



CRP.Nos.74 & 1710 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 09.07.2025

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THE HONOURABLE MR. JUSTICE P.B.BALAJI

CRP.Nos.74 and 1710 of 2025

and

CMP.Nos.9892 & 4150 of 2025

T.V.Shatrugan

... Petitioner

Vs.

Riyaz

... 1st Respondent in CRP.No.74 of 2025

Idhayakumar

... 1st Respondent in CRP.No.1710 of 2025

Reliance General Insurance Co.Ltd.,

Reliance House,

No.6, 6th Floor, Haddows Road,

Chennai - 600 006.

... 2nd Respondent in both CRP's

Prayer in CRP.No.74 of 2025: Civil Revision Petition filed under Article 227 of the Constitution of India to direct the IInd Small Causes Court Motor Accidents Claims Tribunal at Chennai to strike off the petitioner as a misjoinder of party in the M.C.O.P.No.4268 of 2022.

Prayer in CRP.No.1710 of 2025: Civil Revision Petition filed under Article 227 of the Constitution of India to set aside the order dated 21.10.2024 in M.P.No.2 of 2023 in M.C.O.P.No.4269 of 2022 on the file of the IInd Small Causes Court (Motor Accidents Claims Tribunal) at Chennai.

(in both CRP's)



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For Petitioner : Mr.Ajay Francis Inigo Loyola

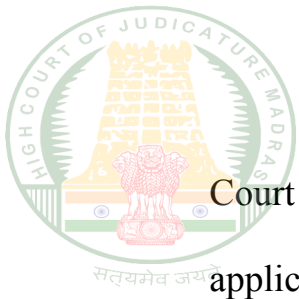
For Respondents : R1 - No appearance
M/s.Srividya
Standing Counsel for R2

COMMON ORDER

These Civil Revision Petitions are filed against the dismissal of application under Order 1 Rule 10 of CPC, to remove the revision petitioner from arraying as party in M.C.O.P.Nos.4268 & 4269 of 2022.

2. The case of the revision petitioner is that the vehicle in question was sold to one Kailash Mehra on 18th August, 2016. The Registration Certificate of the vehicle concerned which was involved in the accident has also been duly transferred in the name of the said buyer Kailash Mehra, which is evident from the Registration Certificate that has been produced even before the Tribunal.

3. The only contention of the Insurance Company is that even though the registration of the vehicle has been transferred, the policy continues to remain in the name of the revision petitioner and therefore, the revision petitioner has to necessarily participate in the proceedings. The trial



Court accepting the stand of the Insurance Company, has dismissed the application.

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4. Learned Counsel for the petitioner would invite the attention of this Court to the provisions of Section 157 of the Motor Vehicles Act, 1988 and the same is extracted hereunder for easy reference:

"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 clarified 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 fourteen days from the date of transfer in the prescribed form to 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."



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5. Relying on the above said provision, the learned Counsel would contend that, the moment the Certificate of Registration of the vehicle stands transferred, there is also a deemed transfer of Certificate of Insurance as well. Explanation (2) to Section 157 also only mandates the transferee to comply with transfer of the insurance certificate in his / her name within a period of 14 days. Therefore, there is no liability cast on the transferor and in view of the deemed transfer in terms of Section 157, the Certificate of Insurance automatically needs to be transferred in the the name of the transferee. Merely because the transferee has not approached the Insurance Company within the said 14 days seeking transfer, the same cannot cause any prejudice to the transferor, who has already sold the vehicle, well before the accident and also the Certificate of Registration had also been transferred in the name of the transferee.

6. Learned Counsel for the petitioner would also place reliance on the Division Bench Judgment of Allahabad High Court reported in **1998 SCC Online All 817**, wherein the Hon'ble Division Bench of Allahabad High Court referring to provisions of Section 157 held that if the Insurance Policy was not transferred in the name of the transferee, even then the insurer would



be liable and the insurer cannot deny liability.

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7. Needless to state that these issues need not be gone into at this stage of revision, as the petitioner only wanted to go out of the MCOP proceedings on the ground that the vehicle has already been sold. The trial Court without following the mandate of Section 157 of the Motor Vehicles Act, dismissed the application stating that the petitioner is a proper and necessary party, only because the Insurance Certificate stands in his name. Unfortunately, the law is otherwise.

8. Therefore, the order of the trial Court in M.P.No.2 of 2023 in MCOP.No.4268 & 4269 of 2022 on the file of the IInd Small Causes Court (Motor Accidents Claims Tribunal) at Chennai is unsustainable and accordingly, set aside. The second respondent is at liberty to putforth all his contentions with regard to their being not liable on account of the transferee not informing the Insurance Company about their purchase. It is also brought to my notice that the transferee has also been impleaded in both the MCOP proceedings in M.P.No.3 of 2023 and therefore, no prejudice would be caused to the Insurance Company as well.



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In the result, the Civil Revision Petitions are allowed. No costs.

Consequently, connected miscellaneous petitions are closed.

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Index: Yes
Website:yes
Speaking Order
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To
II Small Causes Court (Motor Accidents Claims Tribunal),
Chennai.



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P.B.BALAJI, J.

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