

(1996) 04 NCDRC CK 0042

In the National Consumer Disputes Redressal Commission

ORIENTAL INSURANCE CO.LTD

APPELLANT

Vs

RELIANCE CREDIT CORPORATION

RESPONDENT

Date of Decision : 26-04-1996

Acts Referred:

Citation : 1996 3 CPJ 82

Hon'ble Judges : E.J.Bellie , V.S.Kandasamy , Angel Arulraj J.

Final Decision : Appeal disposed of

Judgement

1. THE complainant, the financier of the Vehicle No. TN01 B 7452 filed the complaint against the opposite party-Insurance Company alleging that the vehicle had met with an accident on 31.5.92 and the opposite party is liable to pay a total sum of Rs. 1,20,000/- being the estimated value of the damages and also compensation.

2. THE opposite party resisted the complaint inter alia contending that the policy condition has been violated and therefore the Insurance Company is not liable. The District Forum rejected the contentions of the opposite party and awarded a sum of Rs. 80,000/- as damages and Rs. 10,000/- as compensation.

Now in the appeal the point raised is that the District Forum was in error in rejecting the contention of the opposite party that the condition of the policy has been violated and therefore the Insurance Company is not liable. The relevant condition in the policy relates to persons or clauses of persons entitled to drive the vehicle. The material portion of it reads thus : "Any person including insured provided that a person driving holds an effective licence at the time of the accident and is not disqualified from holding or obtaining such a licence."

It is common case that the licence of the driver had expired on 30.3.92, and it had not been renewed on the date of the accident i.e., on 31.5.92. According to the appellant/opposite party this being the position in view of the above said condition of the policy the opposite party is absolved from liability. There is no gain saying that on the date of the accident the licence which had already

expired having not been renewed the driver had no effective licence, i.e., with that licence the driver shall not drive the vehicle. Therefore, it would appear clear that there has been a violation of the aforesaid condition in the policy. The District Forum has however come to the conclusion, relying on a Division Bench ruling of the Madras High Court in "M/s. Oriental Insurance Co. Ltd. v. Indrani & Others, 1992 MLJ 82, that the driver having no effective licence alone is not sufficient to say that the condition has been violated and there should have been also that the driver should have been dis-qualified from holding or obtaining such a licence. With great respect we are unable to accept this reasoning given by the High Court in that judgment. To us the clause is in clear and unambiguous sentence. It simply means that if the driver had no effective licence he should not drive the vehicle, and similarly if he had been dis-qualified from holding or obtaining such a licence, then also he should not drive the vehicle. Therefore, if the driver had no effective licence that alone would constitute violation of the clause even if he had not been dis-qualified from holding or obtaining a licence. In this view of ours we are unable to accept the finding of the District Forum that there was no violation of the condition of the policy. We accept the contention of the appellant/opposite party that there was violation of the policy condition and therefore the opposite party is not liable to pay for damages or compensation.

3. CONSEQUENTLY the appeal has to be allowed and the order of the District Forum has to be set aside and the complaint dismissed. We order accordingly. The appeal is thus disposed of. There will no order as to costs. Appeal disposed of.