**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 15TH DAY OF APRIL, 2026**

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**BEFORE**

**HON'BLE MS. JUSTICE TARA VITASTA GANJU**

**MISCELLANEOUS FIRST APPEAL NO.2584 OF 2017(MV-I)**

**BETWEEN:**

SRI. PRAKASHSINGH HOLAL
S/O GONDU SINGH,
AGED ABOUT 33 YEARS,
OWNER OF THE TATA ACE,
BEARING REG NO.KA-06/C-1687,
R/O GOUTTAL VILLAGE AND AT POST,
HAVERI TALUK AND DISTRICT.

...APPELLANT

(BY SRI. MARUTHI.G.B., ADVOCATE)

**AND:**

1. THIMMESHA @ THIMMAPPA
S/O SANNARANGAPPA,
AGED ABOUT 29 YEARS,
AGRICULTURIST,
R/O CHEERANAHALLY VILLAGE,
KASABA HOBLI, HOLALKERE TALUK.

2. THE DIVISIONAL MANAGER,
UNITED INDIA INSURANCE CO. LTD.,
M.M.K.COMPLEX, AKKAMAHADEVI ROAD,
DAVANAGERE,
(POLICY NO. 0714003114P104179121, VALID FROM
15/09/2014 TO 14/09/2015).

3. J.B.SHANKARAIAH
S/O BASAPPA, MAJOR,
INSURER OF VEHICLE BEARING

Vide Chamber Order dated:24.04.2026 Page No.1
to 7 Re-typed and Re-placed & Page No.8 to 12 Added.

REG NO.KA-06/C-1687.
R/O DODDANARAVANGALA AT POST,
BELLAVI HOBLI,
TUMKUR TALUK AND DISTRICT - 572 105.
…RESPONDENTS

(BY SRI. S.V.HEGDE MULKHAND., ADVOCATE FOR R2;
R1 & R3-SERVED)

THIS MFA FILED U/S 173(1) OF MV ACT AGAINST THE JUDGMENT AND AWARD DATED 02.01.2017 PASSED IN MVC NO.1257/2015 ON THE FILE OF THE SENIOR CIVIL JUDGE AND MACT, HOLALKERE, AWARDING COMPENSATION OF RS.8,000/- WITH INTEREST AT 6% P.A. FROM THE DATE OF PETITION TILL REALIZATION.

THIS APPEAL, COMING ON FOR ADMISSION, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MS. JUSTICE TARA VITASTA GANJU

**ORAL JUDGMENT**

1. This appeal seeks to challenge the Judgment and Award dated 02.01.2017 in MVC No.1257/2015 passed by the learned Senior Civil Judge and Motor Accident Claims Tribunal, Holalkere (hereinafter referred to as the 'Impugned Award'). By the Impugned Award, the learned Tribunal has awarded Rs.8,000/- with cost and interest to

the respondent No.1/claimant. The challenge in the present appeal is by the owner of the vehicle.

2. None appears for the respondent No.1/claimant despite service. Given the pendency of the appeal from 2017, the appeal is taken up for final hearing and disposal.

3. Learned counsel for the appellant/owner of the vehicle draws attention of the Court to the order dated 10.10.2018 passed by a Coordinate Bench of this Court in MFA No.2609/2017 filed by the appellant herein, challenging the judgment passed in the connected MVC No.1258/2015 (***Sri. Prakashsingh Holal Vs. Sri. Srinviasa and Others),*** and submits that in the said appeal, the Coordinate bench of this Court has held that fastening of liability on the owner cannot be sustained in view of the judgment of the Supreme Court in ***Mukund Dewangan Vs. Oriental Insurance Co. Ltd.***[1] Thus, he submits that the liability cannot be fastened on the

[1] (2017) 14 SCC 663

owner of the vehicle either, who is the appellant in the present case.

4. The learned counsel for the respondent No.2/Insurance Company submits that the law in this behalf is now settled by the judgment of ***Mukund Dewangan's*** case that where the driver of the offending vehicle did not have a valid driving licence, it will not absolve the Insurance Company of its liability.

