



IN THE HIGH COURT OF MADHYA PRADESH
AT GWALIOR

BEFORE

HON'BLE SHRI JUSTICE HIRDESH

ON THE 3rd OF SEPTEMBER, 2025

MISC. APPEAL No. 242 of 2005

MUKESH KUMAR SAHU

Versus

MUNNALAL AND ANR.

.....
Appearance:

Shri R.P.Gupta - Advocate for the appellant.

Shri Ram Vilas Sharma, learned counsel for the respondent

No.2/Insurance Company.
.....

ORDER

This appeal under Section 173 of the Motor Vehicles Act filed by the owner of the offending vehicle being aggrieved by the award dated 01.12.2004 passed by Motor Accident Claims Tribunal (hereinafter referred as "Claims Tribunal), District- Datia in Claim Case No.11/2003 on account of exonerating Insurance Company from its liability.

2. The date of accident and negligence are not in dispute, however, the findings recorded by the Claims Tribunal in this regard is not in question.

3. As per the findings of the Tribunal in the case of injuries sustained by Munnal Lal due to motor accident, Claims Tribunal has awarded compensation to the tune of Rs.29,500/- in favour of claimant with interest from the date of filing of claim application till its realization.



4. Learned counsel for the appellant/owner of the offending vehicle submitted that he has purchased the offending vehicle from previous owner, but insurance policy was not transferred in his name. On these grounds, learned Claims Tribunal has exonerated the Insurance Company from its liability. Therefore, finding of the Claims Tribunal is not correct in the eye of law and deserves to be set aside and the Insurance Company be directed to pay compensation to the claimant/injured.

5. In support of his contention, learned counsel for the appellant has relied on the Full Bench decision of this Court in the case of *Smt. Vimla Devi & Ors. Vs. Dayaram and Ors. reported in (2000) 3 MPHT 197* in which it is held that if offending vehicle was transferred from its previous owner and despite non-intimation and lack of policy transfer as required by Section 103-A of Motor Vehicles Act, 1939 (old Act) to the insurer, the Insurance Company remains effective for covering third party risk and the liability of the insurer to indemnify the owner for third party claim is not extinguished by the failure to transfer the policy.

6. On the other hand, learned counsel for the Insurance Company supported the impugned award and prays for dismissal of this appeal.

7. Heard counsel for the parties and perused the record of the Claims Tribunal.

8. Section 157 of the Motor Vehicles Act, 1988 is reads as under:-

"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."

9. In the case of **Vimla Devi (supra)** full Bench of this Court has held in para 9 is as under:-

"9. In view of the aforesaid decision of the Apex Court the controversy has been put to rest. 'The wild inextricable maze' has been cleared by the sublime interpretation. Accordingly we answer the reference holding that the insurance policy remains effective in respect of third party risks but not in respect of the transferee's risks even if there has been absence of application/intimation as stipulated u/s 103-A of the Act. Resultantly, the law laid down in the case of Balwant Singh (supra) and Sabir Hussain (supra), is no more good law and all other decisions of this Court, taking the same view, follow the same path."

10. After having heard learned counsel for the parties as well as on going through the law laid down by full Bench of this Court in the case of **Smt. Vimla Devi (supra)** and on going through the provisions of Section 157



of the Motor Vehicles Act, 1988, and on perusal of the record, it is not in dispute that claimant is a third party, therefore, the Claims Tribunal has wrongly exonerated the Insurance Company from its liability to pay compensation. Therefore, the findings recorded by the Claims Tribunal in this regard is hereby **set aside** and the Insurance Company is directed to pay compensation amount to the claimant (third party) jointly and severally.

With the aforesaid modification, this appeal is **partly allowed and disposed of.**

(HIRDESH)
JUDGE

VJ