[2025] 5 S.C.R. 435 : 2025 INSC 468

M/s Chatha Service Station
v.
Lalmati Devi & Ors.

(Civil Appeal No(s). 5089-5092 of 2025)

08 April 2025

[Sudhanshu Dhulia and K. Vinod Chandran,* JJ.]

Issue for Consideration

Whether the Tribunal was justified in directing the insurer to pay the award amount and recover it from the owner and driver of the offending vehicle carrying hazardous goods, in view of the absence of an endorsement in the driving licence of the driver as required under s.11 of the Motor Vehicles Act, 1988 r/w r.9 of the Central Motor Vehicles Rules, 1989.

Headnotes†

Motor Vehicles Act, 1988 – ss.11, 14, 41 – Central Motor Vehicles Rules, 1989 – r.9 – Motor accident involving an oil tanker killing a bicyclist and a pedestrian – Tribunal directed the insurer to pay the award and recover it from the owner and driver of the offending vehicle, since the driver did not have a valid licence to drive a vehicle carrying dangerous and hazardous goods in view of lack of endorsement on his licence as required u/s.11 r/w r.9 – High Court affirmed the order to pay and recover – Correctness:

Held: r.9 deals with the professional skill of driving a specially designed vehicle carrying dangerous or hazardous goods – The accident was caused due to "rash and negligent driving of the vehicle" which the driver was not entitled to drive because of lack of endorsement on his licence as required u/s.11 r/w r.9 – The breach of non-compliance of the statutory requirement to undergo a training course to upskill the driving efficiency and product safety cannot be brushed aside as a technical breach not contributing to the accident – Admittedly, the driver did not have a licence having an endorsement as required under the Act and the Rules to drive a vehicle carrying dangerous and hazardous goods – The offending vehicle; the oil tanker, was a vehicle intended to carry goods of

* Author

dangerous and hazardous nature – Further, the training certificate was produced at the appellate stage for the first time without any explanation for its non-production before the Tribunal, raising genuine suspicion on veracity of certificate and was rightly found not acceptable as per Or. 41 R. 27, CPC – Appeals dismissed, direction to the insurance company to pay and recover, affirmed. [Paras 11, 10, 16-19]

Interpretation of Statutes – Motor Vehicles Act, 1988 – ss.2, 10, 11 – Additions to driving licence – Words 'class' or 'description' in s.11, used disjunctively not alternatively:

Held: s.10 enumerates the various classes of vehicles for which license is granted and goods vehicle, simpliciter and those designed to carry dangerous and hazardous goods, fall within the class of 'transport vehicle' – Further, clause (j) of s.10(2) specifically speaks of 'motor vehicle of a specified description' – s.11 in relation to additions to driving licence, speaks of an existing driving licence to which any other class or description of motor vehicles can be added entitling the holder to thus drive a motor vehicle of more than one class or description – By the use of the words 'class' or 'description' independently, it is clear that the statute has used it disjunctively and not alternatively – This interpretation is in tune with the statutory scheme, which defines u/s.2 of the definition clause, vehicles of varying description like goods vehicle, heavy passenger vehicle medium goods vehicle and so on and so forth. [Para 13]

Motor Vehicles Act, 1988 – ss.3, 149 – 'Effective license' and 'duly licensed' – Distinction and various contingencies in which the insurer are absolved from their liability to indemnify, as discussed in Swaran Singh's case, enumerated. [Para 15]

Case Law Cited

National Insurance Co. Ltd vs. Swaran Singh **[2004] 1 SCR 180 : (2004) 3 SCC 297 – referred to.**

National Insurance Co. Ltd. v. K. Ramasamy, **2006 SCC OnLine Mad 963;** *United India Insurance Co. Ltd. v. A. Verlaxmi,* **2013 SCC OnLine Chh 272;** *National Insurance Company v. Harbans Kaur,* **FAO Nos. 1210 & 8292 of 2004 decided on 26.03.2018 – referred to.**

List of Acts

Motor Vehicles Act, 1988; Central Motor Vehicles Rules, 1989; Civil Procedure Code, 1908.

