2026:DHC:6336

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Reserved on: 08th July 2026.
Pronounced on: 06th August 2026.
Uploaded on: 07th August 2026.

\+ **MAC.APP. 951/2018**

M/S TRIVENI ROAD CARRIERS PVT LTD .....Appellant

Through: Mr. S.N. Parashar, Mr. Ritik Singh, Advocates.

versus

UNITED INDIA INSURANCE CO LTD & ORS .....Respondent

Through: Mr. Abhinav Jain, Advocate for Respondent no.1.

CORAM:
HON'BLE MR. JUSTICE ANISH DAYAL

JUDGMENT

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ANISH DAYAL, J.

1. This appeal has been filed by the owner of offending vehicle challenging recovery rights granted against them in favour of respondent no.1/Insurance Company by way of impugned award dated 24th July 2017 passed by Motor Accidents Claims Tribunal ('***MACT/Tribunal***'), Karkardooma Court, Delhi in MACT No. 15110/2015, where MACT has awarded compensation of *Rs. 2,19,808/-* along with interest at the rate of *9%*.

The Incident

2. The accident occurred on 17th January 2012, where respondent no.3/injured claimant was riding a bicycle towards his home from *Pappu Colony Seemapuri*. When he reached near *J & K Bus Stop, near Dilshad Garden*, a goods carrier truck bearing No. DL-1-GB-3815 (hereinafter,

'***offending vehicle***') driven by respondent no.2/driver and owned by appellant/owner hit respondent no.3/injured claimant from behind. He was removed to GTB Hospital, Delhi and as a result of the accident, he sustained injuries on his right ear and grievous injuries upon his head and upper back.

Impugned Award

3. As regards the issue of negligence, MACT held that the accident had occurred due to rash and negligent driving of respondent no.2/driver and awarded compensation to respondent no.3/injured claimant.

4. While deciding the issue of liability, MACT noted that there was a valid insurance policy issued by respondent no.1/Insurance Company. A defence had been raised by respondent no.1/Insurance Company that the driver/respondent no.2 of the offending vehicle was not holding a proper and effective driving licence.

5. In this regard, respondent no.1/Insurance Company examined *Sh. Amit Kapoor*, Senior Divisional Manager ('***R3W1***') who deposed that respondent no.2/driver was driving the offending vehicle which was insured by respondent no.1/Insurance Company. The driving licence had been exhibited as ***R3W1/1***. The verification report provided by the Investigation Officer ('***IO***'), exhibited as ***R3W1/2*** stated at point '*A*' that the driving licence had not been issued by Motor Vehicles Department at Mathura, U.P. Later on, an application had been moved by respondent no.2/driver who provided another driving licence, ***Exhibit R3W1/3,*** which had a verification report at point '*B*' showing that the driving licence issued on 16th August 2011 was a valid licence.

6. Considering that the testimony of *R3W1* remained uncontroverted

and unimpeached, MACT held that there was a breach of the terms and conditions of the insurance policy, therefore, granting right of recovery to respondent no.1/Insurance Company.

Submissions on behalf of appellant

7. *Mr. S.N. Parashar*, counsel for appellant/owner, has challenged the impugned award on the grant of recovery rights in favour of respondent no.1/Insurance Company. He submitted that the driving license produced by respondent no.2/driver during the verification was a genuine license and the same was taken note of by the MACT.

8. *Mr. Parashar*, drew attention of this Court to the application issued by SI *Vikas Kumar*, PS, Seema Puri, on 10th February 2012 to Licensing Authority, M.V. Department, Mathura (U.P.) seeking verification of *license no. 166/5/M107* issued on 22nd November 2007 and valid up to 16th February 2012 (hereinafter, '***license no.1***').

9. He also drew the Court's attention to the driving license *No. 1051/OR/SKNO/08* valid from 16th August 2011 to 15th August 2014. (hereinafter, '***license no.2***'). The driving license was issued under the name of *Saroj Kumar* s/o *Ram Snehi* by the Licensing Authority-*Sant Kabir Nagar, U.P.*

10. *Mr. Parashar*, counsel for appellant/owner, stated that the driver had produced *license no.2* before the appellant/owner and therefore, they were not aware of a previous license having been issued.

