commanded the insurance companies stating that a 'comprehensive/package policy' covers the liability, there cannot be any dispute in that regard."*

11. The aforesaid principle squarely distinguishes a package policy from an Act Policy and makes it clear that the liability of the insurer has to be examined with reference to the coverage under the policy. In the present case, the policy specifically contains "Compulsory PA Cover for Owner Driver". Thus, the appellant cannot seek complete exoneration merely on the ground that the deceased was the owner of the vehicle and was not a third party. The contractual coverage under the package policy has to be given effect to. Even the 'occupant of the vehicle' is covered under such policy. The further plea regarding

breach of the policy conditions, including the alleged invalidity of the driving licence and other relevant documents, has also not been established by cogent evidence. The Tribunal, upon appreciation of the material on record, has rightly rejected the said plea. No perversity or material illegality has been demonstrated in the findings recorded by the Tribunal.

12. The finding regarding the accident having occurred due to rash and negligent driving, as also the assessment of compensation at Rs.2,73,500/-, does not suffer from any infirmity warranting interference by this Court.

13. Accordingly, the appeal is dismissed. The judgment and award dated 17.03.2012 passed by learned Motor Accident Claims Tribunal, Chamoli (Gopeshwar), in M.A.C.P. No. 42 of 2010, is affirmed. The learned Tribunal is directed to release the amount under award forthwith in favour of the respondent-claimant no.2 with entire interest accrued thereon in FDR as directed by this Court in its order dated 06.06.2012 adjusting the amount, if any, already released in their favour.

14. Pending application, if any, stands disposed of.

(**Pankaj Purohit, J.**)
August 25, 2026

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