List of Keywords

Motor accident; Oil tanker; Lack of endorsement on driving licence; Vehicle carrying dangerous and hazardous goods; Pay and recover; Insurance company to pay and recover; Rule 9 of Central Motor Vehicles Rules, 1989; Breach of policy condition; Insurance liability; Training certificate; Order 41 Rule 27 CPC; 'Class' or 'description' of motor vehicles; Effective license; Duly licensed; Rash and negligent driving; Statutory requirement; Upskill driving efficiency; Transport vehicle.

Case Arising From

CIVIL APPELLATE JURISDICTION: Civil Appeal No(s). 5089-5092 of 2025

From the Judgment and Order dated 07.02.2019 and 14.05.2019 of the High Court of Punjab & Haryana at Chandigarh in FAO No. 3250 and 3252 of 2015 and RACR No. 21 and 22 of 2019 respectively

Appearances for Parties

Advs. for the Appellant:
Pai Amit, Tushar Bakshi.

Advs. for the Respondents:
T. Mahipal, Rohit Kumar Sinha.

Judgment / Order of the Supreme Court

Judgment

K. Vinod Chandran, J.

1. Leave granted.

2. The above four appeals are filed from the orders in two first appeals by the High Court of Punjab and Haryana, arising from two separate orders of the Motor Accidents Claims Tribunal and the orders in two

Review Applications filed from the aforesaid orders in first appeals, both of which stood rejected.

3. Before us, the appeals are filed by the owner of the offending vehicle involved in the motor accident, in which the breadwinners of the claimants' family, who were respectively; riding a bicycle and a pedestrian, died in the accident involving an oil tanker. The First Information Report was registered against the driver of the oil tanker which was rashly and negligently driven, by reason of which it hit the bicyclist and the pedestrian. The Tribunal found negligence based on the FIR registered and the deposition of CW2, who was an eye-witness. Ext. C1-FIR and Ext.C3-Charge Sheet points to the rash and negligent driving of the oil tanker, which stands corroborated by the deposition of CW2: eye-witness. The awards were passed in both the claim petitions, the quantum of which has not been challenged by the owner of the offending vehicle; the oil tanker, either in the High Court or this Court. Having fixed the quantum, the Tribunal directed the insurance company to pay the award amounts and recover it from the owner and driver of the offending vehicle, since the driver did not have a valid licence to drive a vehicle carrying dangerous and hazardous goods. Appeals were filed before the High Court by the owner of the oil tanker, against the order to pay and recover. The review applications were also filed against the very same direction by the owner of the oil tanker; the offending vehicle, both of which stood rejected.

4. Before us, the learned Counsel appearing for the appellant only argued on the direction to pay and recover as issued to the insurance company. It was argued based on decisions of different High Courts that as long as there is no case that the accident occurred due to the dangerous and hazardous goods carried in the vehicle, the absence of an endorsement as required under Rule 9 of Central Motor Vehicles Rules, 1989[1], would not result in a finding of breach of the policy conditions. The vehicle at the time of accident was not carrying any dangerous or hazardous goods, is also the submission. Moreover, the learned Counsel for the appellant, also pointed out that there was a certificate produced in the first appeal which indicated that the driver had undergone the three days training course, which

1 "the Rules

equipped him to drive the offending vehicle even when it was loaded and the absence of an endorsement is a venial breach.

5. The learned Counsel for the insurance company pointed out that under Rule 14 of the Motor Vehicles Act, 1988[2], the driver of a goods vehicle carrying dangerous and hazardous goods is required to undergo a training as prescribed under Rule 9 of the Rules and is further required to get an endorsement of such training having been undergone, in the transport vehicle license possessed by him. The driver who was examined before the Tribunal clearly accepted that there was no such endorsement made in his driving licence. The driver also stated that at the time of the accident, there was oil carried in the tanker. The respondent-insurer submits that the High Court has rightly declined reliance on the training certificate produced in the first appeal, finding it to be not acceptable as per Order 41 Rule 27 of the Civil Procedure Code, 1908[3] and further, emphasised the absence of an endorsement made in the driving licence.