11. Drawing reference to *license no.2*, he stated that the licensing authority had verified the said license and it had also been presented before the MACT at a later stage, therefore, the MACT erred by not

considering *license no.2*, which was, in fact, the valid driving license alleged to be issued on 23rd May 2000 and was valid from 16th August 2011 till 15th August 2014.

Submissions on behalf of respondent no.1

12. *Mr. Abhinav Jain*, counsel for respondent no.1/Insurance Company stated that the driving license presented at the time of accident was a fake license and further submitted that the defence of due diligence taken by appellant/owner before the MACT does not satisfy the standard of care that should be taken by a transport carrier.

13. *Mr. Jain*, added that the threshold of verification for a transport company is different from an individual, therefore, the stand taken by appellant/owner that they had verified the driving license may not be enough to discharge them from their liability. The onus of verifying the driving license and the credentials of a driver is more for a transport company like the appellant/owner, than it is for an individual owner.

Analysis

14. In order to appreciate the contentions raised by the parties, it would be apposite to provide a chronological sequence of events.

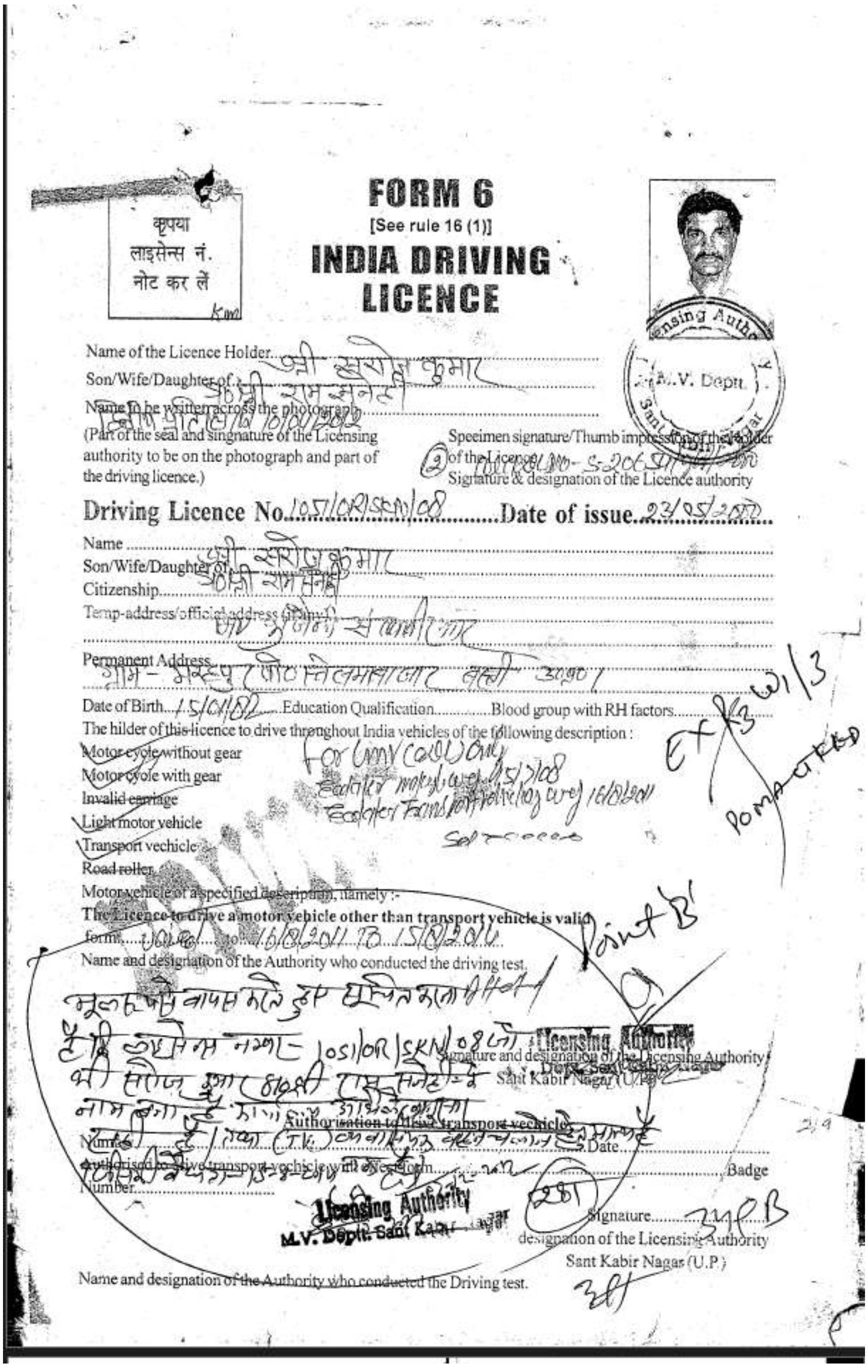
15. The accident occurred on 17th January 2012 and the IO verification took place on 10th February 2012, after which the Detailed Accident Report ('***DAR***') was filed on 13th July 2012 and converted into a claim petition on 21st July 2012. An application was moved on behalf of respondent no.2/driver on 1st September 2012 for bringing on record the valid driving license *i.e. license no.2*. The written statement/reply to the DAR was filed by the driver and owner on 6th December 2012.

