2026:PHHC:078494

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

223 (5 cases) **Date of decision: 18.05.2026**

1. <u>FAO-2923-2001 (O&M)</u>

RAJIV AGGARWAL ..... APPELLANT

VERSUS

SHASHI DEVI & ORS .....RESPONDENTS

2. <u>FAO-2924-2001 (O&M)</u>

RAJEEV AGGARWAL ....APPELLANT

VERSUS

SUSHMA DEVI & ORS ...RESPONDENT

3. <u>FAO-2925-2001(O&M)</u>

RAJEEV AGGARWAL ..... APPELLANT

VERSUS

SOHAN LAL & ORS .....RESPONDENT

4. <u>FAO-2926-2001(O&M)</u>

RAJEEV AGGARWAL .....APPELLANT

VERSUS

RAM PAL & ORS ..... RESPONDENT

5. <u>FAO-3410-2001(O&M)</u>

RAJEEV AGGARWAL .....APPELLANT

VERSUS

KRISHAN LAL & ORS .....RESPONDENT

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CORAM : HON'BLE MR. JUSTICE YASHVIR SINGH RATHOR

Present: Mr. Manu Sachdeva, Advocate for
Mr. Saarib Aggarwal, Advocate
for the appellants.

Mr. Govind Rana, Advocate for respondent No.l.

Mr. Vinod Chaudhri, Advocate and
Mr. Jayant Chauhan, Advocate
for respondent No.3-Insurance Company.

Ms. Niharika Sharma, AAG, Punjab for respondent No.4.

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YASHVIR SINGH RATHOR. J.(Oral)

1. The aforesaid five appeals have been preferred by appellant/owner/insured of offending vehicle Tata 407 bearing No.CH-01-M-3326 against the Award dated 08.05.2000 passed by MACT, Rupnagar (**for short "Tribunal"**) vide which the Insurance Company has been exonerated of its liability to indemnify the insured, whereas owner/appellant and driver have been held liable to pay the compensation to the claimants.

2. Mr. Vinod Chaudhri, Advocate has appeared and filed Memorandum of Appearance on behalf of respondent No.3, which is taken on record. Registry is directed to tag the same at an appropriate place.

3. In FAO No.2923 of 2001 arising out of claim petition No.91 of 1997 titled 'Rajiv Aggarwal vs. Shashi Devi & Ors', compensation of Rs.32,000/- has been awarded to claimant Shashi Devi on account of injuries

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suffered by her in the accident in question which occurred on 21.05.1997.

4. In FAO No.2924 of 2001 arising out of claim petition No.135 of 1997 titled 'Rajeev Aggarwal vs. Sushma Devi & Ors', compensation of Rs.32,000/- has been awarded to the claimant Sushma Devi on account of injuries suffered by her in the accident in question.

5. In FAO No.2925 of 2001 arising out of claim petition No.133 of 1997 titled 'Rajeev Aggarwal vs. Sohan Lal & Ors', compensation of Rs.50,000/- has been awarded to the claimant Sohan Lal on account of injuries suffered by him in the accident in question.

6. In FAO No.2926 of 2001 arising out of claim petition No.134 of 1997 titled 'Rajeev Aggarwal vs. Ram Pal & Ors', compensation of Rs.37,500/- has been awarded to the claimant Ram Pal on account of injuries suffered by him in the accident in question.

7. In FAO No.3410 of 2001 arising out of claim petition No.136 of 1997 titled 'Rajeev Aggarwal vs. Krishan Lal & Ors', compensation of Rs.40,000/- has been awarded to the claimant Krishan Lal on account of injuries suffered by him in the accident in question.

8. After going through the material on file, the Tribunal awarded compensation to the claimants as mentioned in the aforesaid paragraphs. However, it was held that the driver did not possess a valid and effective driving licence to ply the offending vehicle and the owner has violated terms

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2026.05.21 16:57
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and conditions of the insurance policy. It was further held that the Insurance Company is not liable to indemnify the insured and the owner and the driver were held liable to pay compensation to the claimants.

9. Feeling aggrieved, the appeals in hand have been preferred by appellant/owner. The material on file has been perused and parties have been heard.

10. Learned counsel for the appellant argued that the learned Tribunal gravely erred while holding that the driver of the offending vehicle was not holding a valid and effective driving licence. The driving licence of respondent No.2 was tendered in evidence as Ex.R2 and the same was verified by the surveyor of the Insurance Company vide verification report Ex.R1 tendered by counsel for the Insurance Company himself, according to which the licence was issued initially for scooter and car by Licensing Authority, Patiala for the period of 19.10.1995 to 11.06.2020. However, respondent No.2 had also been authorized to drive Light Motor Vehicle (LMV) vide endorsement No.35/B dated 22.03.1996. There is an endorsement to this effect on the driving licence Ex.R2 itself and this fact was also verified by the surveyor of the Insurance Company on the application moved before the Licensing Authority, Patiala who furnished the report Ex.R1 in this regard. Learned counsel next argued that driving licence was valid upto 11.06.2020. As per insurance policy Ex.R1 (inadvertently again marked as Ex.R1) which has been tendered by the Insurance Company, the gross vehicle weight of the offending vehicle was

