

The Oriental Insurance Co. Ltd. ... vs Smt. Santosh Kumari And Ors. on 20 March, 2018

Author: Ajai Lamba

Bench: Ajai Lamba, Anant Kumar

HIGH COURT OF JUDICATURE AT ALLAHABAD, LUCKNOW BENCH

A.F.R.

Court No. - 3

Case :- FIRST APPEAL FROM ORDER DEFECTIVE No. - 725 of 2014

Appellant :- The Oriental Insurance Co. Ltd., Lucknow through the Manager

Respondents :- Smt. Santosh Kumari and others

Counsel for Appellant :- U.P.S. Kushwaha

Counsel for respondents/claimants : Akhter Abbas

Hon'ble Ajai Lamba,J.

Hon'ble Anant Kumar,J.

(Oral)

1. The appeal filed at the instance of the Insurer/Insurance Company seeks setting aside award dated 5.3.2014, rendered by Motor Accident Claims Tribunal/Additional District Judge, Court No.4, Lucknow in Claim Petition No.70 of 2007 Smt. Santosh Kumari and others versus Managing Director, UPSRTC and others.

2. The following substantial question of law arises for consideration in this appeal :

"Whether the Insurance Company would be liable to pay the insured/awarded amount, in case the accident occurs within thirty days of the expiry of the licence of

the driver of the offending vehicle ?"

3. Facts of the case in brief are that Barati Lal (deceased) was going on his motorcycle, Registration No.UP32/BK 7301 at 6.30p.m. on 31.12.2006 via Mawaiya over-bridge from the side of Eveready Tri-Junction. Offending bus bearing Registration No.UP32/BN1735 being driven negligently came and hit the motorcycle of Barati Lal. Barati Lal fell off his motorcycle and sustained injuries of serious nature on his head. Barati Lal was moved to Trauma Centre, Medical College, Lucknow where he died at 11.00p.m. on 31.12.2006 itself.

Brother of Barati Lal, namely Phool Chandra got First Information Report registered in police station Bazarkhala, district Lucknow with the allegation that the bus driver was driving the bus in a negligent and rash manner at fast speed which caused the accident.

At the time of death, age of Barati Lal was 40 years. Barati Lal was serving as Phone Mechanic in Bharat Sanchar Nigam Limited, U.P. on a salary of Rs.11,373/-. Claim petition was filed by the respondents/claimants to claim Rs.31,14,044/-.

4. The Motor Accident Claims Tribunal awarded a sum of Rs.12,41,780/- vide impugned award dated 5.3.2014 while holding that the driver of the bus was negligent in driving the bus; and the insurance company is liable to compensate the claimants.

5. The Insurance Company has come up in appeal, only in challenge to findings recorded on Issue No.3. The findings on other issues have not been challenged, nor the Court has been addressed.

Issue No.3 is to the effect :- whether on the date of accident, the driver of the bus No.UP32/BN 1735 held a valid and effective driving licence ?

6. The sequence of events giving rise to challenge to the findings recorded on issue No.3 is that, as noted above, the accident occurred on 31.12.2006. The offending bus was being driven by driver Sunil Kumar. It is an undisputed fact that Sunil Kumar had a driving licence which was renewed from 6.1.1994 till 5.1.1997, 27.9.1997 till 26.9.2000, 26.9.2000 till 25.9.2003, 26.12.2003 till 25.12.2006, 2.4.2007 till 1.4.2010 etc. The subsequent period of validity of the licence would not be relevant because the accident occurred on 31.12.2006.

From the facts given above, it is evident that driving licence of Sunil Kumar, Driver expired on 25.12.2006. The accident occurred six days thereafter on 31.12.2006. The driving licence was renewed on 2.4.2007, i.e. after a little more than three months.

7. The Tribunal has come to the conclusion that the technicality should not come in the way of the insurer to avoid its liability. Even after the accident, the driving licence of the driver had been renewed. In these circumstances, it cannot be said that the driver was not holding a valid driving licence.

The Tribunal has relied on judgments rendered by Hon'ble Supreme Court of India in National Insurance Co. Ltd. Versus Swaran Singh (2004)³ SCC 297, New India Assurance Co. versus Kamla (2011)⁴ SCC 342 and Prem Kumari versus Prahlad Dev AIR 2008 SC 1073.

