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

FAO-476-2023 (O&M)

THE NEW INDIA ASSURANCE CO. LTD.

..Appellant

Versus

MEENAKSHI AND ORS.

..Respondents

Reserved on: 08.05.2026
Pronounced on: 14.05.2026
Uploaded on : 18.05.2026

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. Punit Jain, Advocate
for the appellant.

Mr. Kapish Singla, Advocate
for respondents No.1 and 2.

Mr. Harish Bhatti, Advocate
for respondents No.3 and 4.

SUDEEPTI SHARMA, J.

1. The present appeal has been filed by the appellant-Insurance company against the award dated 15.07.2022 passed in a claim petition filed under Section 166 and 140 of the Motor Vehicles Act, 1988 by the Motor Accident Claims Tribunal, Karnal (for short, 'the Tribunal'), wherein the claim petition filed by the claimants was allowed and appellant-Insurance Company was made liable to pay the compensation.

BRIEF FACTS OF THE CASE

2. Brief facts of the case are that on 24.9.2019, Rajbir (since deceased) had gone to Ludhiana from Gannaur along with vehicle bearing

No.HR-69C-6621 after loading the goods of company. On the next day, on 25.9.2019, after unloading the goods, he was returning and at about 5.00 A.M., he stopped the vehicle on seeing his son Harsh, who was returning to home on motorcycle and asked his son to follow him. At about 6.00 A.M., when he reached near Kohand, a canter bearing registration No.HR-45C-5910 (hereinafter referred to as the 'offending vehicle') being driven by its driver in a rash, negligent and careless manner, which was going ahead of him, suddenly applied brakes and hit the truck of Rajbir. Due to the said impact, Rajbir died on the spot. After the accident, dead body of Rajbir was shifted to Government Hospital, Karnal. Post mortem on his body was conducted on the same day. The matter was reported to police and a case under Sections 279 and 304-A of IPC was registered against respondent No.1 vide FIR No.677 dated 25.9.2019 at Police Station Gharaunda. It is mentioned that the said accident had taken place due to rash and negligent driving of respondent No.1, in which the deceased had no role to play. Claimants being widow and son were dependent upon him. With these averments, they claimed ₹80,00,000/- as compensation from the respondents.

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

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

5. After taking into consideration the pleadings and the evidence on record, the learned Tribunal awarded compensation to the claimants and

appellant-Insurance Company held liable to pay compensation. Hence, the present appeal.

SUBMISSIONS OF LEARNED COUNSEL FOR THE PARTIES:

6. Learned counsel for the appellant-Insurance Company contends as under:-

i. That at the time of accident, the licence possessed by respondent-driver was not valid.

ii. That the accident in question occurred on 24.09.2019 and licence expired on 23.02.2018, which was subsequently renewed on 22.11.2019. He, therefore, prays that since the licence possessed by respondent was not valid, learned Tribunal has erred in holding appellant-Insurance Company liable to pay compensation.

iii. That accident in question occurred due to contributory negligence as deceased, who was driving vehicle bearing No.R-69C-6621 did not keep safe distance.

iv. That learned Tribunal has wrongly taken the age of deceased as 48 years, whereas, as per driving licence (Ex.P-40), the age of deceased on the date of accident was 50 years 11 months 18 days. He, therefore, prays that the present appeal be allowed.

7. Per contra learned counsel for respondents No.1 and 2-claimants contends that learned Tribunal has rightly held that accident occurred due to sole rash and negligence driving of offending vehicle by respondent-driver. He furthermore contends that learned Tribunal has rightly decided the issue of liability. He furthermore contends that they have filed separate appeal i.e. ***FAO-986-2026, titled as "Meenakshi and another Vs.***

Shamsher and others" seeking enhancement of compensation, he, therefore, prays for dismissal of the present appeal.

Learned counsel for respondent No.3-driver of the offending vehicle contends that learned Tribunal has rightly decided the issue of liability, he therefore, prays for dismissal of the appeal.

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

9. The findings recorded by the learned Tribunal on Issue No.1 do not suffer from any illegality or perversity warranting interference by this Court. The claimants successfully discharged the onus cast upon them by leading cogent, reliable and convincing evidence to establish the occurrence of the accident, involvement of the offending vehicle and rash and negligent driving of respondent No.3.

10. The testimony of PW1 Harsh, who is an eye-witness to the occurrence, remained consistent and trustworthy. He categorically deposed that the accident occurred due to rash and negligent driving of respondent No.3, resulting in the death of Rajbir. His statement further finds corroboration from the criminal record placed on file, including the registration of FIR under Sections 279 and 304-A IPC against respondent No.3. Nothing substantial could be elicited in his cross-examination so as to discredit his testimony.

