

**NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION
NEW DELHI**

FIRST APPEAL NO. 215 OF 2017

(Against the Order dated 20/12/2016 in Complaint No. 99/2015 of the State Commission
Rajasthan)

1. M/S. W.M.W. METAL METAL FABRICS LTD. & ANR.
53, INDUSTRIAL AREA, JHOTWARA,
JAIPUR-302012
RAJASTHAN

2. WIRES & FABRIKS (S.A.) LTD.,
INDUSTRIAL AREA, JHOTWARA,
JAIPUR-302012
RAJASTHAN

.....Appellant(s)

Versus

1. ORIENTAL INSURANCE CO. LTD. & ANR.
SARAF HOUSE, M.I. ROAD,
JAIPUR-302001

2. ORIENTAL INSURANCE CO. LTD.,
HEAD & REGISTERED OFFICE, A-25/27, ASAF ALI ROAD,
NEW DELHI-110002

.....Respondent(s)

BEFORE:

HON'BLE MR. SUBHASH CHANDRA, PRESIDING MEMBER

FOR THE APPELLANT :

Dated : 31 May 2024

ORDER

For the Appellant (s) : Mr. Dileep Shivpuri, Advocate and
Mr. Abhishek Shivpuri, Advocate

For the Respondent(s) : Dr. Sudhir Bisla, Advocate

ORDER

PER SUBHASH CHANDRA

The present Appeal has been filed by the Appellant against the order of the State Consumer Disputes Redressal Commission, Rajasthan, Jaipur Bench No.1 (for short "the State Commission") in their Complaint No.99 of 2015. By the impugned order, the State Commission has dismissed the Complaint holding that the same was not within their

pecuniary jurisdiction and that a highly inflated claim had been lodged just to bring the Complaint within their jurisdiction.

2. The facts, in brief, are that on 24.03.2013 Appellant no.2 had purchased a Skoda Superb Car bearing registration No.RJ 45 CA 0446 for a sum of ₹20.08 Lakhs exclusive of miscellaneous expenditure incurred. Appellant No.1 purchased the car from Appellant No.2 on 12.03.2015 for a sum of ₹11,26,475/-. On 12.03.2015 Appellant No.2 had written a letter to the Registration Authority, Jaipur informing about the sale of the car to the Appellant No.1. On 21.03.2015 Appellant No.1 paid insurance premium of ₹51,356/- vide cheque No.172160 drawn on Indian Overseas Bank along with a letter addressed to the Branch Manager of Respondent No.1 requesting for transfer of insurance policy in the name of the Appellant No.1. While Respondent No.1 acknowledged receipt of premium paid by the Appellant No.1, it issued the insurance policy in the name of Appellant No.2 instead of Appellant No.1. On 07.05.2015 the car met with an accident intimation of which Appellant No.1 sent by e-mail to the Respondent No.1 Insurance Company on 12.05.2015. Vide letter dated 13.05.2025 along with requisite documents the error committed on part of the Respondent No.1 qua name of the insured party in the records was also issued. Respondent No.1 replied by email to Appellant No.1 on 13.05.2015 itself stating that the insured party can only be the person who is the registered owner of the car, and that an insurance policy can only be transferred after transfer of Registration Certificate from the Appellant No.2 to Appellant No.1. Appellant No.1 sought an estimate of repair from the authorized Service Centre, M/s Saga Automotive India (P) Ltd., which estimated the same as ₹21,36,572/-. Appellant No.1, thereafter, filed a claim with the Respondent Insurance Company which was not honoured on the ground that Registration Certificate of the car did not bear the name of the Appellant No.1 which was a prerequisite for making a claim of insurance qua the car. Appellant No.1 filed a Complaint before the State Commission seeking a sum of ₹21,36,572/- towards cost of the repairs and other compensations.

3. The Respondents contested the Complaint by filing a written statement. They contended that since the Appellant no.2 had sold the vehicle to Appellant no.1, hence, Appellant no.2 did not have any insurable interest in the vehicle. It was also stated that the Respondent Insurance Company had no privity of contract with Appellant No.1. They further contended that the Insured Declared Value of the vehicle was only ₹14,15,780/- and as such, the State Commission did not have pecuniary jurisdiction to entertain the Complaint. It was also submitted that the sale amount of the vehicle was only ₹11,26,475/- and that an inflated claim had been filed before the State Commission just to seek its jurisdiction. It was prayed that the Complaint be rejected.

4. I have heard learned Counsel for both the parties and perused the record. I have also gone through the short synopsis of arguments filed by the parties.

5. The State Commission has dismissed the Complaint on the ground that the Registration was not transferred in the name of the Appellant No.1 till 21.03.2015, the date on which the Insurance Company was informed of the purchase of the vehicle. It has held that registration was transferred on 04.04.2015, and that in compliance of GR 17 no intimation was given to the Insurance Company. It was accordingly held that the Insurance Company was justified in repudiating the claim. The State Commission also observed that a highly inflated claim had been made which was not within its pecuniary jurisdiction.