The tribunal has quoted the following while giving a verdict on issue No.3 against the appellant :

"The insurer will not be allowed to avoid its liability merely for technical breach of conditions concerning D.L. Minor breaches of licence conditions such as want Medical Fitness Certificate, requirement about age of the driver and the like not found to have been the direct cause of the accident, would be treated as minor breaches of inconsequential deviation in the matter of use of the vehicle. Such minor and inconsequential breaches deviations with regard to licensing conditions would not constitute sufficient ground to deny the benefit of coverage of insurance to the third parties."

8. Learned counsel for the appellant (The Oriental Insurance Co. Limited) Mr. U.P.S. Kushwaha, Advocate has vehemently argued that the licence of the driver expired on 25.12.2006. The accident took place on 31.12.2006, i.e. after six days of expiry of the licence. The driver got the licence renewed w.e.f. 2.4.2007, i.e. beyond a period of 30 days of expiry of the licence. In such circumstances, the driver did not hold a valid driving licence under the provisions of Section 15 of the Motor Vehicles Act, 1988 (for short, "The Act"). Consequently, the conditions in the insurance policy have been breached. The insurer/appellant cannot be held liable.

Learned counsel has relied on judgment rendered by Hon'ble Supreme Court of India dated 6.3.2018 in Civil Appeal No.2103 of 2018 Singh Ram versus Nirmala and others (3 JJ) and National Insurance Co. Limited versus Vidhyadhar Mahariwala and others (2008)¹² SCC 70.

9. Learned counsel for respondents 8 and 9 Mr. Akhter Abbas has contended that the proviso to Section 14 of the Motor Vehicles Act makes it clear that the licence was effective for a period of 30 days from the date of its expiry, which in this case, was 25.12.2006. In such circumstances, in law it has to be construed that the driving licence was effective till 24.1.2007. The accident took place on 31.12.2006. Therefore, the licence has to be considered to be effective on the date of the accident on 25.12.2006. The insurer cannot avoid its liability on this ground.

Mr. Abbas has also referred to the insurance policy which in his contention favours the claim of the claimants and implies the liability of the appellant Insurance Company.

Mr. Chanchal Singh, Advocate holding brief of Mr. S.A. Khan, Advocate has appeared on behalf of respondent/claimants 1 to 7.

10. Having noted the contention of learned counsel for the parties, we are of the view that it would be relevant and pertinent to refer to the provisions of Sections 14, 15 and 149 of the Motor Vehicles Act. The said provisions are extracted here-below :

14. Currency of licences to drive motor vehicles. - (1) A learner's licence issued under this Act shall, subject to the other provisions of this Act, be effective for a period of six months from the date of issue of the licence.

(2) A driving licence issued or renewed under this Act shall -

(a) in the case of a licence to drive a transport vehicle, be effective for a period of three years :

[Provided that in the case of licence to drive a transport vehicle carrying goods of dangerous or hazardous nature be effective for a period of one year and renewal thereof shall be subject to the condition that the driver undergoes one day refresher course of the prescribed syllabus ; and]

(b) in the case of any other licence -

(i) if the person obtaining the licence, either originally or on renewal thereof, has not attained the age of [fifty years] on the date of issue or, as the case may be, renewal thereof -

(A) be effective for a period of twenty years from the date of such issue or renewal ; or

(B) until the date on which such person attains the age of [fifty years], whichever is earlier ;

[(ii) if the person referred to in sub-clause (i), has attained the age of fifty years on the date of issue or as the case may be, renewal thereof, be effective, on payment of such fee as may be prescribed, for a period of five years from the date of such issue or renewal :] 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.

(emphasised by us)

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.

(2) An application for the renewal of a driving licence shall be made in such form and accompanied by such documents as may be prescribed by the Central Government.

(3) Where an application for the renewal of a driving licence is made previous to, or not more than thirty days after the date of its expiry, the fee payable for such renewal shall be such as may be prescribed by the Central Government in this behalf.

(4) Where an application for the renewal of a driving licence is made more than thirty days after the date of its expiry, the fee payable for such renewal shall be such amount as may be prescribed by the Central government :

Provided that the fee referred to in sub-section (3) may be accepted by the licensing authority in respect of an application for the renewal of a driving licence made under this sub-section if it is satisfied that the applicant was prevented by good and sufficient cause from applying within the time specified in sub-section (3) :

Provided further that if the application is made more than five years after the driving licence has ceased to be effective, the licensing authority may refuse to renew the driving licence, unless the applicant undergoes and passes to its satisfaction the test of competence to drive referred to in sub-section (3) of section 9.

