IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO No. 1085 of 2000 (O&M)
Date of decision: January 6, 2016

National Insurance Company Limited

.... Appellant

VS.

Palo and others

.........Respondents

CORAM: HON'BLE MR.JUSTICE K.KANNAN

Present: Mr. R.N.Singal, Advocate
for the appellant.

None for the respondent.

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1. Whether Reporters of local papers may be allowed to see the judgment?
2. To be referred to the Reporters or not?
3. Whether the judgment should be reported in the Digest?

K.KANNAN,J (Oral)

1. The appeal by the Insurance Company is on a finding by the Tribunal recorded that the owner believed the renewal endorsement made at Jalandhar was on the genuine licence issued originally at Ganganagar. The Insurance Company produced proof of the fact that Ganganagar D.T.O did not issue the driving licence with the particulars contained in the copy produced before the Tribunal. There was, however, proof that the licence had been renewed at Jalandhar. The driver was admittedly resident of Nakodar within the District Jalandhar. If the owner had acted on driving licence produced before him and believed it to be genuine, there was no necessity for the owner to go to Ganganagar to verify whether it was issued

by them or even raise a suspicion why a person in Jalandhar District should go to Ganganagar to get his licence originally. The learned counsel appearing on behalf of the Insurance Company wants the court to raise a suspicion about the conduct of the onwer in not verifying how the driver got the licence issued from the Ganganagar originally. I do not think such enquiry was necessary, for, it was grossly artificial. A public office which makes renewal ought to make its enquiry properly before renewal is done. The insurer may have a right of action against the DTO Office at Jalandhar which issued renewal licence without properly verifying the genuineness of the original issued. As far as the owner was concerned, the right of indemnity was a matter of course of his own satisfaction that the driving licence was genuine and the proof of the vehicle involved in the accident had been insured with the insurer. This point has been considered in the judgment of the Supreme Court in **Pepsu Road Transport Corporation Versus National Insurance Company 2013(10) SCC 217** wherein it was held that bonafide belief of the owner will control the issue for entitlement of indemnity.

2. I confirm the judgment of the Tribunal already passed and dismiss the appeal.

JANUARY 06 , 2016 **(K.KANNAN)**
Rajeev **JUDGE**