



FAO-70-2019 (O&M)

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

FAO-70-2019 (O&M)

Date of Reserve: November 17, 2025

Date of Pronouncement:-29.01.2026

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National Insurance Co. Ltd.

.....Appellant(s)

vs.

Anand Kumar and others

.....Respondent(s)

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. Kapoor, Advocate, for the appellant.

Mr. Tushar Gera, Advocate
for respondent No. 3.

SUDEEPTI SHARMA J.

1. The present appeal has been preferred by the appellant-Insurance Company against the award dated 01.09.2018 filed under Section 166 of the Motor Vehicles Act, 1988 by the learned Motor Accident Claims Tribunal, Bhiwani (for short, 'the Tribunal') on the ground that the liability to pay compensation to the tune of Rs. 1,77,000/- has been wrongly fixed upon the Insurance Company.

FACTS NOT IN DISPUTE

2. Brief facts of the case are that on 16.1.2015 at about 7:00P.M., claimant after taking dinner was going to Bhiwani from his village Bapora on his three wheeler bearing registration No. HR-61B/9455 which was being driven by him in a moderate speed and when he reached near Garg Oil Mill, in the meantime a truck bearing registration No. HR-11/2615 which was being driven by respondent No.1 in a rash and negligent manner and at a very speed came from opposite side and struck with the three wheeler from the front side, due to which, claimant fell



down on the road and received grievous injuries including fracture in the right hand and right waist and his three wheeler was also damaged in the accident in question. After causing the accident, driver of the truck fled away from the spot along with his truck. The claimant was shifted to General Hospital, Bhiwani but due to serious injuries, he was referred to PGIMS Rohtak for better treatment. On the statement of eye witness Vijay Kumar, FIR No. 38 dated 17.1.2015, under sections 279/337 IPC was lodged at Police Station Sadar Bhiwani against respondent No.1.

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 took place on 16.1.2015 due to rash and negligent driving of vehicle bearing registration No. HR-11/2615 by respondent No.1 and caused injuries to petitioner and damaged three wheeler bearing registration No. HR-618/9455 owned by petitioner? OPP

2 If issue No. 1 is proved, whether petitioner is entitled to claim compensation if so to what amount and from whom? OPP

3 Whether the petitions are not maintainable in the present form? OPR

4. Whether the petitioner has no locus standi to file the present petition? OPR

5 Whether respondent No. 1 is not having any valid and effective driving licence and insured has violated the terms and conditions of the insurance policy, if so its effect? OPR”



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

SUBMISSION OF LEARNED COUNSEL FOR THE PARTIES.

6. Learned counsel for the appellant–Insurance Company contends that the learned Tribunal has committed an error in fastening liability upon the Insurance Company to pay compensation. He further contends that the appellant-Insurance Company successfully discharged its statutory burden by leading cogent evidence to establish breach of policy conditions. In this regard, RW-2 Karambir, Clerk from the office of RTA, Karnal, was examined, who categorically deposed that the driving licence bearing No. Ex. R-1 was never issued by RTA Karnal and was, in fact, a forged and fabricated document.

7. In view of the said uncontroverted testimony, he further submits that the driver of the offending vehicle was not holding a valid and effective driving licence at the time of the accident, and consequently, the Insurance Company cannot be held liable to indemnify the insured or to satisfy the award. He, therefore prays that the present appeal be allowed.

8. Per contra, learned counsel appearing for respondent No. 3, the owner of the offending vehicle, submits that the owner himself stepped into the witness box as RW-3 and deposed on oath that he had employed respondent No. 1, Purshotam, as the driver only after inspecting his driving licence and further subjecting him to a driving test. He further contends that the owner had exercised due care and diligence in verifying the competence and credentials of the driver and had no knowledge or reason to believe that the driving licence was fake.



insurance policy on the part of the owner, the learned Tribunal has rightly held the appellant–Insurance Company liable to satisfy the compensation awarded to the claimants. He, therefore prays that the present appeal be dismissed.

