IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

224 **CWP-8587-2021**
Date of decision:06.08.2025

ISHAM SINGH ...PETITIONER

VS.

CHAIRMAN, PERMANENT LOK ADALAT, PUBLIC UTILITY SERVICES, KURUKSHETRA AND ANOTHER ...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present: Mr. Jagdish Manchanda, Advocate,
Mr. Yogit Mehta, Advocate and
Mr. Devyansh Arora, Advocate
for the petitioner.

Mr. Vishal Aggarwal, Advocate
for respondent No.2.

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SUVIR SEHGAL, J.

1. Instant petition has been filed *inter alia* for issuance of a writ in the nature of certiorari for setting aside award dated 19.02.2021, Annexure P-13, passed by Permanent Lok Adalat (Public Utility Services), Kurukshetra (for short "Lok Adalat") and for issuance of a writ of mandamus directing insurance company-respondent No.2 to make the payment of claim of the insured car, which has been damaged in an accident.

2. Genesis of the dispute is purchase of a Swift Dzire car by the petitioner bearing registration No.HR-10V-1005 from Santokh Singh on 25.01.2019. Petitioner applied for transferring the registration certificate on 30.01.2019, Annexure P-1, on deposit of requisite charges. This car was insured with respondent No.2 under policy, Annexure P-2, which was valid from 06.06.2018 from 05.06.2019. The car met with an accident on 11.02.2019 and a DDR was recorded on 14.02.2019, Annexure P-4. On intimation, insurance company deputed a surveyor, M/s Dynamic Associate, who assessed the cost for repair at Rs.7,54,265.57/-, Annexure P-5. Petitioner lodged the claim, but insurance company repudiated it vide letter dated 28.03.2019, Annexure P-6. Petitioner filed an application dated 17.05.2019, Annexure P-11, under Section 22-C of Legal Services Authorities Act, 1987, (for short "Act of 1987"), which was contested by respondent No.2 vide reply, Annexure P-12. Lok Adalat framed terms of settlement, which were not accepted by the insurance company and vide impugned award, Annexure P-13, claim was dismissed.

3. Counsel for the petitioner contends that insurance company has erred in repudiating claim on the ground that insurance policy is not in the name of the petitioner. He submits that upon sale of vehicle, previous owner, Santokh Singh, had given an affidavit, Annexure P-5, in favour of the petitioner, which was duly supplied to the insurance company, but they did not accept in absence of the registration. He contends that registration of the vehicle was transferred in the name of the petitioner and a fresh registration certificate has been issued on 28.03.2019, which has been ignored by Lok Adalat while passing the impugned award, which deserves to be set aside.

4. Per contra, counsel for respondent No.2 has contested the petition and has made a reference to General Regulation (GR)-17 of India Motor Tariff to contend that petitioner was required to send a written intimation to the insurance company within a period of 14 days of the purchase of the vehicle so that a fresh policy of insurance could be issued in his name. By making a reference to the written statement filed on behalf of respondent No.2, it has been contended that as no intimation was received by the insurance company, there is no privity of contract between petitioner and respondent No.2 on the date of accident. Supporting the award passed by Lok Adalat, he has placed reliance upon a Full Bench judgment of Andhra Pradesh High Court in ***Madineni Kondaiah and others Vs. Yaseen Fatima and others*** ***1986 (1) ACC 501.***

5. I have heard counsel for the parties and considered their submissions besides examining the paper-book as well as the documents placed on the record.

6. There is no dispute about the factual position. A vehicle purchased by petitioner on 25.01.2019 met with an accident on 11.02.2019 and intimation of the occurrence was given to the insurance company on 14.02.2019. A surveyor appointed by the insurance company, who assessed the loss of the vehicle vide report dated 29.03.2019. The question to be determined is whether petitioner was under a duty to inform the insurance company about the purchase of the vehicle and get a fresh certificate of insurance issued in his name and whether the petitioner was to apply for the transfer of insurance policy after the issuance of fresh registration certificate by the registering authority.

