

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

FAO-1554-2010 (O&M)

M/S GULATI EXPORT HOUSE

.....Appellant

vs.

SUNARI DEVI @ SUNDARI DEVI AND ORS.

.....Respondents

Reserved on : 20.02.2026

Pronounced on: 20.03.2026

Uploaded on : 25.03.2026

Whether only the operative part of the judgment is pronounced?

NO

Whether full judgment is pronounced?

YES

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Ms. Pratibha Yadav, Advocate
for the appellant.

None for respondents No.1 to 3.

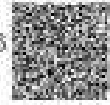
Mr. Vinod Mahendru, Advocate
for respondent No.4-Insurance Company.

SUDEEPTI SHARMA J.

1. The present appeal has been preferred by the appellant-owner assailing the award dated 01.05.2009 passed by the learned Tribunal, whereby the liability to pay compensation has been fastened upon the appellant.

BRIEF FACTS OF THE CASE:-

2. Brief facts of the case are that at about 3 p.m. on 3.9.2008 Ram Nath (deceased) was on his duty as a Security Guard in M/s Gulati Export House, Plot No. 39, Sector -4, IMT Manesar, Gurgaon where respondent No.1 (who was also on duty as a security guard with the said company)



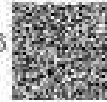
came driving a Maruti Car bearing registration No. DL-9CE-1567 in a rash and negligent manner and struck against the deceased due to which he received multiple, grievous, serious injuries on his body including private parts resulting into his death on his way to hospital. The claimants spent more than Rs.50,000/- on his transportation and last rites. A criminal case under Sections 279, 304-A IPC was registered vide FIR No. 300 dated 3.9.2008 in police station Manesar, Gurgaon in respect of this accident. The offending car was owned by respondent no. 2 and insured with respondent no. 3. The deceased was getting salary Rs.8000/- per month by working as a Security Guard with M/s SVS Guarding Service Pvt. Ltd. at M/s Gulati Export House, Plot No. 39, Sector 4, IMT Manesar. The claimants being his widow and minor son were fully dependent upon him and, thus, were entitled to the amount of compensation aforementioned from the respondents.

3. Upon notice of the claim petition, respondents appeared and admitted the factum of compensation.

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

“1. Whether the accident in question was caused by respondent No.1 while driving Maruti Car bearing Registration No.DL-9CE-1567 in a rash and negligent manner resulting into the death of Ram Nath Singh, as alleged? OPP

2. If issue No.1 is proved, whether the claimants are entitled to any compensation and if so to what extent and from whom? OPP



3. Whether respondent No.3 is not liable to make payment of any compensation on account of alleged violation of terms and conditions of insurance policy? OPR (3)

4. Relief.”

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

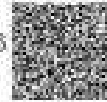
6. After taking into consideration the pleadings and the evidence on record, the learned Tribunal awarded compensation to the claimants. However, the liability to pay compensation was fastened upon the appellant-owner and respondent No.3-driver, jointly and severally. Hence, the present appeal.

SUBMISSIONS OF THE LEARNED COUNSELS FOR THE PARTIES

7. Learned counsel for the appellant contends that the learned Tribunal has erroneously affixed liability upon the appellant-owner on unfounded premise that the driver of the offending vehicle did not possess a valid and effective driving licence at the time of the accident. He further contends that respondent No.3 (driver) was not the regular driver of the appellant-owner and that no relationship of employer and employee between the appellant and the said driver has been established on record. On these grounds, it is prayed that the present appeal be allowed and the liability to pay compensation be shifted to the insurance company.

8. Per contra, learned counsel for the respondents has supported the findings recorded in the impugned award and has prayed for dismissal of the present appeal.

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

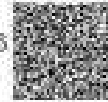


10. Before proceeding further, it would be apposite to reproduce the relevant portion of the award dated 01.05.2009, which is reproduced as under:

“ISSUE NO.3

The burden to prove this issue was on the respondent no.3. Its counsel argued that it was not liable to make payment of any compensation because of utter violation of the terms and conditions of the insurance policy as the respondent no. 1 was not holding any licence on the date of accident as has been stated by his counsel, what to talk of its effectiveness and validity. In support of his arguments he placed reliance upon Sardari and others Vs. Sushil Kumar & others, 2008 (May) Accident and Compensation cases, 426 whereby the Hon’ble Apex Court dismissed the appeal holding that the owner has a statutory liability to see that driver holds valid licence and the insure can avoid its liability on ground of violation of conditions of contract of insurance.

19. After giving my thoughtful consideration to the submissions so made by learned counsel for the respondent no. 3, I find merit in the same because the facts and circumstances of the present case are squarely covered from the facts and circumstances of the above referred authority because in that case also respondent no. 1 was not holding any driving licence at the time of accident and thus the Tribunal had exonerated the insurance Company from making payment of the compensation. The Hon’ble High Court had also dismissed the application for grant of compensation. Admittedly, in the present case also, on the date of accident respondent no. 1 was not holding any driving licence which amounts to breach of terms and conditions of the insurance policy. Accordingly, insurance



company/respondent no.3 is exonerated from its liability to indemnify the insured/respondent no.2. Hence, this issue is decided in favour of the respondent no.3 and against respondents no. 1 and 2.

20. Hence, in view of the discussion above, the petition succeeds partly and the claimants are held entitled to recover a sum of Rs.2,69,209/- (Rs. Two lacs sixty nine thousand two hundred only) along with costs and interest at the rate of 9% per annum from the date of the institution of the petition till final realization thereof. The amount of compensation so awarded shall be payable by the respondents no. 1 & 2 jointly and severally.”

11. A bare perusal of the record reveals that the learned Tribunal has duly appreciated the entire evidence available on record and returned a categorical finding that the driver of the offending vehicle was not holding a valid and effective driving licence at the time of the accident, which constituted a clear breach of the terms and conditions of the insurance policy.

12. The contention raised by learned counsel for the appellant that there existed no relationship of owner and driver between the appellant and respondent No.3 is found to be devoid of merit. No cogent or reliable evidence was adduced before the learned Tribunal to substantiate the said plea. In absence of any such evidence, the learned Tribunal rightly rejected this contention.

13. On the contrary, the material available on record clearly indicates that the vehicle in question was being driven by respondent No.3 (driver) at the relevant time without possessing a valid driving licence. This amounts to a fundamental breach of the insurance policy conditions, thereby



justifying the exoneration of the insurance company from its liability to indemnify the insured.

14. The findings recorded by the learned Tribunal are based on proper appreciation of evidence and settled principles of law. No perversity, illegality, or infirmity has been pointed out which may warrant interference by this Court in exercise of its appellate jurisdiction.

15. Accordingly, this Court finds no merit in the present appeal.

16. Consequently, the appeal stands dismissed, being devoid of merit.

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

(SUDEEPTI SHARMA)
JUDGE

20.03.2026

Ayub

Whether speaking/non-speaking :	Yes/No
Whether reportable :	Yes