



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

(211)

**FAO No. 1479 of 2003(O&M)
Date of Decision:21.11.2025**

National Insurance Company Limited**... Appellant****Versus****Satbir and Others****... Respondents****CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL**

Present: Mr. Harjinder Singh, Advocate,
for the appellant.

Mr. M.K.Sood, Advocate,
for the Respondent No.4-Insurance Company

VIRINDER AGGARWAL, J.(Oral)

1. The present appeal has been preferred by the Insurance Company assailing the award dated 04.01.2003 passed by the learned Motor Accident Claims Tribunal, Jind whereby compensation has been awarded in favour of the claimants and the liability has been fastened upon the appellant-Insurance Company without granting recovery rights.

2. The appeal has been filed by Insurance Company seeking recovery rights on the sole ground that the respondent No.3-driver of the offending vehicle did not possess a valid and effective driving licence on the day of the accident.

Learned counsel for the Insurance Company submits that the driving licence (Ex. R-1) of respondent No.3-driver expired on 04.06.2001, whereas the



accident in question took place on 04.07.2001. and he renewed his licence on 06.08.2001. Thus, It is argued that once the licence had expired on 04.06.2001, the driver ceased to possess a valid licence, resulting in a violation of the policy conditions. According to the appellant, renewal of licence was effected only after the accident, and therefore, on the date of occurrence, the driver was not duly licensed. It is, thus, contended that the learned Tribunal ought to have granted recovery rights to the insurer.

3. Notice of the appeal was duly issued to the respondents, whereupon respondent No.4-owner of offending vehicle entered appearance through counsel and contested the matter. The learned counsel submits that the contention of the insurer is contrary to the statutory mandate contained in the Motor Vehicles Act, 1988. It is submitted that the proviso to Section 14 specifically provides that the licence shall continue to remain effective from for period of thirty days from such expiry. Learned Counsel argues that the licence in the present case expired at midnight of 04.06.2001, and the computation of the statutory grace period begins from 05.06.2001. The thirtieth day, on proper computation, therefore falls on 04.07.2001, which is the date of accident. Thus, it is urged that the licence was legally effective on the date of occurrence, and the driver cannot be treated as unlicensed.

4. For appreciating the rival submissions, it is appropriate to reproduce the proviso to Section 14 of the Motor Vehicles Act, 1988, which reads as under:

“Provided that every driving licence shall, notwithstanding its expiry under this sub-section, continue to be effective for a period of thirty days from such expiry.”



A plain reading of the aforesaid proviso makes it manifest that the legislature has expressly extended the effectiveness of an expired driving licence for a statutory period of thirty days beyond the date of its expiry. In the present case, the licence expired on 04.06.2001, and the thirty-day statutory grace period commenced on 05.06.2001. Computed accordingly, the thirtieth day fell on 04.07.2001 and remained valid till midnight of that day. The accident admittedly occurred on **04.07.2001 at about 10:45 AM**, well within the statutory window of validity. Therefore, by operation of law, the licence continued to remain effective at the time of the accident.

5. This Court has already considered this issue in **State of Haryana and another v. Karkor and others, FAO No. 2975 of 2005, decided on 24.05.2018**, wherein it has been held that a driving licence continues to remain valid during the statutory grace period of thirty days and the Insurance Company is not entitled to recovery rights merely because the licence had expired within the said period. Similarly, the Allahabad High Court in **Oriental Insurance Co. Ltd. v. Smt. Santosh Kumari, 2018 (4) ADJ 527**, has interpreted the same proviso to hold that an expired licence remains legally effective for thirty days and the insurer cannot allege breach of policy conditions during this period.

6. Therefore, this Court finds that once the statutory grace period is applied, the position becomes entirely clear that the licence of respondent No.3 was subsisting on the date and time of the accident. The expiry of the licence on 04.06.2001, read with the thirty-day extension provided under law, leaves no room for doubt that the accident having occurred on 04.07.2001 at 10:45 AM fell well within the period of its legal efficacy. In such circumstances, the plea



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of the Insurance Company thus lacks merit, and the findings recorded by the learned Tribunal call for no interference.

7. Consequently, the appeal stands **dismissed**. The award dated 04.01.2003 passed by the learned Motor Accident Claims Tribunal, Jind is hereby affirmed.
8. Since, the main case has been decided, any pending application(s), if any, also stands disposed of.

21.11.2025
Saurav Pathania

(VIRINDER AGGARWAL)
JUDGE

- (i) Whether speaking/reasoned : Yes/No
(ii) Whether reportable : Yes/No