(5) Where the application for renewal has been rejected, the fee paid shall be refunded to such extent and in such manner as may be prescribed by the Central Government.

(6) Where the authority renewing the driving licence is not the authority which issued the driving licence it shall intimate the fact of renewal to the authority which issued the driving licence.

(emphasised by us)

149. Duty of insurers to satisfy judgments and awards against persons insured in respect of third party risks. - (1) if, after a certificate of insurance has been issued under sub-section (3) of section 147 in favour of the person by whom a policy has been effected, judgement or award in respect of any such liability as is requirement to be covered by a policy under clause (b) of sub-section (1) of section 147 (being a liability covered by the terms of the policy) [or under the provisions of section 163 A] is obtained against any person insured by the policy, then, notwithstanding that the insurer may be entitled to avoid or cancel or may have avoided or cancelled the policy, the insurer shall, subject to the provisions of this section, pay to the person entitled to the benefit of the decree any sum not exceeding the sum assured payable thereunder, as if he were the judgement debtor, in respect of the liability, together with any amount payable in respect of costs and any sum payable in respect of interest on that sum by virtue of any enactment relating to interest on judgements.

(2) No sum shall be payable by an insurer under sub-section (1) in respect of any judgement or award unless, before the commencement of the proceedings in which the judgement or award is given the insurer had notice through the Court or, as the case may be, the Claims Tribunal of the bringing of the proceedings, or in respect of such judgement or award so long as execution is stayed thereon pending an appeal; and an insurer to whom notice of the bringing of any such proceedings is so given shall be entitled to be made a party thereto and to defend the action on any of the following grounds, namely :-

(a) that there has been a breach of a specified condition of the policy, being one of the following conditions, namely :-

(i) a condition excluding the use of the vehicle -

(a) for hire or reward, where the vehicle is on the date of the contract of insurance a vehicle not covered by a permit to ply for hire or reward, or

(b) for organised racing and speed testing, or

(c) for a purpose not allowed by the permit under which the vehicle is used, where the vehicle is a transport vehicle, or

(d) without side-car being attached where the vehicle is a motor cycle; or

(ii) a condition excluding driving by a named person or persons or by any person who is not duly licenced, or by any person who has been disqualified for holding or obtaining a driving licence during the period of disqualification; or

(iii) a condition excluding liability for injury caused or contributed to by conditions of war, civil war, riot or civil commotion; or

(b) that the policy is void on the ground that it was obtained by the non-disclosure of a material fact or by a representation of fact which was false in some material particular.

(3) Where any such judgement as is referred to in sub-section (1) is obtained from a Court in a reciprocating country and in the case of a foreign judgement is, by virtue of the provisions of section 13 of the Code of Civil Procedure, 1908 (5 of 1908) conclusive as to any matter adjudicated upon by it, the insurer (being an insurer registered under the Insurance Act, 1938 (4 of 1938) and whether or not he is registered under the corresponding law of the reciprocating country) shall be liable to the person entitled to the benefit of the decree in the manner and to the extent specified in sub-section (1), as if the judgement were given by a Court in India :

Provided that no sum shall be payable by the insurer in respect of any such judgement unless, before the commencement of the proceedings in which the judgement is given, the insurer had notice through the Court concerned of the bringing of the proceedings and the insurer to whom notice is so given is entitled under the corresponding law of the reciprocating country, to be made a party to the proceedings and to defend the action on grounds similar to those specified in sub-section (2).

(4) Where a certificate of insurance has been issued under sub-section (3) of section 147 to the person by whom a policy has been effected, so much of the policy as purports to restrict the insurance of the persons insured thereby by reference to any conditions other than those in clause (b) of subsection (2) shall, as respects such liabilities as are required to be covered by a policy under clause (b) of sub-section (1) of section 147, be of no effect :

Provided that any sum paid by the insurer in or towards the discharge of any liability of any person which is covered by the policy by virtue only of this sub-section shall be recoverable by the insurer from that person.

(5) If the amount which an insurer becomes liable under this section to pay in respect of a liability incurred by a person insured by a policy exceeds the amount for which the insurer would apart from the provisions of this section be liable under the policy in respect of that liability, the insurer shall be entitled to recover the excess from that person.

(6) In this section the expression "material fact" and "material particular" means, respectively, a fact or particular of such a nature as to influence the judgement of a prudent insurer in determining whether he will take the risk and, if so, at what premium and on what conditions, and the expression "liability covered by the terms of the policy" means liability which is covered by the policy or which would be so covered but for the fact that the insurer is entitled to avoid or cancel or has avoided or cancelled the policy.