5. The Supreme Court in ***Mukund Dewangan's*** case has held that a driving licence is required with respect to the class of vehicles and not the type of vehicles and consequently, as a light motor vehicle includes a transport vehicle, a holder of a light motor vehicle licence is competent to drive all vehicles of that class, including transport vehicles, and no separate endorsement is required. It is apposite to set out the relevant extract in ***Mukund Dewangan's*** case below:

> *"59. Section 10 of the Act* ***requires a driver to hold a licence with respect to the class of vehicles and not***

> ***with respect to the type of vehicles.*** *In one class of vehicles, there may be different kinds of vehicles. If they fall in the same class of vehicles,* ***no separate endorsement is required to drive such vehicles. As light motor vehicle includes transport vehicle also, a holder of light motor vehicle licence can drive all the vehicles of the class including transport vehicles.*** *It was pre-amended position as well the post-amended position of Form 4 as amended on 28-3-2001. Any other interpretation would be repugnant to the definition of "light motor vehicle" in Section 2(21) and the provisions of Section 10(2)(d), Rule 8 of the 1989 Rules, other provisions and also the forms which are in tune with the provisions. Even otherwise the forms never intended to exclude transport vehicles from the category of "light motor vehicles" and for light motor vehicle, the validity period of such licence hold good and apply for the transport vehicle of such class also and the expression in Section 10(2)(e) of the Act "Transport Vehicle" would include medium goods vehicle, medium passenger motor vehicle, heavy goods vehicle, heavy passenger motor vehicle which earlier found place in Sections 10(2)(e) to (h) and our conclusion is fortified by the syllabus and rules which we have discussed."*
>
> [Emphasis Supplied]

5.1. A similar view has been taken by the Coordinate Bench in ***Prakashsingh Holal*** case as well. Both the parties namely, the Insurance Company and the appellant/owner are jointly and severally liable, and the award amount will be paid by respondent No.2/Insurance Company.

6. The law on the liability of the Insurance Company in the case of a fake, invalid or non-existent driving licence is no

longer *res integra.* The Supreme Court in ***National Insurance Company Vs. Swaran Singh***[2] case while examining the defence of the insurance company that the offending vehicle was not driven by an authorized person or a person not having a valid driving licence held that it is obligatory on the part of the Respondent/Insurance Company to substantiate the defence and a mere plea would not suffice. The relevant extract is set out below:

> *"84. We have analysed the relevant provisions of the said Act in terms whereof a motor vehicle must be driven by a person having a driving licence. The owner of a motor vehicle in terms of Section 5 of the Act has a responsibility to see that no vehicle is driven except by a person who does not satisfy the provisions of Section 3 or 4 of the Act.* ***<u>In a case, therefore, where the driver of the vehicle, admittedly, did not hold any licence and the same was allowed consciously to be driven by the owner of the vehicle by such person, the insurer is entitled to succeed in its defence and avoid liability. The matter, however, may be different where a disputed question of fact arises as to whether the driver had a valid licence or where the owner of the vehicle committed a breach of the terms of the contract of insurance as also the provisions of the Act by consciously allowing any person to drive a vehicle who did not have a valid driving licence. In a given case, the driver of the vehicle may not have any hand in it at all e.g. a case where an accident takes</u>***

[2] (2004)3 SCC 297

***place owing to a mechanical fault or vis major.*** *(See Jitendra Kumar [(2003) 6 SCC 420 : JT (2003) 5 SC 538].*

*xxx xxx xxx*

*90.* ***We have construed and determined the scope of sub-clause (ii) of sub-section (2) of Section 149 of the Act. Minor breaches of licence conditions, such as want of medical fitness certificate, requirement about age of the driver and the like not found to have been the direct cause of the accident, would be treated as minor breaches of inconsequential deviation in the matter of use of vehicles. Such minor and inconsequential deviations with regard to licensing conditions would not constitute sufficient ground to deny the benefit of coverage of insurance to the third parties.***

***91. On all pleas of breach of licensing conditions taken by the insurer, it would be open to the Tribunal to adjudicate the claim and decide inter se liability of insurer and insured; although*** *where such adjudication is likely to entail undue delay in decision of the claim of the victim, the Tribunal in its discretion may relegate the insurer to seek its remedy of reimbursement from the insured in the civil court.*

*92. It may be true as has been contended on behalf of the petitioner that a fake or forged licence is as good as no licence but the question herein, as noticed hereinbefore, is whether the insurer must prove that the owner was guilty of the wilful breach of the conditions of the insurance policy or the contract of insurance. In Lehru case [(2003) 3 SCC 338 : 2003 SCC (Cri) 614] the matter has been considered in some detail.* ***We are in general agreement with the approach of the Bench but we intend to point out that the observations made therein must be understood to have been made in the light of the requirements of the law in terms***

> ***whereof the insurer is to establish wilful breach on the part of the insured and not for the purpose of its disentitlement from raising any defence or for the owners to be absolved from any liability whatsoever. We would be dealing in some detail with this aspect of the matter a little later.***
>
> [Emphasis Supplied]

6.1. The ***Swaran Singh*** case clarified that merely stating that the driver of a vehicle did not have a licence or had an invalid or fake licence by itself is not enough to avoid liability by an Insurance Company. They must also establish breach on the part of the owner of the vehicle. Unless the breach is so fundamental that it has contributed to the cause of the accident, the Insurance Company cannot avoid its liability. The relevant extract is set out below:

