



**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

FAO-3272-2022 (O&M)

Date of Decision : 11.08.2025

Virender Sharma & Anr ... Appellant(s)

Versus

Manpreet Kaur & Ors ... Respondent(s)

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Aditya Sanghi, Advocate for the appellants.

Mr. Sagar Aggarwal, Advocate for respondent Nos.1 to 5.

Mr. Vipul Sharma, Advocate for respondent No.6.

ALKA SARIN, J. (Oral)

1. The present appeal has been filed by the appellants (owner and driver of the offending vehicle) aggrieved by the impugned award dated 15.02.2022 passed by the Motor Accident Claims Tribunal, Kurukshetra, (hereinafter referred to as 'Tribunal') on the ground that the Insurance Company (respondent No.6 herein) had been granted recovery rights.

2. Since the facts, as recorded in the impugned award passed by the Tribunal, are not in dispute, the same are not being reproduced herein for the sake of brevity.

3. Learned counsel for the appellants would contend that in the present case, before the date of expiry of the Driving Licence i.e. 13.07.2017, an application for renewal of the same had been made on 12.07.2017. Learned counsel would further contend that as per Section 15(1) of the Motor Vehicles Act, 1988, if an application for renewal of a driving licence has been filed within a period of 30 days before the date of expiry,

the same would be renewed automatically and if any accident had taken place within the said period it would be held that the driver has a valid driving licence. In support of his contentions he has relied upon the judgment of the Hon'ble Supreme Court in the case of **Ram Babu Tiwari Vs. United Indian Insurance Co. Ltd. & Ors. [2008 (3) RCR (Civil) 912]**.

4. Learned counsel for respondent No.6-Insurance Company is not in a position to dispute the settled proposition of law.

5. I have heard the learned counsel for the parties.

6. Section 15(1) of the Motor Vehicles Act, 1988 reads as under:

“15. Renewal of driving licences. - (1) Any licensing authority may, on application made to it, renew a driving licence issued under the provisions of this Act with effect from the date of its expiry:

Provided that in any case where the application for the renewal of a licence is made more than thirty days after the date of its expiry, the driving licence shall be renewed with effect from the date of its renewal:

Provided further that where the application is for the renewal of a licence to drive a transport vehicle or where in any other case the applicant has attained the age of forty years, the same shall be accompanied by a medical certificate in the same form and in the same manner as is referred to in sub-section (3) of Section 8, and the provisions of sub-section (4) of Section 8 shall, so far as may be, apply in relation to every such case as they apply in relation to a learner's licence.”

7. Hon'ble Supreme Court in the case of **Ram Babu Tiwari** (supra) has held as under :

“18. It is beyond any doubt or dispute that only in the event an application for renewal of licence is filed within

a period of 30 days from the date of expiry thereof, the same would be renewed automatically which means that even if an accident had taken place within the aforementioned period, the driver may be held to be possessing a valid licence. The proviso appended to sub-section (1) of Section 15, however, clearly states that the driving licence shall be renewed with effect from the date of its renewal in the event the application for renewal of a licence is made more than 30 days after the date of its expiry. It is, therefore, evident that as on renewal of the licence on such terms the driver of the vehicle cannot be said to be holding a valid licence, the insurer would not be liable to indemnify the insured.

*The second proviso appended to sub-section (4) of Section 15 is of no assistance to the appellant. It merely enables the licensing authority to take a further test of competent driving and passing thereof to its satisfaction within the meaning of sub-section (3) of Section 9. It does not say that the renewal would be automatic. It is, therefore, a case where a breach of the contract of insurance is established. This aspect of the matter has been considered by this Court in *National Insurance Co. Ltd. v. Kusum Rai* [(2006) 4 SCC 250 : (2006) 2 SCC (Cri) 214] holding :*

“11. It has not been disputed before us that the vehicle was being used as a taxi. It was, therefore, a commercial vehicle. The driver of the said vehicle, thus, was required to hold an appropriate licence therefor. Ram Lal who allegedly was driving the said vehicle at the relevant time, as noticed hereinbefore, was holder of a licence to drive a light motor vehicle only. He did not possess any licence to drive a commercial vehicle. Evidently, therefore, there was a breach of

condition of the contract of insurance. The appellant, therefore, could raise the said defence.”

It was furthermore held :

“14. This Court in Swaran Singh [(2004) 3 SCC 297 : 2004 SCC (Cri) 733 : AIR 2004 SC 1531] clearly laid down that the liability of the insurance company vis-à-vis the owner would depend upon several factors. The owner would be liable for payment of compensation in a case where the driver was not having a licence at all. It was the obligation on the part of the owner to take adequate care to see that the driver had an appropriate licence to drive the vehicle.”

It was opined :

“16. In a case of this nature, therefore, the owner of a vehicle cannot contend that he has no liability to verify the fact as to whether the driver of the vehicle possessed a valid licence or not.”

19. The principle laid down in Kusum Rai (supra) has been reiterated in Ishwar Chandra v. Oriental Insurance Co. Ltd. [(2007) 10 SCC 650 : (2008) 1 SCC (Cri) 591] Referring to sub-section (1) of Section 15 of the Act, this Court stated the law, thus :

“9. From a bare perusal of the said provision, it would appear that the licence is renewed in terms of the said Act and the rules framed thereunder. The proviso appended to Section 15(1) of the Act in no uncertain terms states that whereas the original licence granted despite expiry remains valid for a period of 30 days from the date of expiry, if any application for renewal thereof is filed thereafter, the same would be renewed from the date of its renewal. The accident took place 28-4-1995. As on the said date, the renewal

application had not been filed, the driver did not have a valid licence on the date when the vehicle met with the accident.”

8. Admittedly, in the present case the driver of the offending vehicle had applied for renewal of the driving licence on 12.07.2017 i.e. one day prior to the date of expiry thereof i.e. 13.07.2017. The present case of the appellants is squarely covered by the judgment of the Hon'ble Supreme Court in case of **Ram Babu Tiwari** (supra).

9. In view of the above, the present appeal is allowed. The impugned award qua granting of recovery rights to the Insurance Company is set aside. The Insurance Company is held to be liable to pay the amount of compensation. Award stands modified accordingly. Pending applications, if any, also stand disposed off.

11.08.2025
Yogesh Sharma

(**ALKA SARIN**)
JUDGE

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: YES/NO