

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

FAO-4430-2010 (O&M)

NEW INDIA INSURANCE CO. LTD.
Vs.

.....Appellant

RAM DULARI AND ORS.

.....Respondents

Reserved on: 27.03.2026
Pronounced on: 08.05.2026
Uploaded on: 12.05.2026

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: Mr. R.C. Gupta, Advocate
for the appellant-Insurance Company.

Mr. Jayant Yadav, Advocate for
Mr. P.R. Yadav, Advocate
for respondent Nos.7 and 8.

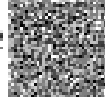
SUDEEPTI SHARMA J.

1. The present appeal is preferred against awarded dated 11.05.2010 passed by learned MACT Palwal whereby liability to pay compensation has been fastened upon the insurance company.

2. Since the question regarding liability is only involved in the present appeal therefore the brief facts of the case are not required to be reproduced.

3. Upon notice of the claim petition, the respondents appeared and filed their separate replies denying the factum of accident/compensation.

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



“1. Whether deceased Bijender had died in a vehicular accident caused on account of rash and negligent driving of trailer no.AS-01-P-3066 by respondent no.1 Anand on 26.6.2006, as alleged in the petition? OPP

2. If issue No.1 is proved, whether petitioners are entitled to the compensation, if so how much and from whom?OPP

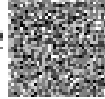
3. Whether respondent No.1 was not holding any valid and effective driving licence at the time of accident? OPR-3

4. Relief.”

5. After taking into consideration the pleadings and the evidence on record, the learned Tribunal awarded the compensation to the claimants and appellant-Insurance Company was directed to pay compensation. Hence, the present appeal.

6. Learned counsel for the appellant/insurance company contends that driver of offending vehicle was not holding valid and effective driving licence at the time of accident. He further contends that original driving licence is from Cuttack but it was renewed from Jhajjar. He therefore contends that recovery rights should be granted to the insurance company and the present appeal be allowed.

7. Per contra learned counsel for the respondent contends that company was registered at Cuttack therefore driving licence of Cuttack was there. Further as per verification report, the receipt of fee paid which are part of record the verification report of driving licence shows that driving licence was genuine.



8. Further that the owner cannot be held liable since the onus was on the insurance company to prove that owner was having the knowledge of driving licence to be fake. Further that the owner made every effort regarding the verification of driving licence which a normal person while employing driver would do and after ensuring the licence to be genuine employed the driver. He therefore contends that the learned Tribunal has rightly affixed the liability to pay the compensation. Therefore he prays that the present appeal be dismissed.

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

10. A perusal of decision on issue number 3 which is regarding the driver holding valid and effective driving licence at the time of accident shows that appellant/insurance company alleged driving licence to be fake since the original was issued from Cuttack and it was renewed from licensing authority Jhajjar but this fact only would not prove the owner of vehicle knowingly and intentionally employed the driver who was not having effective and valid driving licence. Insurance company could not prove that employer/owner intentionally and knowingly employed the driver who was not having valid and effective driving licence.

11. It is trite law as held by the Apex Court in in **Rishi Pal Singh v. New India Assurance Co. Ltd. & Others, SLP (C) No. 24933 of 2019,** wherein it was categorically held that the owner is under no legal obligation to verify the licence from the Licensing Authority, if the licence, on its face, appears to be valid and the driver is competent to drive the vehicle.



12. In view of the above, I do not find any infirmity in the present appeal and the same is hereby dismissed.

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

08.05.2026

Ayub/Sahil

(SUDEEPTI SHARMA)
JUDGE

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