> *"110. The summary of our findings to the various issues as raised in these petitions are as follows:*
>
> *(1) Chapter XI of the Motor Vehicles Act, 1988 providing compulsory insurance of vehicles against third party risks is a social welfare legislation to extend relief by compensation to victims of accidents caused by use of motor vehicles. The provisions of compulsory insurance coverage of all vehicles are with this paramount object and the provisions of the Act have to be so interpreted as to effectuate the said object.*

***(ii) Insurer is entitled to raise a defence in a claim petition filed under Section 163A or Section 166 of the Motor Vehicles Act, 1988 inter alia in terms of Section 149(2)(a)(ii) of the said Act.***

***(iii) The breach of policy condition, eg disqualification of driver or invalid driving licence of the driver, as contained in Sub-section (2)(a)(ii) of Section 149, have to be proved to have been committed by the insured for avoiding liability by the insurer. Mere absence, fake or invalid driving licence or disqualification of the driver for driving at the relevant time, are not in themselves defences available to the insurer against either the insured or the third parties. To avoid its liability towards insured, the insurer has to prove that the insured was guilty of negligence and failed to exercise reasonable care in the matter of fulfilling the condition of the policy regarding use of vehicles by duly licensed driver or one who was not disqualified to drive at the relevant time,***

***(iv) The insurance companies are, however, with a view to avoid their liability must not only establish the available defence(s) raised in the said proceedings but must also establish breach' on the part of the owner of the vehicle; the burden of proof where for would be on them.***

***(v) The court cannot lay down any criteria as to how said burden would be discharged, inasmuch as the same would depend upon the facts and circumstance of the case.***

***(vi) Even where the insurer is able to prove breach on the part of the insured concerning the policy condition regarding holding of a valid licence by the driver or his qualification to drive during the relevant period, the insurer would not be allowed to avoid its liability towards insured unless the said breach or breaches on the condition of driving licence is/ are so fundamental as are found to have contributed to***

> ***<u>the cause of the accident. The Tribunals in interpreting the policy conditions would apply "the rule of main purpose" and the concept of "fundamental breach" to allow defences available to the insured under Section 149(2) of the Act</u>.***
>
> *(vii) The question as to whether the owner has taken reasonable care to find out as to whether the driving licence produced by the driver, (a fake one or otherwise), does not fulfil the requirements of law or not will have to be determined in each case……"*
>
> [Emphasis Supplied]

7. The Supreme Court in the case of ***Pappu and Others*** while relying on a judgment in the ***Swaran Singh*** case has held that in order for an insurance company to avoid its liability towards the insured, it has to prove that the insured was guilty of negligence or failed to exercise reasonable care in a matter of fulfilling the condition of policy regarding use of vehicles by a licensed driver. It has further been held that the mere absence, fake or invalid driving licence or disqualification of the driver at the relevant times is not in themselves defences available to the insured against either the insured or the third party.

8. In the present case, the learned Tribunal has found that driver did not possess proper and effective driving licence. After examining Ex.R2 and Ex.R7(driving licence of driver of offending vehicle), the learned Tribunal found that the licence was for MCWG and LMV (non-transport) vehicles. It was held that the evidence pointed to the fact that the driver did not have a licence for a light goods vehicle. Thus, holding a breach of the insurance policy, the liability was fastened on the appellant/owner by the learned Tribunal.

9. The only issue that has been raised by the appellant/owner in the present appeal is fastening of liability on him by the Impugned Award, which in terms of the settled law as discussed above cannot be sustained.

10. In view of the aforegoing, this Court deems it apposite to pass the following:

**ORDER**

(i) The appeal is ***allowed.***

(ii) The Impugned Judgment and Award dated 02.01.2017 in MVC No.1257/2015 passed by the learned Senior Civil Judge and Motor Accident Claims Tribunal, Holalkere, is modified.

(iii) Both appellant/owner and respondent No.2/Insurance Company are jointly and severally liable, and the award amount in the first instance shall be paid by the respondent No.2/Insurance Company.

(v) The remaining portion of the Impugned Award of the learned Tribunal remains undisturbed.

(vi) The Registry is directed to draw the modified Award accordingly.

(vii) The Registry is directed to transmit a copy of this judgment to the concerned Tribunal.

(viii) No order as to costs.

Digitally signed by TARA VITASTA GANJU
Location: HIGH COURT OF KARNTAKA

Sd/-

**(TARA VITASTA GANJU)**
**JUDGE**

YN.List No.: 1 Sl No.: 21