9. I have heard learned counsel for the parties and perused the whole records of the case.

10. Before proceeding further, it is relevant to reproduce the relevant portion of the award, which reads as under:-

“ISSUE NO.5:

In the present case, the offending vehicle was insured with respondent No.3-National Insurance company vide Insurance Policy Ex.R5 at the time of accident. Learned counsel for respondent No.3 has contended that respondent No.1 was not holding a valid and effective driving licence at the time of alleged accident and therefore, the insurance company is not liable to indemnify the insured. He has further argued that RW2 Karambir Clerk, RTA Karnal when appeared in the witness box has stated that the licence Ex.R1 was not issued by RTA Karnal and the same is fake one. On the other hand, learned counsel for the respondent No.2 ie owner of the offending vehicle has argued that respondent No.2 had tested the driving skill of the respondent No.1 and he had also seen the driving licence to play heavy transport before engaging the respondent Not as driver on his truck and therefore, the respondent No.2 has not violated the terms and conditions of the insurance policy and he relied upon the law laid down in Pepsu Road Transport Corporation versus National Insurance Company, 2013 (4) RCR (Civil)-273 (SC).



*24 I have gone through the the law laid down in Pepes Road Transport Corporation (supra). In the present case, RW3D owner of the offending track appeared in the witness box and stated he had engaged the respondent No.1 Purshotam as driver on his trick offer testing his driving skill and seeing the driving licence Mark R Hon'ble Punjab and Haryana High Court in a case titled **Reliance General Insurance Company Limited versus Kaushal Devi and others in FAO No. 1425 of 2018 decided on 19.3.2018**, has held that the insured is not guilty of violating terms and conditions of insurance policy if he had seen the driving skill of the driver and his driving licence before engaging him as driver. The facts of the present case is also similar and if the facts and circumstances of the present case are examine in the light of above judgments of Hon'ble Apex Court and Hon'ble High Court then this court has the view that the respondent No.2 ie. owner of the vehicle has not violated any terms and conditions of the insurance policy. Therefore, this issue is decided against respondent No.3.*

11. A perusal of the impugned award reveals that respondent No. 2, the owner of the offending vehicle, appeared in the witness box and categorically deposed that he had employed Purshotam Singh, respondent No. 1, as the driver of his truck only after duly inspecting his driving licence and assessing his driving competence by taking a driving test. The said testimony inspires confidence and has not been shown to be unreliable or doubtful.

12. It is well settled that the obligation cast upon the owner of a motor vehicle is to exercise reasonable care and diligence while engaging a driver. The



genuineness of the driving licence from the concerned licensing authority before employing a driver. Once the owner satisfies himself about the driving competence of the driver and verifies the licence produced by him, the requirement of due diligence stands fulfilled. Any subsequent discovery that the licence was fake, in the absence of knowledge or willful breach on the part of the owner, cannot be construed as a violation of the terms and conditions of the insurance policy.

13. In the present case, there is no evidence on record to suggest that respondent No. 2 had any knowledge that the driving license possessed by respondent No. 1 was forged or invalid. On the contrary, the evidence clearly establishes that respondent No. 2 had taken adequate precautions by testing the driving skills of the driver and inspecting his license prior to his appointment. Thus, no willful breach of the policy conditions can be attributed to the insured.

14. In view of the aforesaid discussion, the learned Tribunal has rightly concluded that the owner of the offending vehicle had exercised due care while employing the driver and that there was no violation of the terms and conditions of the insurance policy. Consequently, the Insurance Company has been correctly held liable to satisfy the award of compensation.

15. Accordingly, no illegality or infirmity is found in the impugned award. The same is, therefore, affirmed.

16. The appeal stands dismissed.

17. Pending applications, if any, also stand disposed of.

(SUDEEPTI SHARMA)
JUDGE

29.01.2026
Gaurav Arora

Whether speaking/non-speaking : Speaking
Whether reportable : Yes