



FAO-5696-2017 (O&M)

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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

FAO-5696-2017 (O&M)

Reserved on: 14.11.2025

Date of decision: 15.12.2025

Uploaded on: 15.12.2025

RAM KUMAR THROUGH HIS LRS AND ANR.**..Appellants****Versus****NATIONAL INSURANCE COMPANY LTD AND ORS.****..Respondents****CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA**

Present: Mr. Sanjay Jain, Advocate
for the appellants.

Mr. Amit Jaiswal, Advocate
for respondent No.1.

None for respondents No.2 and 3.

SUDEEPTI SHARMA, J.

1. The present appeal has been filed by the appellant-owner of the offending vehicle against the award dated 22.02.2017 passed in a claim petition filed under Section 166 of the Motor Vehicles Act, 1988 by the Motor Accident Claims Tribunal, SAS Nagar, Mohali (for short, 'the Tribunal'), wherein the appellant was fastened with the liability to pay the compensation of Rs.11,79,000/- to the claimants along with interest @ 6% per annum from the date of filing of claim petition till recovery.

BRIEF FACTS OF THE CASE

2. Brief facts of the case are that on 23.11.2014, when Sonia along with her father Om Parkash Singh was going on left hand of the road for her place of working i.e. Maya Garden, a Tata Sumo bearing registration No. HR-37A-7456 came from Zirakpur side being driven by respondent no.1 in a



rash and negligent manner, brought his vehicle on extreme left side of the road in katcha portion and hit against Sonia, who suffered multiple injuries on her persona and succumbed to the same on the spot. Driver of offending vehicle alighted from the vehicle, but on seeing the people gathering at the spot, he slipped from the spot. Sonia was shifted to Civil Hospital, Dera Bassi, but she was declared dead. It was further pleaded that Sonia was unmarried, 20 years and 09 months of age. She was employed as computer operator with Maya Garden, Zirakpur and getting Rs. 15,000/- per month as salary.

3. Upon notice of the claim petition, respondents therein appeared and contested the claim petition by filing separate written statement denying the factum of accident/compensation.

4. From the pleadings of the parties, the Tribunal framed the following issues:-

1. Whether Sonia died in a road side accident caused by respondent no.1 while driving vehicle no. HR-37A-7456? OPC

2. Whether the claim petition is not maintainable ? OPR

3. Whether the claimants are entitled to receive compensation , as prayed for, if so to what extent and from whom ? OPC

4. Whether respondent no.1 being driver of above said vehicle was not holding a valid and effective driving licence, route permit at the time of accident ? OPR-3

5. Whether respondent no.2 had committed breach of terms and conditions of the insurance policy, if so, its effect ? OPR-3.

6. Relief.



5. Thereafter, both the parties led their evidence in support of their respective pleadings.

6. After taking into consideration the pleadings and the evidence on record, the learned Tribunal awarded compensation to the claimants. However, the respondent No.1-Insurance Company was held liable to pay compensation at first instance and recovery rights were given to respondent No.1-Insurance Company to recover the same from appellant-owner of the offending vehicle. Hence, the present appeal.

SUBMISSIONS OF LEARNED COUNSEL FOR THE APPELLANT:

7. Learned counsel for the appellant-owner of the offending vehicle has gravely erred in giving recovery right to the insurance company on erroneous premise that the driver of the offending vehicle does not possess the valid and effective licence at the time of accident. He further contends that the appellant has placed on record the driving licence of driver of the offending vehicle and the contents of the driving licence makes it abundantly clear that on the date of accident, the driving licence was effective and valid. Therefore, he prays that the present appeal be allowed and respondent No.1-insurance company be held solely liable to pay compensation to claimant-respondent No.2 and 3.

8. Learned counsel for respondent No.1-insurance company contends that the learned Tribunal has rightly decided the issue of liability, therefore, he prays for dismissal of the present appeal.