16. It is pertinent to note that on the date of accident, the driving license was seized by the IO and a seizure memo was prepared which records the seizure of *license no.1* from respondent no.2/driver. The said license was sent by the IO for verification on 10th February 2012 and a reply was received by the Mathura Authority on 2nd March 2012 confirming that the driving license was fake and no records of the same were found in their system.

17. Moreover, after the said verification, a report was filed by the police on 13th July 2012, stating that an additional offence of forgery under Section 471 of Indian Penal Code, 1860 ('***IPC***') against respondent no.2/driver, was added to the FIR on the ground of fake license. The report stated that the accused-driver was arrested and during the investigation, the police had taken into possession and verified the offending vehicle's Registration Certificate ('***RC***'), Insurance and Fitness Certificate. The driving license was also verified and was found to be fake.

18. An application was filed by respondent no.2/driver for bringing on record the valid driving license, *i.e.*, license no.2. It was also stated that respondent no.2/driver had a safety training certificate for safe transportation of hazardous goods, issued by Industrial Safety & Health Advancement Council of India which was valid up to 2nd October 2012.

19. The said driving license is extracted as under for ease of reference:



कृपया लाइसेन्स नं. नोट कर लें

FORM 6

[See rule 16 (1)]

INDIA DRIVING LICENCE

Name of the Licence Holder............

Son/Wife/Daughter of............

Name to be written across the photograph............

(Part of the seal and signature of the Licensing authority to be on the photograph and part of the driving licence.)

Specimen signature/Thumb impression of the holder of the Licence

Signature & designation of the Licence authority

Driving Licence No. 1051/OR/SKN/08 ....Date of issue 23/05/2012

Name............

Son/Wife/Daughter of............

Citizenship............

Temp-address/official address (if any)............

Permanent Address............

Date of Birth 1/5/01/82 ....Education Qualification............Blood group with RH factors............

The hilder of this licence to drive throughout India vehicles of the following description :

Motor cycle without gear

Motor cycle with gear

Invalid carriage

Light motor vehicle

Transport vechicle

Road roller

Motor vehicle of a specified description, namely :-

The Licence to drive a motor vehicle other than transport vehicle is valid form............to............

Name and designation of the Authority who conducted the driving test.

Signature and designation of the Licensing Authority

Licensing Authority

Sant Kabir Nagar (U.P.)

Authorisation to drive transport vechicle

Number............Date............

Authorised to drive transport vechicle with effect from............Badge Number............

Licensing Authority

M.V. Deptt. Sant Kabir Nagar

Signature............

designation of the Licensing Authority

Sant Kabir Nagar (U.P.)

Name and designation of the Authority who conducted the Driving test.

Point 'B'

20. The verification by the licensing authority has been provided at point '*B*'. It is noted that the *license no.2* was issued from *Sant Kabir Nagar Licensing Authority, U.P.* and was filed by respondent no.2/driver of the offending vehicle, which was duly verified.