(7) No insurer to whom the notice referred to in sub-section (2) or sub-section (3) has been given shall be entitled to avoid his liability to any person entitled to the benefit of any such judgement or award as is referred to in sub-section (1) or in such judgement as is referred to in sub-section (3) otherwise than in the manner provided for in sub-section (2) or in the corresponding law of the reciprocating country, as the case may be.

Explanation. - For the purposes of this section, "Claims Tribunal" means a Claims Tribunal constituted under section 165 and "award" means an award made by that Tribunal under section 168. "

(emphasised by us)

11. Before we proceed and interpret the above extracted provisions, in context of the facts, we would like to consider the spirit of the provisions of the Act, as interpreted by the Hon'ble Supreme Court of India. Hon'ble Supreme Court of India has held in *Hellen C. Rebello versus Maharashtra SRTC and another* (1999)¹ SCC 90 in the following terms :

"29. Thus, we have no hesitation in concluding that the Tribunal, while computing the compensation under Section 110-B of the 1939 Act, has a wider discretion than what it had under the 1855 Act. Various provisions of this Act indicate the legislature's intent conferring visible benefit on the claimant by securing compensation through casting obligation on the tortfeasor and the insurer. Section 94 makes it obligatory to insure a vehicle against third-party risk before putting on the road. Statutory obligation and the limit of the insurer is provided under Section 95. Under Section 95-AA, in addition to the deposits under Section 7 of the Insurance Act, 1938, the insurer has to deposit with the Reserve Bank of India or the State Bank of India, a security of thirty thousand rupees for discharging any liability covered by the insurance policy. Then, Section 96 casts an obligation on the insurers to satisfy judgments in respect of third-party risks. No settlement between the insurer and the insured in respect of any claim to which the third party is entitled, is valid unless the third party is a party to such settlement under Section 97. All these and such other provisions are clearly beneficial legislation, hence should be interpreted in a manner which confers benefit and not which usurp its benefit.

36. As we have observed, the whole scheme of the Act, in relation to the payment of compensation to the claimant, is a beneficial legislation. The intention of the legislature is made more clear by the change of language from what was in the Fatal Accidents Act, 1855 and what is brought under Section 110-B of the 1939 Act. This is also visible through the provision of Section 168(1) under the Motor Vehicles Act, 1988 and Section 92-A of the 1939 Act which fixes the liability on the owner of the vehicle even on no fault. It provides that where the death or permanent disablement of any person has resulted from an accident in spite of no fault of the owner of the vehicle, an amount of compensation fixed therein is payable to the claimant by such owner of the vehicle. Section 92-B ensures that the claim for compensation under Section 92-A is in addition to any other right to claim compensation in respect whereof (sic thereof) under any other provision of this Act or of any other law for the time being in force. This clearly indicates the intention of the legislature which is conferring larger benefit on the claimant. Interpretation of such beneficial legislation is also well settled. Whenever there be two possible interpretations in such statute, then the one which subserves the object of legislation, viz., benefit to the subject should be accepted. In the present case, two interpretations have been given of this statute, evidenced by two distinct sets of decisions of the various High Courts. We have no hesitation to conclude that the set of decisions, which applied the principle of

no deduction of the life insurance amount, should be accepted and the other set, which interpreted to deduct, is to be rejected. For all these considerations, we have no hesitation to hold that such High Courts were wrong in deducting the amount paid or payable under the life insurance by giving a restricted meaning to the provisions of the Motor Vehicles Act basing mostly on the language of English statutes and not taking into consideration the changed language and intents of the legislature under various provisions of the Motor Vehicles Act, 1939."

(Emphasised by us) The view that Motor Vehicles Act is to be construed as a beneficial legislation has been reiterated in (2017)13 SCC 547 National Insurance Company Limited versus Rekhaven and others while referring to the judgment rendered in Helen C. Rebello's case (supra), portion of which has been extracted above.

12. We would also like to extract the relevant condition as contained in the insurance policy issued by the insurer/the appellant in regard to licence of the Driver, .

Perusal of the insurance policy issued by the appellant insurer which is available on record and is an admitted document indicates that it was effective from 16th January, 2006 till 15th January, 2007. In the relevant clause of the insurance policy, the following has been stated :

"Persons or Classes of persons entitled to drive.

