

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
CIVIL APPEAL NO.4539 OF 2009
(Arising out of S.L.P. (C) No.19006 of 2007)

National Insurance Co. Ltd. ...Appellant(s)

Versus

Saheb Singh ...Respondent(s)

O R D E R

Leave granted.

Heard learned counsel for the appellant.

In spite of service of notice, nobody has entered appearance on behalf of the respondent to contest the prayer made in this appeal.

The respondent filed a complaint before the District Consumer Disputes Redressal Forum, Gwalior, Madhya Pradesh [for short, “the District Forum”] for award of compensation of Rs.2,27,730/- with interest @ 18% per annum in lieu of damage caused to the truck which was insured with the appellant. The District Forum dismissed the complaint on the ground that licence of the driver of the truck viz., Khel Singh was fake. On appeal, the Madhya Pradesh State Consumer Disputes Redressal Commission [for short, “the State Commission”] concurred with the District Forum that the licence of the driver was fake but, it granted relief to the complainant by relying upon the judgement of this Court in National Insurance Company Limited vs. Swaran Singh [2004 (3) S.C.C.297]. The order of the State Commission has been confirmed by the National Consumer

...2/-

Disputes Redressal Commission [for short “the National Commission]. Hence, this appeal by special leave.

Learned counsel for the appellant submitted that the judgment in Swaran Singh’s case (supra) has been clarified in National Insurance Company Limited vs. Laxmi Narain Dhut [2007 (3) S.C.C.700] and in view of the latter decision, insured cannot claim compensation for damage to his vehicle or goods where the licence of the driver is fake. He pointed out that the insured-respondent had claimed compensation for the damage caused to his own vehicle and not for third party and as such the ratio of Laxmi Narain Dhut’s case is squarely applicable to the present case.

We have carefully gone through the record and are satisfied that the issue raised in this appeal is covered by the judgment in Laxmi Narain Dhut’s case and on that ground the orders passed by the State Commission and National Commission are liable to be set aside.

Accordingly, the appeal is allowed, impugned orders passed by the State Commission as well as by the National Commission are set aside and the order rendered by the District Forum dismissing the complaint is restored.

[B.N. AGRAWAL]

.....J.

[G.S. SINGHVI]

.....J.

New Delhi,
July 20, 2009.