21. Appellant/Owner had filed a written statement before the MACT, however, no evidence was led by them stating that while engaging the driver, they had visibility of *license no.2* and had clearly verified the same or taken the driver's driving test or carried out any other process in order to prove their due diligence in respect of verification of the driving license.

22. While *Mr. Parashar*, counsel for appellant/owner, stated that they had taken the defence that they had verified the driving license, however, no specification as regards the fake or genuine driving license was presented by them.

23. In any event, as per the Detailed Accident Report ('***DAR***'), *license no.1* had been produced, which was found to be fake. Considering that the appellant/owner is a commercial carrier, the burden of due diligence is of a higher level, since an entity which is operating a commercial fleet has to adopt stricter standards in order to verify the drivers who are driving their vehicles.

24. This aspect has been considered in detail by this Court in ***United India Insurance Co Ltd v. Sarjo & Ors***, 2026:DHC:5182, whereby the Court was adjudicating the issue of owner's liability in case of fake driving license, in an appeal filed by the Insurance Company seeking recovery rights against the owner. The Court allowed the appeal and granted recovery rights against the owner-*Delhi Transport Corporation*. It was held that public entities operating fleets of buses, taxis, and similar vehicles ought to exercise greater caution and bear a higher responsibility in verifying the authenticity of driving license than private entities. Therefore, higher standard of due diligence is expected of them.

Relevant findings of the Court are extracted as under:

> "*32. In the opinion of this Court, the extent of due diligence, which a private owner can or must exercise, as compared to that which a public authority (employing a fleet of vehicles) or a commercial operator, (operating a fleet of vehicles) must exercise, is fundamentally different.*
>
> *33. A private employer may not have the administrative machinery at its command to seek physical verification, at least prior to 2015 (when the Parivahan facility came into existence or when it became fully operational and accessible). However, a commercial fleet operator or a State Authority operating a fleet of buses, taxis or transport vehicles has vast administrative machinery at its command. The responsibility is much greater considering that such vehicles carry members of the public who travel on the assurance that they will be safe in the said vehicles.*
>
> *34. It would, therefore, be incumbent upon such entities to ensure that the drivers operating such vehicles, whether carrying a private consumer or the public at large in transport vehicles, have undergone a complete verification process, beyond merely taking a driving test, so as to verify the authenticity of their licences.*
>
> *35. In the present case, an effort was made by the DTC to issue a letter to the Mathura Authority for verification of the licence. However, they did not wait for the response. Even if the response had not been received in time, the DTC machinery could have taken several further steps to ensure proper verification. However, it chose not to do so. Had the Mathura Authority responded, even with some delay, the DTC would have become aware at that very stage that the driver was carrying a fake licence. This is apart from the fact that, as noted earlier, ex facie the licence appeared to be fake on the basis of the dates endorsed therein.*"

(emphasis added)

25. In the present case, appellant/owner was a commercial carrier and no evidence was placed before the MACT in order to prove and substantiate their due diligence. The very fact that a second license is produced subsequently, does not insulate them from liability.

26. A reply which was filed to the DAR, on behalf of driver and owner, which also does not find any mention regarding the possession of the fake *license no.1*. Quite otherwise, it merely states that the accident was caused due to the negligence of respondent no3/injured claimant.

27. It was also stated that respondent no.2/driver was appointed after conducting a driving test under different road and traffic conditions and after seeing the driving licence.

28. On the other hand, respondent no.1/Insurance Company in their written statement had taken a specific plea relating to the fact that respondent no.2/driver was not holding a proper authentic driving licence and the verification report found the driving licence to be fake.

29. As regards the issue of recovery rights granted in favour of respondent no.1/Insurance Company, reliance may be placed upon the decision of Supreme Court in ***United India Insurance Co. Ltd. v. Lehru & Ors.*** (2003) 3 SCC 338 and ***National Insurance Co. Ltd. v. Geeta Bhatt & Ors.*** (2008) 12 SCC 426, which mandates the grant of recovery rights in cases where breach stands established.

