

2026:PHHC:065725



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

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**FAO-2286-2026 (O&M)
Date of decision:29.04.2026**

GO DIGIT GENERAL INSURANCE CO. LTD.

...APPELLANT

VERSUS

NIRMAL KAUR AND ORS.

...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE PARMOD GOYAL

Present: Mr. Sanjeev Kodan, Advocate
for appellant.

Mr. Inderpreet Singh Kooner, Advocate and
Ms. Supriya Sharma, Advocate
for caveators-respondents No.1 and 2.

PARMOD GOYAL, J. (ORAL)

Notice of motion.

2. Mr. Inderpreet Singh Kooner, Advocate appears and accepts
notice on behalf of respondents No.1 and 2-claimants.

3. Present first appeal has been preferred by appellant being
aggrieved by impugned award dated 17.02.2026 passed by learned Motor
Accident Claims Tribunal, Hoshiapur (hereinafter referred to as '**Tribunal**'),
wherein the appellant was held responsible to pay compensation to the
claimants.

4. The primary grievance raised on behalf of appellant is that
despite finding licence (Ex.R/2) in name of respondent No.3-driver to be
fake, the liability to pay compensation has been fastened upon appellant

being insurer of offending vehicle.

5. Learned counsel for respondents No.1 and 2-claimants contends that owner of motorcycle had duly appeared as RW-1 before learned Tribunal and duly stated that he had seen the licence of the respondent No.3 as well as his driving as he used to travel with driver as pillion rider. Reliance has been placed upon judgments passed by Hon'ble Supreme Court of India in **Pepsu Road Transport Corporation Vs. National Insurance Company**, 2014 AIR (SC) 305; **Rishi Pal Singh Vs. New India Insurance Co. Ltd. and Ors.**, 2022 SCC Online SC 2119 and **Hind Samachar Ltd. (Delhi Unit) Vs. National Insurance Company Ltd. & Ors.**, CA No.12442-12446 of 2024 decided on 08.10.2025 by Hon'ble Delhi High Court as well as upon judgment passed in **Ram Parkash Vs. Rama Rani and Ors.**, FAO No.5913 of 2002 by this Court.

6. On the other hand, learned counsel for appellant argues that once there is a breach of conditions of insurance policy, appellant-Insurance Company is not liable to pay the compensation. Reliance has been placed upon following judgments:-

- i. **Mahaveer Vs. The Branch Manager United India Insurance Co. Ltd. & Ors.**, Civil Appeal No.11757 of 2025, decided on 24.04.2025 by Hon'ble Supreme Court.
- ii. **M.S. Middle High School Vs. HDFC Ergo General Insurance Co. Ltd. & Ors.**, 2018 (5) RCR (Civil) 836.
- iii. **National Insurance Co. Ltd. Vs. Parvathneni & Anr.**, 2009(4) RCR(Civil) 270

7. On consideration, I do not find any reasons for interfering in well-reasoned award passed by learned Tribunal. Admittedly, in present case, the owner of offending vehicle appeared as RW-1 and had duly asserted that respondent No.3-driver used to borrow his motorcycle on various occasion, therefore, he had duly checked the licence of the respondent No.3-driver issued by Transport Department, Hoshiapur. That he had also travelled with respondent No.3-driver on various occasions and found him riding motorcycle well at the time of travelling with him. The testimony of RW-1 has not been rebutted by appellant, which goes to show that respondent No.4-owner had duly taken all the care and acted in diligent manner to verify the licence/driving skills of respondent No.3. In **Pepsu Road Transport Corporation Vs. National Insurance Company** (supra), it was held as under:-

“8. In a claim for compensation, it is certainly open to the insurer under Section 149(2)(a)(ii) to take a defence that the driver of the vehicle involved in the accident was not duly licensed. Once such a defence is taken, the onus is on the insurer. But even after it is proved that the licence possessed by the driver was a fake one, whether there is liability on the insurer is the moot question. As far as the owner of the vehicle is concerned, when he hires a driver, he has to check whether the driver has a valid driving licence. Thereafter he has to satisfy himself as to the competence of the driver. If satisfied in that regard also, it can be said that the owner had taken reasonable care in employing a person who is qualified and competent to drive the vehicle. The owner cannot be expected to go beyond that, to the extent of verifying the genuineness of the driving licence with the licensing authority before hiring the

services of the driver. However, the situation would be different if at the time of insurance of the vehicle or thereafter the insurance company requires the owner of the vehicle to have the licence duly verified from the licensing authority or if the attention of the owner of the vehicle is otherwise invited to the allegation that the licence issued to the driver employed by him is a fake one and yet the owner does not take appropriate action for verification of the matter regarding the genuineness of the licence from the licensing authority. That is what is explained in Swaran Singh's case (supra). If despite such information with the owner that the licence possessed by his driver is fake, no action is taken by the insured for appropriate verification, then the insured will be at fault and, in such circumstances, the insurance company is not liable for the compensation.”

8. Therefore, the judgments referred by learned counsel for respondents No.1 and 2 are fully applicable to present case and those relied upon by learned counsel for appellant have got no applicability to present case. Once it is proved that owner has acted in a diligent manner and had checked driving licence and driving skills, nothing more is required on his part and fake licence would not absolve appellant-insurance company as in such case there is no breach of insurance contract by owner.

9. In view of above, present appeal is dismissed being without any merit.

10. Pending application(s), if any, stand disposed of.

(PARMOD GOYAL)
JUDGE

29.04.2026
Sunil Chander

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