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2026.05.21 16:57
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6,500 Kgs. and since the gross vehicle weight of the offending vehicle was less than 7500 Kgs, it fell within the definition of "light motor vehicle" in view of definition given in Section 2(21) of Motor Vehicles Act, 1988. Learned counsel further contended that a person holding a licence to drive a "light motor vehicle" can ply a light transport vehicle and since the driver possessed a valid and effective driving licence as on the date of accident, the insured has been wrongly held liable to pay the compensation. Learned counsel next contended that in another claim petition bearing No.61/1997 decided vide Award dated 30.06.2001 by Sh. V.K. Gupta, MACT, Una, titled, Sheela Devi Vs. Balwinder Singh, (Annexure A-3), it has been held that the driver possessed a valid and effective driving licence and the Insurance Company was held liable to indemnify the insured. Learned counsel next contended that the finding given by MACT, Rupnagar in the impugned awards is contrary to the evidence on file and is thus liable to be modified. In support of his contentions, learned counsel for the appellant has relied upon judgment of Hon'ble Supreme Court in 2024 INSC 840 **M/s Bajaj Alliance General Insurance Co. Ltd. Vs. Rambha Devi and Ors**.

11. On the other hand, learned counsel for Insurance Company argued that the driver of the offending vehicle was not possessing a valid and effective driving licence and on the basis of evidence led on file, the Tribunal has rightly exonerated the Insurance Company of its liability to indemnify the insured and no interference in the impugned award is called for and learned counsel prayed

VISHAL VARDHAN
2026.05.21 16:57
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that appeals in hand be dismissed.

12. The driver had led in evidence his driving licence Ex.R2 which has been issued by Licensing Authority, Patiala. The Surveyor of the Insurance Company had also moved an application before District Transport Office, Patiala and DTO had submitted report Ex.R1 to the effect that the driving licence was initially issued in favour of Balwinder Singh-respondent No.2 authorizing him to drive scooter and car only for the period of 19.10.1995 to 11.06.2020. Subsequently, he was authorized to drive "light motor vehicle" vide endorsement No.35/B dated 22.03.1996. Even there is an endorsement to this effect on the driving licence Ex.R2 which has been overlooked by the Tribunal. The report Ex.R1 furnished by DTO, Patiala that driver possessed a valid and effective driving licence authorizing him to drive "light motor vehicle" too was misread while coming to the conclusion that driver did not possess a valid and effective driving licence, whereas the accident had taken place on 21.05.1997 and as such, the driver possessed a valid and effective driving licence authorizing him to drive a "light motor vehicle". As such, learned Tribunal did not properly appreciate the evidence on file and rather, it misread and misapplied the evidence while coming to the conclusion that the driver was not authorized to drive a "light motor vehicle" and finding in this regard is thus erroneous and is not sustainable.

13. Another contention was raised by the Insurance Company before MACT, Una in claim petition No.61/1997 titled as Sheela Devi Vs. Balwinder

VISHAL VARDHAN
2026.05.21 16:57
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Singh, (Annexure A-3) that acid was being carried in the offending vehicle which is an explosive substance and the driver was required to have a special endorsement on his licence authorizing him to transport explosive material. However, this contention was also repelled by the Tribunal on the basis of documents produced before it that the offending vehicle was transporting formic acid which is not an explosive substance that would require special endorsement or permission and even the report of Deputy Chief Explosive Controller, Chandigarh as well as of that Deputy Director Toxicology FSL, Punjab were led in evidence according to which formic acid was not an explosive chemical. As such, the learned Tribunal while passing the impugned Awards has not appreciated the evidence on file in the correct perspective and rather, the evidence has been misread and misapplied. Accordingly, it is held that the driver possessed a driving licence authorizing him to drive 'LMV' on the date of accident.

13. Next question to be decided is as to whether a person holding a licence authorizing him to drive "light motor vehicle" can drive a "light transport vehicle" or not as the offending vehicle was Tata 407. It is pertinent to mention that the gross vehicle weight of offending vehicle is 6500 Kgs as mentioned in the insurance policy Ex.R1 and the offending vehicle thus falls within the definition of a "light motor vehicle" as defined in Section 2(21) of Motor Vehicle Act. As already held above, driver was having a licence authorizing him to drive a "light motor vehicle" as on the date of accident and

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2026.05.21 16:57
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2026:PHHC:078494

since it was a transport vehicle, he was competent to ply the same in view of law laid down in **Rambha Devi's case (supra)** in which it has been held by Hon'ble Supreme Court that a person holding a licence authorizing him to drive "light motor vehicle" can drive a light transport vehicle as well.

14. As such, it is established that respondent No.2-driver was possessing a valid and effective driving licence authorizing him to drive the offending vehicle as on the date of accident i.e. 21.05.1997 and the insured has thus not violated the terms and conditions of the Insurance Policy. Resultantly, finding on issue No.3 is reversed and the same is decided against the respondent-Insurance Company.

15. Resultantly, appeals in hand are allowed with costs. The impugned Awards are modified and it is held that the Insurance Company shall be liable to indemnify the insured and it shall not have any right to recover the awarded amount from the insured/owner.

16. A photocopy of this order be placed on the file of the connected cases.

17. Pending misc. application(s), if any, shall also stand disposed of.

(YASHVIR SINGH RATHOR)
JUDGE

18.05.2026
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Whether Speaking/reasoned. : Yes/No
Whether Reportable : Yes/No

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