Any person including insured provided that a person driving holds an effective driving licence at the time of accident and is not disqualified from holding or obtaining such a licence. Provided also that the person holding as effective learner's licence may also drive the vehicle when not use a for the of learner's licence may also drive the vehicle when not used for the transport of passengers at the time of accident and that such a person satisfies the requirements of rule No.3 of the Central Motor Vehicles Rules, 1989."

(Emphasised by us) From the above extracted condition imposed, and accepted by the appellant insurer, it becomes evident that the insurer would be liable to pay the claimant(s) in case the vehicle is driven by a person holding an effective driving licence at the time of accident; and is not disqualified from holding or obtaining such a licence.

We would like to highlight the fact that the condition provides the word, "effective".

13. Proviso to Section 14 of the Act that has been emphasised by us clarifies 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.

Thus, proviso to Section 14 also uses the word, "effective" as has been used in the insurance policy.

14. Sub Section 2(ii) of Section 149 of The Act, as extracted above and emphasised inheres that an insurer can defend itself against a claim on the ground that the driver of the insured vehicle is not duly licenced; or the vehicle was being driven by a person who has been disqualified for holding or obtaining a driving licence during the period of disqualification.

15. To be fair to the learned counsel for the appellant, we have considered the first proviso to Section 15 in context of the contention of the learned counsel.

Section 15 relates to 'renewal of driving licences'; whereas Section 14 relates to 'currency of licences to drive motor vehicles'.

The first proviso to Section 15 of The Act provides that where 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.

Conversely the proviso would provide that in case application for renewal of the licence is made within thirty days of its expiry, it shall be renewed with effect from the date of its expiry.

In the same context, so as to understand the provision(s) better and clearly, we have emphasised sub sections (3) and (4) of Section 15 of The Act. Sub Section (3) of Section 15 provides that where an application for the renewal of a driving licence is made previous to, or not more than thirty days after the date of its expiry, the fee payable for such renewal shall be such as may be prescribed by the Central Government.

Sub Section (4) of Section 15 provides that where an application for the renewal of a driving licence is made more than thirty days after the date of its expiry, the fee payable for such renewal shall be such amount as may be prescribed by the central Government.

Interpretation of Sub Section (3) of Section 15 possibly stipulates that the Central Government may prescribe different fee for renewal of a licence, in case it is renewed within thirty days of its expiry; whereas Sub Section (4) suggests that a different fee may be provided for renewal of a licence in case the driving licence expired more than thirty days back.

16. In our considered view, proviso to Section 15 does not in any way infringe upon or negate the effect of proviso to Section 14 of the Motor Vehicles Act. Proviso to Section 14 of The Act in context of currency of licences to drive motor vehicles clarifies that every driving licence shall, notwithstanding its expiry continue to be effective for a period of thirty days from such expiry. We are in no doubt that cases such as present one would be covered under proviso to Section 14 of the Motor Vehicles Act.

17. There appears to be a purpose to providing the proviso to Section 14 of the Motor Vehicles Act. In case, hypothetically, a vehicle is being driven by a person from one place to the other, and during that period when the Driver is in other places, out of the jurisdiction of the licencing authority, the licence expires, period of thirty days has been provided for him to get the licence renewed. The

legislation, which is beneficial, considers the eventuality where-under a driver might not be able to get his driving licence renewed on its expiry. In such circumstances, the legislation itself provides that the licence shall remain effective for thirty days after its expiry.

18. We cannot possibly imply and justify that although the licence would be effective under proviso to Section 14 of The Act, for the other purposes of the Motor Vehicles Act, but not for the purposes of application of the insurance policy.

19. In the considered opinion of the Court, the relevant condition in the insurance policy, as extracted above, itself clarifies that in case the licence is effective, the insurer would be liable to pay the insured amount. Proviso to Section 14 of The Act stipulates that the driving licence shall remain effective for thirty days from its expiry. Consequently, it has to be held that the driving licence was effective on the date of accident which occurred within thirty days of expiry of the driving licence.

20. Although, there is no doubt in interpretation of proviso to Section 14 of The Act, however, for this purpose, we also employ the law laid down by Hon'ble Supreme Court of India in Hellen C. Rebello's case (supra). The Motor Vehicles Act is a beneficial legislation and the provisions are to be interpreted in a manner which confers benefit, and not which usurp the benefit. As noted above, the law laid down in Hellen C. Rebello's case (supra) has been reiterated in the case of Rekhaben (supra). In view of the interpretation of The Act as a beneficial legislation, we hold that the proviso to Section 14 of the Act would confer benefit on the insured, in case accident occurs within thirty days of expiry of the driving licence of the driver of the offending vehicle.

