IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO No. 2744 of 1996 (O&M)
Date of decision: January 13, 2016.

M/s United India Insurance Co. Ltd.

........Petitioner

VS.

Jagot @ Jyoti and others

.........Respondents

CORAM: HON'BLE MR.JUSTICE K.KANNAN

Present: Mr. Raj Kumar Bashamboo, Advocate
for the appellant.

Mr.Anil Kumar Yadav, Advocate
for the respondent No. 8.

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1. **Whether Reporters of local papers may be allowed to see the judgment?**
2. **To be referred to the Reporters or not?**
3. **Whether the judgment should be reported in the Digest?**

K.KANNAN,J (Oral)

1. The issue of liability brought by the insurer was that the licence had expired on 16.04.1992 and on the date of the accident, there was no current validity of the driving licence. The licence was renewed only on 27.6.1994 that is subsequent to the accident and, therefore, there was no currency of licence. Section 15 of the Motor Vehicles Act makes it clear that if the renewal was applied within a period of 30 days when the licence was expired, the renewal will operate from the date of expiry of licence, but if it is renewed subsequent to the grace period of 30 days, the renewal will operate only from the date when renewal was

made. In this case the renewal was made only on 27.6.1994 nearly 2 years after the expiry of licence in terms of Section 15 of the Motor Vehicles Act the licence can operate as renewed only after the accident. Consequently, the Insurance Company cannot be made liable to extend indemnity to the owner and the driver.

2. The award already passed stands modified and the Insurance company will have a right of recovery against the owner and the driver. The claimant will not in any way be affected by this adjudication, for their own right for enforcement against the Insurance Company is not subject to any modification through this order.

3. The appeal is allowed on the above terms.

JANUARY 13, 2016 **(K.KANNAN)**
Rajeev **JUDGE**