7. GR-17 of India Motor Tariff deals with the transfer of insurance policy in the case of sale of vehicles and it stipulates as under:-

> ***"GR.17. Transfers***
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> *On transfer of ownership, the Liability Only cover, either under a Liability Only policy or under a Package policy, is deemed to have been transferred in favour of the person to whom the motor vehicle is transferred with effect from the date of transfer.*
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> *The transferee shall apply within fourteen days from the date of transfer in writing under recorded delivery to the insurer who has insured the vehicle, with the details of the registration of the vehicle, the date of transfer of the vehicle, the previous owner of the vehicle and the number and date of the insurance policy so that the insurer may make the necessary changes in his record and issue fresh Certificate of Insurance.*
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> *In case of Package Policies, transfer of the "Own Damage" section of the policy in favour of the transferee, shall be made by the insurer only on receipt of a specific request from the transferee along with consent of the transferor. If the transferee is not entitled to the benefit of the No Claim Bonus (NCB) shown on the policy, or is entitled to a lesser percentage of NCB than that existing in the policy, recovery of the difference between the transferee's entitlement, if any, and that shown on the policy shall be made before effecting the transfer.*
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> *A fresh Proposal Form duly completed is to be obtained from the transferee in respect of both Liability Only and Package Policies.*
>
> *Transfer of Package Policy in the name of the transferee can be done only on getting acceptable evidence of sale and a fresh proposal form duly filled and*

signed. The old Certificate of Insurance for the vehicle, is required to be surrendered and a fee of Rs.50/- is to be collected for issue of fresh Certificate in the name of the transferee. If for any reason, the old Certificate of Insurance cannot be surrendered, a proper declaration to that effect is to be taken from the transferee before a new Certificate of Insurance is issued."

8. An analysis of the above reproduced regulation shows that a "liability only cover" is deemed to be automatically transferred from the date of sale of the vehicle to the transferee. On the other hand, for transfer of "own damage section" of an insurance policy, request has to be made by the transferee alongwith consent of the transferor. A fresh proposal form has to be submitted with proof of sale and there is no deemed transfer in such case. An obligation has been cast on the transferee to make an application for transfer of policy in his name on deposit of requisite charges within a period of 14 days of the transfer, failing which, it has been provided that he will not be liable for payment of claim towards any untoward incident.

9. Interpreting the provisions of the Motor Vehicles Act, 1988, Full Bench of Andhra Pradesh High Court in ***Madineni Kondaiah's case (supra)*** has held as under:-

"50. The registration of the vehicle in the name of the transferee is not necessary to pass title in the vehicle. Payment of price and delivery of the vehicle makes the transaction complete and the title will pass to the purchaser. When the policy of insurance obtained by the original owner of the vehicle is composite one covering the risks for his person, property (vehicle) and the third party claim, on passing of title the transferee cannot enforce his claim in respect of any loss or damage to his

person and vehicle unless there is a novation. So far the third party risk is concerned the proprietary interest in the vehicle is not necessary and the public liability continues till the transferor discharges the statutory obligation under Sections 29A and 31 read with Section 94 of the Act. Till he complies with the requirement of Section 31 of the Act the public liability will not cease and that constitutes the insurable interest to keep the policy alive in respect of the third party risks are concerned. It must be deemed that the transferor allowed the purchaser to use the vehicle in a public place in the said transitional period and accordingly till the compliance of Section 31, the liability of the transferor subsists and the policy is in operation so far it relates to the third party risks. We answer the second question accordingly."

10. The judgment of the Andhra Pradesh High Court approved by the Supreme Court in ***G.Govindan Vs. New India Insurance Company Limited*** ***(1999) 3 SCC 754***.

11. Adverting to the facts of the present case, it is evident that after purchase of the vehicle, petitioner applied for its transfer with the registering authority, but did not inform the insurance company. The vehicle met with an accident on 11.02.2019 and intimation of occurrence was given to the insurance company on 14.02.2019. Petitioner has not been able to show any document that he ever applied to the insurance company for transfer of vehicle in his name in terms of GR-17 reproduced above. In the absence of any such a request for transfer of the insurance policy in his name, petitioner cannot claim benefit under the policy as there is no privity of contract between the petitioner and the insurance company. On the date of accident,

the insurance policy continued to be in the name of the original owner and the insurance company is absolved from the liability thereunder. Although, registration certificate was transferred in the name of the petitioner on 28.03.2019 and this transfer relates back to the date of purchase, but it would not extend any benefit to him. There is no error in the reasoning recorded by Lok Adalat and award, Annexure P-13, does not suffer from any infirmity.

12. Writ petition is devoid of merit and is dismissed no order as to costs.

06.08.2025 **(SUVIR SEHGAL)**
sheetal **JUDGE**

Whether Speaking/reasoned	Yes/No
Whether Reportable	Yes/No