IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-4159 of 2001 (O&M)
Date of decision: 20.05.2016

The Oriental Insurance Co. Ltd.

...Appellant

Versus

Bholi and others

...Respondents

CORAM: HON'BLE MR. JUSTICE JITENDRA CHAUHAN

Present: Mr. D. P. Gupta, Advocate,
for the appellant.

Ms. Rajwinder Kaur, Advocate for
Mr. Tribhawan Singla, Advocate,
for respondent Nos.1 and 2.

Mr. Ram Bilas Gupta, Advocate,
for respondent No.3.

JITENDRA CHAUHAN, J. (ORAL)

The present appeal has been filed against the impugned award dated 05.10.2001, passed by learned Motor Accidents Claims Tribunal, Barnala, (for short, 'the Tribunal') vide which the claim petition was partly allowed.

The learned counsel for the appellant submits that the learned Tribunal has wrongly fastened the liability on the appellant in view of the fact the driving licence held by the driver of the offending vehicle was proved to be a fake document, which is the breach of the policy conditions. The owner of the offending vehicle did not appear in the witness box to disclose that he had not aware of the fakeness of the driver, therefore, the learned Tribunal gravely erred in holding that the owner was not aware about the fakeness of the driving licence of respondent No.3.

On the other hand, the learned counsel for the respondents state that the learned Tribunal has rightly decided the issue No.3.

I have heard learned counsel for the parties and perused the record.

In the instant case, the learned Tribunal had absolved the liability of the owner in the absence of any evidence qua his awareness about the fake driving licence of respondent No.3 and on the presumption that the licence in question was renewed by the Registering Authority, therefore, the respondent No.4 believed it to be valid. The approach taken by the learned Tribunal is not justifiable in the eyes of law. The owner of the vehicle is duty bound to verify the antecedents of the driver and the driving licence and to take adequate care and caution to ascertain the genuineness or otherwise of the licence held by the driver. Respondent No.4-owner of the offending vehicle did not appear in the witness box to disclose that he was not aware of the fact that the licence held by the driver was a fake document. Thus, he has failed in taking an adequate care and caution to verify the genuineness or otherwise of the licence held by the driver. In **M/s United India Insurance Co. Ltd. Vs. Davinder Singh**, 2008(1) All MR 463 it has been held that renewal of fake licence cannot make it genuine.

The relevant paras of **New India Assurance Co. Shimla VS. Kamla and Ors.**, passed in Appeal (Civil) 2387 of 2001 be read as under:-

> *"As a point of law we have no manner of doubt that a fake licence cannot get its forgery outfit stripped off merely on account of some officer renewing the same with or without knowing it to be forged. Section 15 of the Act only empowers any licensing authority to renew a driving licence issued under the provisions of this Act with effect from the date of its expiry. No licensing authority has the power to renew a fake licence and, therefore, a renewal if at all made cannot transform a fake licence as genuine. Any counterfeit document showing that it contains a purported order of a statutory authority would ever remain counterfeit albeit the fact that other persons including some statutory authorities would have acted on the document unwittingly on the assumption that it is genuine.*
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> *The observation of the Division Bench of the*

> *Punjab and Haryana High Court in National Insurance Co. Ltd. vs. Sucha Singh (supra) that renewal of a document which purports to be a driving licence, will robe even a forged document with validity on account of Section 15 of the Act, propounds a very dangerous proposition. If that proposition is allowed to stand as a legal principle, it may, no doubt, thrill counterfeiters the world over as they would be encouraged to manufacture fake documents in a legion. What was originally a forgery would remain null and void for ever and it would not acquire legal validity at any time by whatever process of sanctification subsequently done on it. Forgery is antithesis to legality and law cannot afford to validate a forgery."*

For the foregoing discussion, the findings of the learned Tribunal that the owner did not violate any terms and conditions of the insurance policy, are liable to be reversed. Consequently, the present appeal is disposed of with a direction to the appellant to pay the compensation at the first instance and then recover the same from respondent Nos.3 and 4 in accordance with law.

The statutory amount deposited by the appellant be placed at the disposal of the Tribunal for disbursement.

20.05.2016 **(JITENDRA CHAUHAN)**
ashok **JUDGE**