

Future General Insurance Co. Ltd. Vs Smt. Surjo Devi and Others

Court: High Court Of Punjab And Haryana At Chandigarh

Date of Decision: Sept. 11, 2012

Acts Referred: Motor Vehicles Act, 1988 " Section 149, 66

Citation: (2013) 169 PLR 246 : (2013) 2 RCR(Civil) 564

Hon'ble Judges: K. Kannan, J

Bench: Single Bench

Advocate: Vandana Malhotra, for the Appellant;

Final Decision: Dismissed

Judgement

K. Kannan, J.

The Insurance Company is in appeal contending that there had been a violation of terms of permit in plying the vehicle at the

place which had been not authorized to ply. The contention is that this constitutes a violation of terms of policy. The defence which is permissible

u/s 149 of the Motor Vehicles Act is with reference to the user of the vehicle for a purpose not allowed by the permit (emphasis supplied). The

purpose of permit is referred under the terms of permit u/s 66 of the Motor Vehicles Act, 1988. The term may contain several other features such

as the place where it will be operative. However, the term that is relevant as constituting a violation of permit shall be restricted only to the purpose

of the permit. Consequently a permit that is necessary for user as a transport vehicle cannot make an Insurance Company liable if the user as a

transport vehicle is provided by the expiry of the terms or there existed no permit. A violation of any other term than the purpose for which the

permit was to operate will not be a defence which will be available in the scheme of the Motor Vehicles Act. Learned counsel refers to the

decision of the Supreme Court in National Insurance Co. Ltd. Vs. Challa Bharathamma and Others, . The Supreme Court was dealing with a

situation of a vehicle which required a transport vehicle permit was being put to such use without any permit. This constituted of violation of terms

of policy with regard to the purpose for which the permit was necessary. This makes the difference which the insurance Company fails to

comprehend. There are several judgments to support this view and it is unfortunate that the Insurance Company makes it point to come up on

appeal on similar plea now and then. The appeal is dismissed.