6. We have looked at Section 14 of the Act, the proviso to which; as it stood at the time of the accident, restricted the validity of a license to drive a transport vehicle carrying goods of dangerous and hazardous nature to one year and required a one day refresher course in the prescribed syllabus, for its renewal. Pertinent is Section 11, with the nominal heading *'Additions to driving license',* sub-section (1) of which requires any addition to an existing license to drive any class or description of motor vehicle to be procured by making an application for the same to any licensing authority in the State and sub-section (2) makes the consideration of the application so filed, subject to the rules prescribed by the Central Government and the provisions of Section 9; which provision speaks generally about *'Grant of driving license'.*

7. We will first notice the decisions of the High Courts relied on by the appellant before us. In ***National Insurance Co. Ltd. v. K. Ramasamy***,[4] the High Court of Judicature at Madras was concerned with a similar case where breach was alleged by the

2 "the Act"

3 "the C.P.C."

4 2006 SCC OnLine Mad 963

insurer for reason of absence of endorsement as prescribed under Rule 9 of the Rules, in the heavy goods vehicle licence obtained by the driver of the offending vehicle. It was held by the learned Single Judge that it was for the insurer to establish breach and even when it is so established the insurer would not be allowed to avoid its liability unless the said breach is so fundamental to have contributed to the cause of the accident; which the absence of endorsement does not qualify as fundamental. The reasoning was also that the purpose of the training was to equip the driver to meet exigencies of spillage of the dangerous or hazardous goods transported in the vehicle. It was held on the facts of that case, the accident occurred only by reason of the rash and negligent driving of the vehicle and the absence of training cannot be attributed as a cause of the accident.

8. Reliance was also placed on ***National Insurance Co. Ltd vs. Swaran Singh***[5] to hold that *"the main purpose of the qualification and training prescribed in Rule 9 of the Rules seems to equip the driver of the tanker lorries transporting hazardous substances to meet certain emergencies and to make him aware of certain basic emergency procedures, in case if any spillage of hazardous substances transported in the vehicle is caused due to an accident." (sic).* We are afraid, the High Court erroneously made the above observations, despite extracting Rule 9; as we will shortly demonstrate, and failed to appreciate that there was no extraneous cause attributable to the accident, as spoken of in ***Swaran Singh***,[5] but for the defective driving of the goods vehicle carrying hazardous goods, the driving of which itself would require special training.

9. Likewise in ***United India Insurance Co. Ltd. v. A. Verlaxmi***,[6] the Chhattisgarh High Court considering the absence of an endorsement under Rule 9 held that the endorsement neither increases the efficiency of the driver nor by its absence reduces such efficiency in any manner. It was categorically held that *"for driving such a vehicle, no further expertise or driving skill is required," (sic)* which interpretation unfortunately does not flow from a plain reading of Rule 9 and the syllabus prescribed therein.

5 (2004) 3 SCC 297

6 2013 SCC OnLine Chh 272

10. The Punjab and Haryana High Court also in ***National Insurance Company v. Harbans Kaur***,[7] held that *"perusal of Rule 9 of the Rules would make it evident that before a driver can file an application for obtaining necessary endorsement as required under sub-rule (3) of Rule 9 of the Rules, he is to undergo some training for a period of two to three days but the same does not deal with the professional skill of driving. With regard to professional skill of driving, it has already been clarified by the licensing authority at the time of granting licence to the driver authorizing him to drive a transport vehicle" (sic).* Rule 9 as we will presently see demonstrates otherwise and deals with the professional skill of driving a specially designed vehicle carrying dangerous or hazardous goods.

