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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 18.09.2023

(11)+ MAC.APP. 49/2018 & CM APPL. 1228/2018

RELIANCE GENERAL INSURANCE COMPANY LTD ..... Appellant

Through: Ms.Prerna Mehta, Adv.

versus

NISHA & ORS ..... Respondents

Through: None.

(12)+ MAC.APP. 64/2018

RELIANCE GENERAL INSURANCE COMPANY LTD ..... Appellant

Through: Ms.Prerna Mehta, Adv.

versus

SANJAY KUMAR & ORS ..... Respondents

Through: None.

CORAM:
HON'BLE MR. JUSTICE NAVIN CHAWLA

NAVIN CHAWLA, J. (ORAL)

1. These appeals have been filed by the appellant(s) challenging the Award dated 07.11.2017 (hereinafter referred to as the 'Impugned Award') passed by the learned Motor Accident Claims Tribunal-01, West District, Tis Hazari Courts, Delhi (hereinafter referred to as the 'Tribunal') in MACT No.476963 and 476283 of 2016. As common

issues arise in the appeals, they are being disposed of by this common judgment.

2. The limited challenge of the appellant to the Impugned Award is on the account of non-grant of a right to the appellant to recover the compensation paid to the claimants from the owner of the offending vehicle, that is, Truck bearing HP-12D-3935, that is, the respondent no.5 in MAC APP 49 of 2018 and the respondent no.3 in MAC APP 64/2018.

3. The learned counsel for the appellant submits that the driving license produced by the owner and the driver of the offending vehicle was one purportedly issued by the Government of Nagaland. She submits that in terms of a Public Information no.TC-23/MV/2007(PT-1) dated 01.08.2014 issued by the Government of Nagaland, it had been directed that all driving license holders having a driving license in the form of a booklet or any manual format, other than a smart card, must report the same to the Transport Office for the purpose of digitizing their data and for issuance of a smart card. It was further stipulated that any driving license other than one in the form of a smart card shall be treated as cancelled with effect from 01.12.2014.

4. The learned counsel for the appellant submits that as the driving license produced by the driver/owner of the offending vehicle was not in the form of a smart card, the same was not to be treated as valid on the date of the accident, which was 30.09.2015.

5. She further submits that the driving license produced by the driver/owner of the offending vehicle also did not reflect the date of

expiry of the endorsement thereon with respect to its validity for driving a heavy motor vehicle. She submits that the same is a mandatory requirement in terms of Section 14(2) of the Motor Vehicles Act, 1988. She submits that in the absence thereof, the driving license produced by the owner/driver of the offending vehicle, on the face of it, was invalid and the appellant should have been granted a right to recover the compensation paid to the claimants from the owner of the offending vehicle.

6. I have considered the submissions made by the learned counsel for the appellant, however, find no merit in the same.

7. Before adverting to the challenge of the appellant, I would reproduce the findings of the learned Tribunal on the issue raised in the present appeals, as under:

> "*44. It has to be seen that IO of the case has filed on record the verification report of the aforesaid DL of the respondent no.1 which specifically states that the aforesaid DL of respondent No.1 was valid and the same was issued on 30.11.2009 and the same was valid upto 29.11.2015. The said letter issued by Nagaland Transport Authority which has been placed on record by the IO is dated 15.10.2015. The date of accident is 30.09.2015. It has to be seen that in the aforesaid letter of the Nagaland Transport Authority which has been relied upon by the Ld. Counsel for the Insurance company, neither the date of notification/order passed by the Transport Commissioner has been mentioned nor it has been mentioned as to when the aforesaid orders came into operation. The IO has not been examined by the respondent no.3. As such, to my mind, the verification of the DL of the respondent no.1 carried on by the IO*

> *has not been challenged. The report relied upon by the respondent No.3 merely states about the invalidity of the said DL. The said report does not states that the DL was fake, forged or fabricated.*
>
> *45. In view of the report filed by the IO about the authenticity of the DL, to my mind, the submission of ld. Counsel for the Insurance Company to the effect that the aforesaid DL was invalid on the date of accident cannot be accepted. As such, I hereby hold that the respondent No.1 was holding a valid DL on the date of accident.*
>
> *As such, respondent No.3 is not entitled for recovery rights."*

8. In ***United India Insurance Co. Ltd. v. Lehru & Ors***., (2003) 3 SCC 338, the Supreme Court has clarified that the owner of the vehicle, while employing a driver, is not supposed to conduct an inquiry with the transport office on the validity of the driving license. It was held as under:

> *"20. When an owner is hiring a driver he will therefore have to check whether the driver has a driving licence. If the driver produces a driving licence which on the face of it looks genuine, the owner is not expected to find out whether the licence has in fact been issued by a competent authority or not. The owner would then take the test of the driver. If he finds that the driver is competent to drive the vehicle, he will hire the driver. We find it rather strange that insurance companies expect owners to make enquiries with RTOs, which are spread all over the country, whether the driving licence shown to them is valid or not. Thus where the owner has satisfied himself that the driver has a licence and is driving competently there would be no breach of*

> *Section 149(2)(a)(ii). The insurance company would not then be absolved of liability. If it ultimately turns out that the licence was fake, the insurance company would continue to remain liable unless they prove that the owner/insured was aware or had noticed that the licence was fake and still permitted that person to drive. More importantly, even in such a case the insurance company would remain liable to the innocent third party, but it may be able to recover from the insured. This is the law which has been laid down in Skandia (1987) 2 SCC 654, Sohan Lal Passi (1996) 5 SCC 21 and Kamla (2001) 4 SCC 342 cases. We are in full agreement with the views expressed therein and see no reason to take a different view."*

9. In ***Rishi Pal Singh v. New India Assurance Co. Ltd & Ors.*** (Judgment dated 26.07.2022 passed in Civil Appeal No.4919 of 2022), the Supreme while re-affirming the view taken in the judgment in ***Lehru*** (Supra), has held that:

> *"10. The owner of the vehicle is expected to verify the driving skills and not run to the licensing authority to verify the genuineness of the driving license before appointing a driver. Therefore, once the owner is satisfied that the driver is competent to drive the vehicle, it is not expected from the owner thereafter to verify the genuineness of the driving license issued to the driver."*

10. The reliance of the learned counsel for the appellant on the judgment of the Supreme Court in ***Beli Ram vs. Rajinder Kumar & Anr***. 2020 SCC OnLine SC 769, also cannot be accepted inasmuch as the Supreme Court in that judgment was dealing with a case

where the offending vehicle was being driven by the driver whose license had expired on the date of the accident in question therein.

11. In the present case, the driving license of the driver has been verified by the Investigating Officer and was found to be genuine and not fake, forged or fabricated. The driving license also provides that the date of its validity is till 29.11.2015. Merely because the Government of Nagaland has, to streamline the process of issuance of licenses, notified that all licenses issued in the form other than a smart card would be treated as cancelled with effect from 01.12.2014, it cannot be said that the owner cannot plead innocence or that there is a lack of due diligence on the owners' part to verify the genuineness of the driving license.

12. Accordingly, I find no merit in the present appeals. The appeals along with the pending application are dismissed. There shall be no order as to costs.

13. The statutory amount deposited by the appellant shall be returned to the appellant with interest accrued thereon.

NAVIN CHAWLA, J

SEPTEMBER 18, 2023
RN/AS