21. The ground that the driver of the insured vehicle was not duly licenced under Sub Section 2(ii) of Section 149 of the Act would not be available to the insurer/appellant company to defend itself against the claim. The licence of the driver remained 'effective' for thirty days after its expiry, within which period the accident occurred. Proviso to Section 14, in such circumstances, would protect the claim of the claimant. The licence of the driver of the offending vehicle cannot be said to be ineffective for legal purposes, for that period of thirty days.

22. Learned counsel for the appellant has relied on Singh Ram's case(supra). In Singh Ram's case(supra), the accident took place on 22.3.2010. The licence was valid only till 29.8.2009. The licence was renewed on 28.11.2011, i.e. after more than two years after it had expired. In such facts and circumstances, no reliance can be placed by this Court on Singh Ram's case (supra) as it was decided while considering different set of facts.

The other judgment to which reference has been made was rendered by the Hon'ble Supreme Court of India in Vidhyadhar Mahariwala's case (supra). In the said case, the accident took place on 11.6.2004. The licence was valid from 29.12.2000 till 14.12.2003. It was renewed on 16.5.2005. It is, therefore, clear that the facts of Vidhyadhar Mahariwala's case (supra) were also different and therefore, the said judgment would have no application to the facts and circumstances of the present case.

23. We may also note that there is no material available on record, or pointed out by learned counsel for the appellant insurer that the driver was disqualified from holding or obtaining a driving licence, in context of Sub Section 2(ii) of Section 149 of the Act (supra) and the condition mentioned in the insurance policy extracted above. This would also be evident from the fact that the licence of the driver of the offending vehicle after expiry on 25.12.2006, was renewed on 2.4.2007, as noted above.

In the above facts and circumstances, we hold that the offending vehicle was being driven by a person who held effective driving licence and the driver was not disqualified from holding the licence. The insurer, under the circumstances is bound by the condition extracted above.

24. We would like to refer to a judgment rendered by the Hon'ble Supreme Court of India in National Insurance Company Limited versus Swaran Singh (2004)3 SCC 297. Paras 45 and 46 are required to be extracted for consideration of the issue involved in this case. Paras 45 and 46 read as under :

"45. Thus, a person whose licence is ordinarily renewed in terms of the Motor Vehicles Act and the Rules framed thereunder, despite the fact that during the interregnum period, namely, when the accident took place and the date of expiry of the licence, he did not have a valid licence, he could during the prescribed period apply for renewal thereof and could obtain the same automatically without undergoing any further test or without having been declared unqualified therefor. Proviso appended to Section 14 in unequivocal terms states that the licence remains valid for a period of thirty days from the day of its expiry.

46. Section 15 of the Act does not empower the authorities to reject an application for renewal only on the ground that there is a break in validity or tenure of the driving licence has 5 lapsed, as in the meantime the provisions for disqualification of the driver contained in Sections 19, 20, 21, 22, 23 and 24 will not be attracted, would indisputably confer a right upon the person to get his driving licence renewed. In that view of the matter, he cannot be said to be delicensed and the same shall remain valid for a period of thirty days after its expiry."

(Emphasised by us) The Supreme Court appears to have considered the provisions of Sections 14 and 15 of the Motor Vehicles Act in the above noted paragraphs. It has specifically been held by the Hon'ble Supreme Court in para 45 that proviso appended to Section 14 in unequivocal terms states that the licence remains valid for a period of thirty days from the day of its expiry.

In view of the above, we have no hesitation in holding that the appellant insurer would be liable to pay the claimants the insured amount awarded by the tribunal. The accident occurred within thirty days of expiry of the licence, therefore, under the proviso to Section 14 of The Act, it remained effective. It dis-entitles the insurer to take a plea that the licence was not valid.

25. The decision rendered by the Tribunal on Issue No.3 does not suffer from any legal defect, though for different reasons, as recorded above. The appeal preferred by the Insurance Company is

without any merit.

26. The legal question framed above is answered in affirmative.

Consequently, the appeal is dismissed.

The record be sent back to the Tribunal, forthwith so that the awarded amount is paid to the claimants, as per the terms of the award. The sum of Rs.25,000/- deposited by the Insurance Company in this Court under Section 173 of the Motor Vehicles Act be also remitted to the Tribunal.

Order Date :- 20.3.2018 kkb/