



* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Reserved on: 19th January, 2026

Pronounced on: 30th March, 2026

+ **RFA 131/2023, CM APPL. 8138/2023 & CM APPL. 8140-8141/2023**

THE NEW INDIA ASSURANCE COMPANY LTD

Core-2, 10th Floor, Scope Minar,
Laxmi Nagar, District Centre
Delhi,

.....Appellant

Through: Mr. J.P.N. Shahi and Mr. Divyanshu
Kumar, Advocates

versus

M/S KAPOOR DIESELS GARAGE PVT LTD

R/O:- Village Nangli Poona, G.T.
Karnal Road, Nangli Poona, Delhi:-36

.....Respondent

Through: Mr. Daljeet Singh, Advocate

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. Regular First Appeal under Section 96 of the Code of Civil Procedure, 1908 (*hereinafter referred to as 'CPC'*) has been filed against the judgment and decree dated 02.07.2022 whereby the Ld. District Judge has decreed the Suit of the Respondent/Plaintiff for Rs.13,77,500/- along with interest @ 12% p.a. The Respondent/Plaintiff had filed CS No. 972/2017 for recovery of Rs.13,77,500/- along with interest.



2. The **brief facts** as narrated in the plaint, are that the Plaintiff was in business of transport, for the last many years. It was the owner of Tata LPT Truck bearing No. HR-38S-9314, for which it took the Insurance Policy effective from 16.09.2013 to 15.09.2014, from the Defendant/Appellant Insurance Company. However, unfortunately, the truck met with an accident on 11.07.2014 in which not only was the vehicle completely damaged, but its driver Salmu also died. FIR No. 0104/2014 was registered at P.S. Turuvanur (Jogi), Karnataka. The intimation about the accident, was duly conveyed to the Head Office of the Defendant/Appellant.

3. The investigators of the Insurance Company met the representative of the Plaintiff and had telephonic discussion about the accident. Thereafter, all the documents required by the Insurance Company were duly submitted by Plaintiff and all the formalities were completed. As per the Letter dated 10.08.2015 of the Defendant Insurance Company, Plaintiff surrendered the Registration Certificate to the TRO and STA Letter dated 01.12.2015 was submitted to the Defendant Company.

4. The Insurance Company sent the Letter dated 29.01.2016, stating that *the driving license of the driver who drove the vehicle, was found to be fake*, in terms of the Circular issued by the concerned Transport Authority. The vehicle was thus, being driven by a person who had no valid license which was in violation of the policy terms and conditions and rejected the claim of the Plaintiff.

5. The Plaintiff explained that the driving license No. 6737/TV/MKG/Prof of the driver Mr. Salmu, deceased, who drove the vehicle, was verified on 23.04.2015 by the Plaintiff from the Competent



Authority and it was found that the driving license had been issued to him from 08.01.2014 to 13.01.2016, which covered the date of accident. Since the accident took place on 11.07.2014, the driver was authorized to drive the HTV on the date of accident.

6. The Plaintiff asserted that it is a settled law that in case of the accident claim of the vehicle, if the premium has been duly received by the Insurance Company, it cannot for any reason, reject the claim. The Defendant in blatant violation of the provisions of Insurance Policy, on fictitious and legally untenable grounds, rejected the claim.

7. The Plaintiff claimed that the total loss claim was Rs.13,77,500/-, which was legally recoverable from the Insurance Company. **Hence, the Suit was filed for recovery of Rs.13,77,500/- along with interest @ 9% p.a.**

8. The Defendant/Appellant in its **Written Statement** took the *preliminary objection* that the claim of the Plaintiff was rightly repudiated in respect of insured vehicle, on account of violation of terms and conditions of the Insurance Policy, qua the truck involved in the accident. The Plaintiff had allowed its driver who had no valid legal driving license, to drive the vehicle. Consequently, the Insurance Company had no other option, but to reject the claim. It was asserted that the Suit did not disclose any cause of action and the Suit was liable to be rejected.

9. Insofar as the **merits of the case** were concerned, it was admitted that the Insurance Policy valid from 16.09.2013 to 15.09.2014, had been issued in respect of the truck, in favor of Plaintiff. The Plaintiff had accepted the terms of the Insurance Policy. Admittedly, at the time of accident, the



truck was being driven by driver Salmu, about which intimation was given to the Insurance Company.

10. The Surveyor, i.e. Raman Kumar of the Company was appointed, to assess the loss. It submitted its Report along with the Claim Form and the document, submitted by the Plaintiff.