11. Rule 9 requires that "*any person driving a goods carriage carrying* goods *of dangerous or hazardous nature to human life shall, in addition to being the holder of a driving licence to drive a transport vehicle, also has the ability to read and write at least one Indian language specified in the VIII*th *Schedule of the Constitution of India and English and also possess a certificate of having successfully passed a course consisting of the syllabus detailed thereunder*". The syllabus stipulated cannot be found to be that which is confined to proper care being taken of the dangerous or hazardous goods carried in the vehicle; which is only one part of the three-part syllabus tabulated in the Rules as parts 'A', 'B' & 'C'. Parts 'A' & 'B' specifically emphasise the driving skill and efficiency that is required while carrying dangerous or hazardous goods; the Product Safety, including Product Information and Emergency Procedures having been delineated in Part 'C'. The syllabus in Part 'A' includes defensive driving and Part 'B' is with respect to advanced driving skills and training. Under 'Product Safety' comes the emergency procedures to deal with spillage handling, firefighting, toxic release control, first aid, use of protective equipment etc. The statute having provided for a course of three days and the rules having prescribed the syllabus; which prescription is not confined to the product safety or safe handling of goods, while in transportation or when put in danger, we cannot find the absence of such endorsement of the training course having been undertaken to be a venial breach, not absolving the Insurance Company of its liability.

7 FAO Nos. 1210 & 8292 of 2004 decided on 26.03.2018

12. We have to also emphasise that in the present case, the tanker was carrying oil; for which it is intended, while the accident occurred. We hasten to add that we may not be misunderstood as agreeing to the corollary to the argument that a licence holder without the endorsement under Rule 9, could drive an empty goods vehicle intended to carry hazardous goods, designed specifically for that purpose. The breach of non-compliance of the statutory requirement to undergo a training course to upskill the driving efficiency and product safety cannot be brushed aside as a technical breach not contributing to the accident.

13. We are conscious of the fact that Section 10 enumerates the various classes of vehicles for which license is granted and goods vehicle, simpliciter and those designed to carry dangerous and hazardous goods, fall within the class of 'transport vehicle'. Clause (j) of Section 10(2) specifically speaks of '*motor vehicle of a specified description'*. Section 11; in relation to additions to driving licence, speaks of an existing driving licence to which any other class or description of motor vehicles can be added entitling the holder to thus drive a motor vehicle of more than one class or description. By the use of the words 'class' or 'description' independently, it is clear that the statute has used it disjunctively and not alternatively. This interpretation is in tune with the statutory scheme, which defines under Section 2 of the definition clause, vehicles of varying description like goods vehicle, heavy passenger vehicle medium goods vehicle and so on and so forth.

14. Further, Section 41 dealing with how registrations are to be carried out, by sub-section (4) empowers the Central Government to specify the type of motor vehicles, having regard to the design, construction and use of motor vehicles and bring out notifications in the Official Gazette, specifying the type of a motor vehicle to be included in the registration certificate along with other particulars required. The Central Government has brought out notifications under the above provision, presently vide S.O.1248 (E) dated 05.11.2004, which specifies good carriers, trucks, tankers or mail carriers as a different type of vehicle. It is with the above description in mind that we have to look at Rule 9 of the Rules.

15. ***Swaran Singh***[5] distinguished an 'effective licence' as used in Section 3 of the Act and the words 'duly licenced' used in Section 149 of

the Act; as it existed before the amendment of 2019. The said decision considered the various contingencies in which the insurer could absolve themselves from their liability to indemnify. These contingencies were in relation to the driver of the offending vehicle, (i) having a licence of one type, at the time of accident driving another type of vehicle (ii) procuring a fake licence; (iii) possessing a learner's licence and (iv) admittedly having not obtained a license. We are concerned in the present case, with a situation where the driver of the offending goods vehicle having licence to drive a transport vehicle, under which class a goods vehicle falls; which however does not enable him to drive a goods vehicle carrying dangerous & hazardous goods. To enable this a transport vehicle licence holder; which vehicle includes the description of a goods carriage vehicle, will have to submit an application and obtain an endorsement under Section 11 read with Rule 9 of the Act and Rules. As has been held in ***Swaran Singh***[5] it is incumbent on the Court/Tribunal considering a case of a licensee driving another type of vehicle, for which he has not obtained a licence, to take a decision as to whether this fact was the main or contributory cause of negligence. This factum of absence of licence to drive another type of vehicle is inconsequential if that is not the main or contributory cause of accident. It was so held in ***Swaran Singh***[5]***:***