9. I have heard learned counsel for the parties and perused the whole record of the case with their able assistance.

10. The relevant portion of the award is reproduced as under:-

**“Issue No.4**

*19. Learned respondent nos. 1 and 2 tendered copy of registration certificate of offending vehicle as Ex. R-1, copy of driving licence of respondent no.1 as Ex. R-2 and copy of insurance policy cover as Ex. R-3. The perusal of driving licence and information received from information letter dated 19.03.2016 received from Govt. of Nagaland, Office of Regional Transport Officer, Mokokchung, Nagaland Ex.R-8 shows that though the driving licence stood renewed upto 01.04.2015 i.e. it had not expired on the date of accident i.e. 23.11.2014, yet, the driving licence held by respondent no.1 is to be treated as cancelled in view of verification report of driving licence respondent no. 1 Ex. R-4, R-5, information obtained under RTI Act from Regional Transport Officer, Motor Vehicles Department, Mokukchung, Nagaland Ex. R-6, copy of notification issued by Government of Nagaland as Ex. R-7, information letter dated 19.03.2016 received from Govt. of Nagaland Ex. R-8, verification of licence of respondent no.1 Ex. R-9, information received from Regional Transport Officer, Motor Vehicles Department, Mokukchung, Nagaland Ex.R-13. It is revealed from these documents that all those driving licences which have not been digitized into smart card format are treated as cancelled. The above said information was obtained under Right to Information Act and as held by the Hon'ble Punjab & Haryana High Court in **FAO No. 1693 of 2016 (O & M) titled Pardeep Kumar Vs Kirna Devi and others**, an information furnished by statutory authority under RTI is in the nature of public document as per Section 77 of the*



*Indian Evidence Act and the document is ought to be taken without any further proof of what it contains. It was contended by learned counsel for respondent no.3 insurance company that since respondent no.1 was not holding valid driving licence, so insurance company was not liable and amount of award, if any, is recoverable directly from driver and owner of the offending vehicle. Learned counsel, in support of his arguments, referred to judgment **Santi Hazra Vs New Indian Assurance Co. Limited and another 2015 ACJ 2872** of Hon'ble High Court of Judicature at Calcutta and **National Insurance Co. Limited Vs Vidhyadhar Mahariwala and others 2008 (4) RCR (Civil) 485/486**. The contention of learned counsel is not acceptable because in the present case, the driving licence is not invalid because of its expiry or the respondent no.1 being not competent to driver offending vehicle rather, driving licence of respondent no.1 was treated to be cancelled on the date of accident being not digitized into smart card format. Hence, issue under consideration is held in favour of respondent no.3 insurance company and against respondent no.1 to the effect that driving licence possessed by respondent no.1 was cancelled being not digitized into smart card format.”*

11. A perusal of the record reveals that the driving licence of the driver of the offending vehicle stood duly renewed up to 01.04.2015, whereas the accident in question occurred on 23.11.2014. It is therefore an undisputed factual position that, on the date of the accident, the driving licence was valid and subsisting.



12. The material further reflects that the Government of Nagaland issued a notification (Ex. R-7), the relevant portion of Ex.R-7 is reproduced as under:-

“with a view to authenticate genuine driving licences, all licence holders possessing licences in booklet or other manual formats, as distinct from the smart-card format, must report to the licensing authority for digitization and issuance of smart cards. This process must be completed by December 2014, after which driving licences other than those in smart-card format shall be treated as cancelled.”

13. A conjoint reading of the said notification and the evidence on record clearly shows that the last date prescribed for verification and conversion into smart-card format was 31st December 2014. The accident, however, occurred on 23.11.2014, i.e., prior to the expiry of the said deadline. Thus, as of the date of the accident, the licence could not have been treated as cancelled merely on account of non-digitization, for the period allowed for completing such conversion had not yet lapsed.

14. The learned Tribunal proceeded on the premise that the licence stood “cancelled” on the date of the accident solely because it had not yet been digitized. This inference is fundamentally flawed. The cancellation contemplated by the notification was not automatic upon the existence of a booklet-type licence; rather, such cancellation would operate only after the cut-off date December 2014 had passed without compliance. In the present case, the accident occurred before the expiry of the grace period. Consequently, the driving licence of respondent no.1 remained valid on the relevant date.



15. The learned Tribunal, therefore, erred in granting recovery rights to the insurer by treating the licence as cancelled on the date of the accident. The insurer failed to establish any statutory breach under Section 149(2) of the Motor Vehicles Act, 1988. There is no allegation that the driver was in any manner incompetent or disqualified to drive the vehicle in question. The sole ground pressed non-digitization of the licence does not render the licence invalid prior to the notified deadline.

16. In these circumstances, the findings of the learned Tribunal holding that the licence was invalid and consequently granting recovery rights in favour of the insurance company are unsustainable and liable to be set aside. The insurance company, having failed to prove any breach of policy conditions, remains fully liable to indemnify the insured and satisfy the award.

17. In view of the above discussion, the present appeal is allowed. The impugned findings granting recovery rights to the insurer are hereby set aside, and the insurance company shall remain solely liable to compensate the claimant.

18. The statutory amount of Rs.25,000/- deposited by the appellants at the time of admission of the appeal, is ordered to be refunded to them.

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

15.12.2025

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(SUDEEPTI SHARMA)
JUDGE

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