11. The Defendant thereafter, on examination of the document submitted by the Plaintiff to the Surveyor, found that driver Salmu was holding the *Driving License issued by Nagaland Transport Authority*, even though the driver was not the resident of Nagaland. As per the Circular dated 01.08.2014 effective from 30.10.2009 of Transport Commissioner, RTO Nagaland, Kohima, all the driving licenses which had been issued on booklet, were to be discontinued after the introduction of *Smart Card*.

12. The driving license of Salmu was in the form of a booklet, which is not genuine after 30.10.2009. The Booklet had been issued on 14.01.2010, i.e. after 30.10.2009 and the Driving License was not as per the requisite format. The driving license was, therefore, fake. Since the driver was not having a valid and effective driving license at the time of alleged accident and because the driver was under 20 years of age and was not eligible to drive a transport vehicle in the public place, *the insurance claim was rejected on account of breach of terms and condition of the Insurance Policy*.

13. **On merits**, the defence as stated above, was reiterated and it was submitted that the Suit was without any merit.

14. The *issues on the pleadings* were framed on 06.02.2019, as under:-



- (1) *Whether the plaintiff is entitled to get a decree of recovery of an amount of Rs.13,77,500/- against the Defendant as prayed for? OPP*
- (2) *Whether the plaintiff is entitled to get pendent lite and future interest thereupon?*
- (3) *Whether the plaintiff had violated the terms and conditions of the insurance policy qua vehicle No. HR-38S-9314? OPD*
- (4) *Relief.*

15. The Plaintiff in support of its case, examined **PW1 Shri Vikas Khanna, its authorised representative** who proved the Insurance Policy as Mark A.

16. The Insurance Company examined **DW1 Ms. Prabha Malhotra, the authorised representative**, who reiterated the defence as taken in the Written Statement.

17. The learned District Judge on consideration of the evidence, concluded that the insurance claim of the Plaintiff/Respondent had been wrongly rejected and thereby, **decreed the Suit for Rs.13,77,500/- along with simple interest @ 12% p.a.**

18. Aggrieved by the judgement, the Appellant Insurance Company has challenged the judgement by way of this Appeal.

19. **The grounds of challenge are** that it has not been appreciated that there was gross breach of terms and condition of the Policy. The driver was holding a fake driving licence in which circumstances, Insurance Company cannot be thrust with any liability. The *Circular dated 01.08.2014 of Competent Authority, Nagaland* has been erroneously rejected. In terms of this Circular, the driving licence issued on or before 01.12.2014, are to be



treated as cancelled, if they were not converted into a smart card. The driving licence of the deceased driver was in a booklet form issued after 30.10.2009 and therefore, was not genuine. In these circumstances, the claim had been rightly rejected. The impugned judgement is, therefore, liable to be set aside.

20. Learned Counsel on behalf of the Insurance Company had argued on similar lines as the grounds of Appeal.

21. The ***Respondent had filed Written Submissions*** wherein it was stated that the learned District Judge had rightly observed that the driving licence could not be held to be fake merely because it was issued in a booklet form. The Notification of the Nagaland Transport Authority had been appreciated in the right perspective.

22. Furthermore, it is not the case of the Insurance Company that they had duly verified the driving licence from the Regional Transport Office or had found the same to be forged or false rather; they had relied only on the Report dated 23.04.2015 of the Insurance Company and the Notification of Transport Authority, to assert that the driving licence was fake merely because *it was not in the smart card form*.

23. Admittedly, the driving licence of the deceased driver was issued on 14.01.2010 which was prior to the Notification dated 01.08.2014 and the cut-off date was 30.10.2009. The possibility of the driver holding a valid driving licence in the booklet form, cannot be ruled out. Moreover, the driver had a window up to 01.12.2014 for converting his booklet licence into a new smart card format, but unfortunately he died before then on 11.07.2014.



24. It was further contended that the verification of the driving licence had been carried out by the Plaintiff/Respondent, and Report Ex. PW1/H had been obtained, wherein the driving licence of the deceased driver had been found to be genuine. This Report was submitted to the Insurance Company, on 11.05.2014. The said documents have been rightly accepted by the learned District Judge. The repudiation of the Insurance Claim, was not justified.

25. The further contention raised by the Appellant was that the driver was not a resident of Nagaland and was aged 20 years, but these aspects have not been proven by the Insurance Company in the Court. As per the driving licence, the date of birth of the deceased driver, Salmu, was 04.08.1991, according to which he was about 23 years old on the date of the accident.

26. The judgement of Abdul Salam v. Mazher Khan wherein it was held that the driving licence issued before 01.12.2014 shall be deemed to be cancelled if not converted into a smart card, is neither binding on this Court nor is of any assistance to the Insurance Company. In fact, this judgement refers to the window for conversion up to 01.12.2014. It is submitted that the Suit of the Plaintiff has been rightly decreed and there is no merit in the present appeal.