> *"… In each case, on evidence led before the Tribunal, a decision has to be taken whether the fact of the driver possessing licence for one type of vehicle but found driving another type of vehicle, was the main or contributory cause of accident. If on facts, it is found that the accident was caused solely because of some other unforeseen or intervening causes like mechanical failures and similar other causes having no nexus with the driver not possessing requisite type of licence, the insurer will not be allowed to avoid its liability merely for technical breach of conditions concerning driving licence." [sic. Para 89]*

16. In the present case there was a contention taken by the driver of the vehicle who was examined before the Tribunal that he swerved the vehicle to save pedestrians and this caused the accident. However, the deposition of CW2, the eye-witness goes contrary to the said self-serving statement of the driver, coupled with the fact that the charge sheet also was against the driver, for the offence of causing

death by reason of rash and negligent driving. The eye-witness clearly deposed that the accident was caused by the reason of "rash and negligent driving of the vehicle" which the driver was not entitled to drive for reason of lack of endorsement on his licence as required under Section 11 read with Rule 9 of the Act and Rules.

17. Admittedly, the driver did not have a licence as required under the Act and the Rules to drive a vehicle carrying dangerous and hazardous goods. There is also no dispute that the offending vehicle; the oil tanker, was a vehicle intended to carry goods of dangerous and hazardous nature. The contention taken by the owner of the offending vehicle that there was no goods carried at the time of the accident, was negated by both the Tribunal and the High Court finding from the testimony of the driver that it was carrying oil at the relevant time.

18. We also perfectly agree with the findings of the High Court that the production of the certificate at the stage of the appeal is not worthy of acceptance looking at the contours of Order 41 Rule 27 of the C.P.C. Admittedly, the certificate was not produced before the Tribunal and hence, there is no question arising of the Court from which the appeal arises having refused to accept the evidence proffered**.** There was also no explanation for non-production of the certificate before the Tribunal; which was produced at the appellate stage for the first time. Only if there is a satisfactory explanation for the non-production before the original court, *i.e.* despite exercise of due diligence or the same was not within the knowledge of the party or it could not be produced despite exercise of due diligence, could there be an acceptance of the document at the appellate stage. In the present case, not only was there any explanation offered by the owner of the vehicle, but also the driver was present before the Tribunal and examined; when such a contention was not taken by him. The transport vehicle driving licence produced by the driver, admittedly did not have an endorsement. The driver also did not have a claim that he had undergone a training as prescribed under the Rules; despite being cross-examined on the point of absence of a valid license.

19. This raises genuine suspicion on the veracity of the certificate produced at the appellate stage. We have looked at the certificate as pointed out by the learned Counsel, a copy of which is available in the record. The document certifies the driver to have successfully

completed a three-day training course between 13.01.2012 to 16.01.2012 in line with Rule 9 of the Rules. It is also seen from the certificate that the institution is approved by the Punjab Government. However, we have to notice that there is no serial number of issuance in the said document nor is there a round seal of the institution which issued the certificate affixed. The licence of the driver also did not have an endorsement as required under the Act. We find absolutely no reason to entertain the appeals and dismiss the same affirming the direction to the insurance company to pay the amounts to the claimants and recover it from the owner of the oil-tanker.

20. Pending application(s), if any, shall stand disposed of.

Result of the case: Appeals dismissed.

†*Headnotes prepared by:* Divya Pandey