

State and Others Vs Subhash Chand and Others

Court: High Court Of Punjab And Haryana At Chandigarh

Date of Decision: Dec. 13, 2006

Acts Referred: Motor Vehicles Act, 1988 " Section 157

Citation: (2007) 2 ACC 746 : (2008) ACJ 2584 : (2007) 4 RCR(Civil) 190

Hon'ble Judges: Hemant Gupta, J

Bench: Single Bench

Judgement

Hemant Gupta, J.

The present appeal is against the award rendered by the learned Motor Accident Claims Tribunal, Sonapat, dated

9.1.1992, whereby a sum of Rs. 60,000 has been determined as compensation payable to the claimant Subhash Chand, but the Insurance

Company of the offending truck bearing registration No. HTS-7369 was absolved of the liability.

2. As per the finding recorded, Mr. Vijay Kumar was earlier owner of the vehicle, who sold the same to Rajbir Singh on 13.9.1988. The accident

took place on 9.5.1989. The Insurance Company was absolved by the learned Tribunal after finding that privity of contract had come to an end

after the sale of the vehicle as neither the purchaser nor the seller informed the Insurance Company about the transfer of the vehicle.

3. The reasoning given by the learned Tribunal is not sustainable in view of Section 157 of the Motor Vehicles Act, 1988 and as interpreted by

Hon"ble Supreme Court of India in a judgment reported as G. Govindan Vs. New India Assurance Co. Ltd. and Others,

4. Section 157 of the Motor Vehicles Act, 1988 contemplates that a certificate of insurance shall deem to have been transferred in favour of the

person to whom the motor vehicle is transferred, with effect from the date of its transfer. The deemed transfer is in respect of third party claim.

Therefore, the finding recorded by the learned Tribunal absolving the Insurance Company from the payment of compensation is not sustainable.

5. Consequently, the present appeal is accepted. The finding recorded by the learned Tribunal is set aside. In view of the finding, the appellants

shall be entitled to recover the awarded amount from the Insurance Company, in accordance with law.