Submissions Heard and Record Perused.

27. It is an admitted fact that the truck of the Plaintiff had been duly insured with the Insurance Company from 16.09.2013 to 15.09.2014. It is also not disputed that an *accident took place on 11.07.2014* wherein the vehicle was totally damaged and its driver, Salmu, died in the accident. An



FIR No. 0104/2014 was registered in respect of this accident. The claim had been filed by the Plaintiff for recovery of Rs.13,77,500/-, as being a total loss of the insured truck.

28. The Defendant/Appellant did not contest any of these facts. However, the claim was rejected on the sole ground that the driver was holding a licence from the Nagaland Transport Authority. As per the Notification dated 01.08.2014 of Nagaland Transport Authority, the booklet driving licences would not be valid and would be discontinued after the introduction of smart cards, and this Notification was valid from 30.10.2009.

29. It has been rightly pointed out by the Respondent that it is not a case where the driving licence of the deceased driver has been found to be fake, but it is sought to be invalidated solely in terms of the Notification dated 01.08.2014, which provided that the booklet form driving licences, shall be replaced by smart cards and the Circular was effective from 30.10.2009, after which the booklet driving licence would cease to be valid and would be discontinued.

30. The driving licence of the deceased driver was in the booklet form and had been issued on 14.01.2010 and was thereafter, from time to time, renewed and it was valid at the time of the accident.

31. The sole ground to consider if the driving licence of the deceased driver was fake, which has to be assessed in terms of the Notification dated 01.08.2014. The Notification mentioned that enforcing agencies had detected a large number of fake driving licences being used in the State, which has caused concern not only to road safety but also criminal activity. With a view to authenticate the genuine driving licences, it was notified that



all the drivers holding driving licences as a booklet or in any other manual format other than the smart card, must report to the office for the purpose of digitising their data and subsequently issuing it in smart card format. It further provided that this must be completed before 01.12.2014.

32. In the present case, the driving licence of the driver had been first issued on 14.01.2010 and had been renewed w.e.f. 08.01.2014 to 13.01.2016. As per the Notification dated 01.08.2014, the booklet driving licences had to be converted into a smart card up to 01.12.2014. The accident happened on 11.07.2014, i.e., prior to the last date for getting the driving licence converted into a smart card. Therefore, even as per the Notification, merely because the driver was holding a booklet form, it cannot be termed as a fake driving licence. The driver had the window till 01.12.2014 to convert his booklet driving licence into the smart card. Merely because it was in a booklet form and not a smart card, the driving licence cannot be termed as fake. *Such interpretation is absolutely contrary to the Notification dated 01.08.2014 of the Transport Authority, Nagaland.*

33. The learned District Judge has rightly noted that the window for converting the booklet driving licence into the smart card, was still available with the driver.

34. Further, the Plaintiff had obtained the Report Ex.PW1/H in respect of the genuineness of the driving licence from the Transport Authority, Nagaland, wherein the Regional Transport Authority had reported that the driving licence of the deceased driver was verified and found to be genuine.

35. While the Investigator of the Insurance Company had reported the same to be fake, but the onus was on the Insurance Company to rebut the



testimony of the Plaintiff about the genuineness of the driving licence. Pertinently, no witness was called by the Insurance Company from the Transport Authority, Nagaland, to produce the records or to show that the booklet form of driving licence in the name of the deceased driver, was fake.

36. The learned District Judge has rightly concluded that the Insurance Company had not been able to prove that the driving licence of the deceased driver was not genuine or that there was breach of any terms and conditions of the Insurance Policy.

37. *Another ground* on which the breach of Insurance Policy was claimed by the Insurance Company, was that the driver was 20 years old and not eligible to drive the vehicle on public roads. However, the driving licence issued on 14.01.2010 mentioned the date of birth as 04.08.1991, which makes him more than 20 years as on 11.07.2014, i.e., the date of the accident. The contention that he was less than 20 years at the time of the accident is, therefore, disproved on the basis of the driving licence of the deceased.

38. The next ground on which the driving licence was claimed to be fake, was that the driver was not a resident of Nagaland. However, mere assertion is not sufficient to prove that the deceased was not residing in Nagaland, as has been rightly observed by the District Judge. No evidence whatsoever has been led by the Insurance Company to prove that the deceased was not a resident of Nagaland. The bald assertion that he was not a resident of Nagaland, is not enough to discharge the onus of proving the driving licence to be fake by the Insurance Company.



39. In the light of the aforesaid discussion, it is held that there is no merit in the present **Appeal, which is hereby dismissed** along with any pending Application(s), if any.

40. The Appeal is accordingly disposed of.

(NEENA BANSAL KRISHNA)
JUDGE

MARCH 30, 2026

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