30. Relevant finding of the Supreme Court in ***Lehru*** (*supra*) is extracted as under:

> *"**20.** When an owner is hiring a driver he will therefore have to check whether the driver has a driving licence.*

If the driver produces a driving licence which on the face of it looks genuine, the owner is not expected to find out whether the licence has in fact been issued by a competent authority or not. The owner would then take the test of the driver. If he finds that the driver is competent to drive the vehicle, he will hire the driver. We find it rather strange that insurance companies expect owners to make enquiries with RTOs, which are spread all over the country, whether the driving licence shown to them is valid or not. Thus where the owner has satisfied himself that the driver has a licence and is driving competently there would be no breach of Section 149(2)(a)(ii). The insurance company would not then be absolved of liability. <u>If it ultimately turns out that the licence was fake, the insurance company would continue to remain liable unless they prove that the owner/insured was aware or had noticed that the licence was fake and still permitted that person to drive. More importantly, even in such a case the insurance company would remain liable to the innocent third party, but it may be able to recover from the insured.</u> This is the law which has been laid down in Skandia [(1987) 2 SCC 654] , Sohan Lal Passi [(1996) 5 SCC 21 : 1996 SCC (Cri) 871] and Kamla [(2001) 4 SCC 342 : 2001 SCC (Cri) 701] cases. We are in full agreement with the views expressed therein and see no reason to take a different view."

(emphasis added)

31. Relevant findings of the Supreme Court in ***Geeta Bhatt*** (*supra*) are extracted as under:

*"**7.** <u>An owner of the vehicle is bound to make reasonable enquiry as to whether the person who is authorised to drive the vehicle holds a licence or not. Such a licence not only must be an effective one but should also be a valid one. It should be issued for driving a category of vehicle as specified in the Motor</u>*

<u>Vehicles Act and/or Rules framed thereunder.</u>

……

***16.** We, therefore, are of the opinion that interest of justice shall be subserved if <u>the appellant is directed to pay the awarded amount in favour of Respondents 1 to 5 with liberty to recover the same from the owner and the driver of the vehicle, Respondents 6 and 7 in an appropriate proceeding in accordance with law</u>."*

(emphasis added)

32. The Supreme Court in a recent judgment delivered on 30th July 2026, discussed the issue of liability of Insurance Company, in cases where the driving license in invalid. The Supreme Court in ***Reliance General Insurance Company Ltd. v. Om Prakash & Ors.*** 2026 INSC 767, detailed the importance of driving license being an official document, which is issued by the competent authority, subject to satisfaction of requirements. In such cases, where the validity of a driving license is in question, it is pertinent for the official authority to conclusively establish whether the document is valid or not. Observing that the authority did not have complete records of the status of driving license, thereby, making it unclear whether the license held by the driver was valid or not, the Supreme Court allowed the appeal of Insurance Company and granted recovery rights. Relevant findings of the Court are extracted as under:

"16. Here only we may add that <u>the owner has not entered the witness box either to say whether on the date of the accident the driver had a valid license or not, or to say that he had taken steps to ensure that the driver's license was renewed after it had expired.</u>

…

18. Following the dictum above, the appeal is allowed. <u>The appellant insurer cannot be held liable to make</u>

<u>good the award. The final burden shall be on both the employer and the driver</u>. In the order issuing notice, we had directed that the amount as computed be released in favour of the claimants. In view of the above discussion, <u>we hold the principle of 'pay and recover' to be applicable in this case.</u> The appellant-insurer shall therefore be at liberty to take steps in accordance with law.

19. This Court cannot be oblivious to the fact that asking a driver or an owner to pay such a large amount is a humongous burden upon them. <u>It may throw into disarray, their entire lives all because the driver and the owner did not take adequate precaution to ensure that there was no break in the validity of the driving license. Had that been done, the burden would not have fallen upon them, and the appellant-insurer would have been bound to honour the award. In our view, this underscores the importance of the driving license. It is a document that certifies the ability to drive on the road, and so it stands to reason that all drivers should have it</u>."

(emphasis added)

33. Accordingly, in view of the above, the appeal is dismissed.

34. Recovery rights granted in the impugned award are upheld.

35. Statutory deposit, if any, be refunded to appellant/owner.

36. Pending applications are rendered infructuous.

37. Judgment be uploaded on the website of this Court.

(ANISH DAYAL)
JUDGE

AUGUST 06, 2026/RK/*sp*