6. Impugning this order, the Appellant has contended that the Complaint filed by them satisfied the pecuniary jurisdiction of the State Commission in light of the decision of this Commission in *Ambrish Kumar Shukla & Ors. Vs. Ferrous Infrastructure Pvt. Ltd.*, I (2017) CPJ 1 (NC) which held that the total claim would determine pecuniary jurisdiction which was ₹32,57,572/- in the instant case. It is contended that Appellant No.1 applied to the insurer within 14 days of the transfer of the car on 12.03.2015 informing about the sale of the car to the Appellant No.2 and that the insurer should have issued a fresh Certificate of Insurance in the name of the new owner which was not done. It is further contended that GR 17 of Indian Motor Tariff itself states that the policy is deemed to be transferred to the new owner from the date of transfer. It is also submitted that Section 157 of the Motor Vehicles Act, 1988 also uses the same language. Therefore, it is contended that the insurance policy automatically got transferred in the name of the Appellant No.1. Reliance is placed on this Commission's judgment in the case of *Shri Narayan Singh vs. New India Assurance Company Ltd.*, Revision Petition No.556 of 2022 decided on 22.05.2007. Reliance is also placed on the following case laws:

- a) *Oriental Insurance Co. Ltd. & Ors. Vs. Tanuram Mahanta & Anr.* (2008) 4 CPR 19(NC),
- b) *New India Assurance Co. Ltd. & Anr. Vs. Mohd. Faiyas Khan & Anr.* (2014) 4 CPR 518 (NC),
- c) *Shri Narayan Singh vs. New India Assurance Co. Ltd.*, 2008 (1) CPC 257,
- d) *Ram Singh vs. Reliance General Insurance Co.*, (2014) CPJ 99 (NC),
- e) *Garware Construction Company vs. United India Insurance Co.*, (2015) NCJ 166 (NC),
- f) *Ishakbhai Timbiwala vs. Tata AIG General Insurance*, (2016) CPJ 592 (NC),
- g) *United India Insurance Co. Ltd. vs. Dada Miyan*, Revision Petition No.129 of 2009,
- h) *New India Assurance Co. Ltd. vs. Jai Bhagwan*, Revision Petition No.118 of 2013 and
- i) *Buddhi Prakash Jain vs. Bajaj Allianz General Insurance Co. Ltd.*, (2015) CPJ 337 (NC).

It is stated that as the fresh RC in the name of the new owner was received on 11.04.2015, the policy got automatically transferred in the name of the new owner on 11.04.2015. It is further contended that the car met with an accident on 07.05.2015, 24 days later and the Insurance Company had plenty of time to correct the name on the insurance policy which it did not do. It is prayed that the impugned order be set aside and the claim of the Complainant be allowed.

7. The Respondent Insurance Company has not disputed the transfer of registration of the insured car in the name of the Appellant No.1 before the accident. It is contended that Appellant No.1 has alleged that the transfer of the Registration Certificate was informed to

them vide letter dated 13.04.2015 and request for transfer of the policy was made whereas there is no mention as such in the letter. It is contended that the said letter is fabricated as it does not bear any stamp of the company. It is submitted that the IDV of the insured vehicle is ₹14,15,780/- and therefore, the State Commission did not have the pecuniary jurisdiction to entertain the same. It is further submitted that the insured Appellant No.2 had already sold the vehicle prior to the date of accident and as such he had no insurable interest. It is, therefore, contended that since there was no policy in the name of the Appellant No.1, the Respondent Insurance Company had no privity of contract with them. It is further contended that although the vehicle was purchased by the Appellant No.1 for a consideration of ₹11,26,475/- by concealing this fact, the Appellants got the vehicle insured for an IDV of ₹14,15,780/- and therefore, the policy is void *ab initio*. Accordingly, the Appellants are not entitled to any amount from them. It is contended that the order of the State Commission is a reasoned order. It is prayed that the Appeal be dismissed with costs.

8. On the preliminary issue of pecuniary jurisdiction, the position of law laid down in **Ambrish Shukla** (supra) as reiterated in **Renu Singh vs Experion Developers Pvt., Ltd.**, CC no.1703 of 2018 by this Commission is clear that the sum total of the claims would determine pecuniary jurisdiction. In view of the fact that the claim of the Appellant is for ₹21,36,572/- along with ₹11 Lakhs, the total claim of ₹32,36,572/- cannot be held to have been inflated to fall under the jurisdiction of the State Commission. The finding of the State Commission on this issue cannot be sustained in view of this Commission's findings in **Ambrish Shukla** (supra) and **Renu Singh** (supra).

9. The finding of the State Commission is as under:

“It is true that on 23.03.2015 the Complainant No.1 has informed the Insurance Company about the purchase of the vehicle but till date registration was not transferred in the name of Complainant No.1 and admittedly it was transferred on 4.4.2015 and thereafter in compliance of GR 17 no intimation has been given to the Insurance Company. Hence, when compliance has not been made of the relevant provisions, the Insurance Company as justified in repudiating the claim and in view of the above this complaint deserves to be dismissed.”

10. The conclusion of the State Commission with regard to pecuniary jurisdiction cannot be accepted, as discussed above. As regards the finding with regard to the issue whether Appellant No.1 had insurable interest, however, the conclusion of the State Commission cannot be faulted. The contention of the Appellant No.1 that as per GR 17 Indian Motor Tariff in view of the intimation having been given to the Respondent Insurance Company, the contention that transfer was deemed to have been concluded cannot be sustained. GR 17 is specific in stating that:

“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.”

However, no evidence of “recorded delivery” of the application for transfer of ownership has been brought on record by the Appellant. Respondent has contested the claim of “deemed transfer” under GR 17. The conclusion of the Respondent Insurance Company that there was no insurable interest of Appellant No.1 for the reason that ownership had not been transferred due to change in records in the RC, therefore, has merits. Repudiation of the claim preferred by Appellant No.1 cannot be faulted with on this ground. The claim of the Respondent Insurance Company that the claim was inadmissible as it exceeded the IDV is without merit. That issue would have arisen if the claim was construed to be valid and would have necessarily been limited to the extent of the IDV. In the instant case, this situation does not arise.

11. In light of the discussion above, the Appeal is found to lack merits and accordingly fails. I find no reasons to interfere with the impugned order on merits which is reasoned and detailed. The Appeal is disposed of in above terms with no order as to costs.

12. Pending IAs, if any, stand disposed of with this order.

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SUBHASH CHANDRA
PRESIDING MEMBER