
(1996) 03 KAR CK 0064
In the Karnataka High Court

National Insurance Co. Ltd.

APPELLANT

Vs

Lakshmi and Others

RESPONDENT

Date of Decision : 29-03-1996

Acts Referred:

Motor Vehicles Act, 1988 — Section 157, 157 (1), 157 (2)

Citation : (1997) ACJ 7 : (1999) 95 CompCas 423 : (1996) ILR (Kar) 2955 :
(1996) 3 KarLJ 443

Hon'ble Judges : Chandrashekariah, J

Bench : Single Bench

Judgement

Chandrashekariah, J.—This appeal is by the Insurance Company challenging the judgment and award dated 13.9.1995 on the file of the Motor Accident Claims Tribunal, Bangalore, in MVC No. 1203/1991.

2. This appeal is by the Insurance Company. The main contention raised by the Insurance Company in this case is that the policy that was issued in favour of G.N. Druva Kumar was for a period from 15.6.1990 to 14.6.1991. During this period the vehicle was transferred in favour of one Sayed Khasim with effect from 10.12.1990 and the said Syed Khasim in turn sold the vehicle in favour of M. Basavaraj on 14.1.1991.

3. The accident occurred on .6.4.1991. On the basis of the abovesaid facts it is contended by the Insurance Company that in view of Sub-section (2) of Section 157 of the Motor Vehicles Act, 1988, (the "Act" for short) the deemed transfer of certificate of insurance as contemplated Under Sub-section (1) of Section 157 of the Act is only for a period 14 days from the date of transfer and not beyond. Since the transferee has not made any application within 14 days from the date of transfer intimating the fact of transfer. For the purpose of considering this contention it is relevant to extract Section 157 of the Motor Vehicles Act which reads as follows:

Section 157. Transfer of Certificate of Insurance:

(1) Where a person in whose favour the Certificate of Insurance has been issued in accordance with the provisions of this Chapter transfers to another person the ownership of the Motor Vehicle in respect of which such insurance was taken together with the policy of insurance relating thereto, the Certificate of Insurance and the policy described in the certificate shall be deemed to have been transferred in favour of the person to whom the motor vehicle is transferred with effect from the date of its transfer.

Explanation--For the removal of doubts, it is hereby declared that such deemed transfer shall include transfer of rights and liabilities of the said Certificate of Insurance and policy of insurance.

(2) The transferee shall apply within 14 days from the date of transfer in the prescribed form of the insurer for making necessary changes in regard to the fact of transfer in the Certificate of Insurance and the policy described in the certificate in his favour and the insurer shall make the necessary changes in the certificate and the policy of insurance in regard to the transfer of insurance.

4. From a reading of the above section it is clear that Sub-section (2) of Section 157 of the Act provides only a procedure to intimate the fact of transfer of vehicle, to the insurer, in order to make necessary changes in the Certificate of Insurance and the policy to bring it in conformity with the deemed transfer as contemplated u/s 157(1) of the Act for the purpose of indemnifying the transferee relating to the risk covered under the policy. Non compliance with this procedure does, not automatically invalidate the deemed transfer that had taken place by virtue of operation of law as contemplated under Sub-section (1) of Section 157 of the Act. Therefore, there is no substance in the contention raised by the Insurance Company.

5. In the result, I pass the following order.