11. The claimants also produced on record the certified copy of the final report submitted under Section 173 Cr.P.C., which clearly reveals that during investigation respondent No.3 was found driving the offending vehicle and, upon completion of investigation, was charge-sheeted for offences punishable under Sections 279 and 304-A IPC. The filing of challan

against respondent No.3 is a significant circumstance which lends due corroboration to the version put forth by the claimants regarding negligence.

12. It is noteworthy that despite taking a specific plea in the written statement that respondent No.3 had been falsely implicated and that the offending vehicle was not involved in the accident, neither respondent No.3 nor respondent No.4 chose to enter the witness box to substantiate such plea. No evidence whatsoever was led in rebuttal to the evidence adduced by the claimants. In such circumstances, the learned Tribunal rightly drew an adverse inference against the respondents.

13. The learned Tribunal has also rightly relied upon the settled proposition of law that strict rules of evidence are not required to be applied in motor accident claim cases and the standard of proof is one of preponderance of probabilities rather than proof beyond reasonable doubt as required in criminal proceedings. Registration of FIR, filing of challan and the material collected during investigation constitute sufficient *prima facie* evidence of rash and negligent driving in proceedings under the Motor Vehicles Act. Reliance placed by the Tribunal upon the judgment in ***Girdhari Lal versus Radhey Shyam and others, 1993 (2) P.L.R. 109*** is fully justified.

14. Further, respondent No.3-driver of the offending vehicle never lodged any complaint before the higher police authorities alleging false implication. Such conduct also probabilises the case set up by the claimants and fortifies the conclusion drawn by the learned Tribunal.

15. In view of the aforesaid evidence and the settled legal position, this Court finds no reason to differ with the findings recorded by the learned Tribunal that the accident in question occurred due to rash and negligent

driving of the offending vehicle by respondent No.3. The findings are based upon proper appreciation of oral as well as documentary evidence and are hereby affirmed.

16. Adverting now to the contention raised by learned counsel for the appellant–Insurance Company, that respondent No.3-driver was not holding a valid and effective driving licence on the date of the accident. It is contended that though the driving licence had subsequently been renewed on 22.11.2019, the application for renewal was admittedly not filed within the statutory period of 30 days from the date of its expiry as contemplated under Section 15(1) of the Motor Vehicles Act, 1988 (for short, “the Act”). Consequently, the renewal could operate only prospectively from the date of renewal and not retrospectively from the date of expiry of the licence.

17. Section 15(1) of the Act governs renewal of driving licences. The proviso appended thereto unequivocally stipulates that where an application for renewal is made after expiry of the prescribed period of 30 days, the renewal shall take effect only from the date of its renewal. The legislative intent underlying the provision is explicit and leaves no scope for any other interpretation.

18. In the present case, it is an admitted position on record that the driving licence of respondent No.3 had expired on 23.02.2018, i.e. prior to the date of accident, and the same was renewed only on 22.11.2019. The accident, however, occurred on 25.09.2019. Thus, on the date of the accident, respondent No.3 was not holding a valid and effective driving licence authorising him to drive the offending vehicle. Since the renewal application was not filed within the statutory grace period of 30 days, the

subsequent renewal did not relate back to the date of expiry of the licence and became operative only from 22.11.2019.

19. In such circumstances, the inevitable conclusion is that there was a clear breach of the terms and conditions of the insurance policy insofar as the offending vehicle was being driven by a person not duly licenced on the date of occurrence. The learned Tribunal, therefore, fell in manifest error in fastening the entire liability upon the appellant–Insurance Company without granting recovery rights.

20. The legal position in this regard is no longer res integra. The Hon'ble Supreme Court in ***Rama Bai v M/s Amit Minerals and another 2025 INSC 1162***, held that when the driver of the offending vehicle was not possessing a valid and effective driving licence at the relevant time, the insurer, though liable to satisfy the award qua third parties, would be entitled to recover the amount from the owner/insured.

21. In view of the specific mandate of Section 15(1) of the Act, coupled with the authoritative pronouncements of the Hon'ble Supreme Court, this Court has no hesitation in holding that respondent No.3 was not duly licenced on the date of accident and, consequently, there was breach of the policy conditions by the insured.

22. Accordingly, while maintaining the award of compensation in favour of the claimants, it is directed that the appellant–Insurance Company shall first satisfy the award and thereafter shall be entitled to recover the awarded amount from respondent No.4-owner/insured of the offending vehicle, in accordance with law.

23. Consequently, the present appeal is hereby ***partly allowed*** to the above extent.

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24. Disposed of accordingly.

25. The statutory amount of Rs.25000/- deposited by the appellant at the time of admission of the appeal, is ordered to be refunded to it.

26. Pending miscellaneous applications, if any, are also disposed of.

14.05.2026 **(SUDEEPTI SHARMA)**
Ayub/Sahil **JUDGE**

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