

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**R/FIRST APPEAL NO. 3572 of 2025****FOR APPROVAL AND SIGNATURE:****HONOURABLE MR. JUSTICE J. C. DOSHI****Sd/-**

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Approved for Reporting	Yes	No
		No

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VIPULKUMAR PARSHOTTAMBHAI CHAUHAN

Versus

RAMANLAL NARSINHBHAI CHAUHAN & ORS.

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Appearance:

NISHIT A BHALODI(9597) for the Appellant(s) No. 1

MR TANMAY B KARIA(6833) for the Defendant(s) No. 4

NOTICE SERVED for the Defendant(s) No. 1,2,3

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CORAM:HONOURABLE MR. JUSTICE J. C. DOSHI**Date : 22/09/2026****JUDGMENT**

1. The judgment and award passed in MACP No.131 of 2017 granting the compensation of Rs.1,05,390/- with 9 % interest from the date of the petition till realisation, running in 44 page, exonerating the insurance company from its liability to pay the compensation, is assailed by the claimant in this appeal under Section 173 of the Motor Vehicle Act, 1988.

2. The briefly stated facts of the case are that, on 23.06.2017, the applicant was heading back to his home by

riding the motorcycle No. GJ-2-BR-5648 and when he reached near the village Kotdi, the opponent No. 1 came driving Santro car bearing No. GJ-6-AH-9875 from the side of Rajpurohit Hotel dashed with the motorcycle of the claimant, who received the multiple injuries and fractures.

2.1 The FIR being C.R. No. I – 81 of 2017 has been registered with Vijapur police station against the Santro car driver.

2.2 The claimant, who sustained the injury, preferred the claim petition under Section 166 of the Motor Vehicles Act seeking compensation of Rs.4 lakhs with interest and in a judgment which runs in 44 pages, the learned Tribunal referred to various provisions under Motor Vehicles Act and assessed the compensation of Rs. 1,05,390/- and exonerated the insurance company on the ground that during the pendency of the insurance, the contract the vehicle involved in the accident, namely Santro car, has changed the owner and though such change has been effected in the R.T.O., it is not effective with the insurance company, and therefore, the insurance company is not liable to pay the compensation.

3. Heard learned advocate Mr. Nishit A. Bhalodi appearing for the claimant and learned advocate Mr. Tanmay B. Karia appearing for the respondent No.4 – Insurance company.

4. What could be noticeable that learned advocate Mr. Tanmay B. Karia could not point out a single provision, which could help the contention to support the impugned judgment

and award exonerating the insurance company. The policy was ready and it was effective, bearing and covering the risk of the vehicle on the day of accident. Merely change of the owner would *ipso facto* not expire the insurance policy, more particularly when the insurance company did not cancel the policy by addressing any letter to the previous owner or the existing owner, even after the facts of transfer came on record. Apt to note the insurance policy covers risk of vehicle. Mere change of owner of the vehicle would not discontinue the contract of insurance. The purchaser of the vehicle, who becomes the new owner would automatically step into the shoes of the earlier buyer. Purchase of offending vehicle with running insurance policy, would make insurance company to indemnify the risk of new owner.

5. In the aforesaid circumstances, I find sufficient force in this appeal to hold the insurance company jointly and severally liable to pay the compensation.

6. For the foregoing reasons, the appeal is **allowed**. The amount of compensation granted by the learned Tribunal is maintained, but the order exonerating the insurance company from its liability to pay the compensation is set aside.

7. Consequently, the insurance company is held liable to pay the compensation jointly and severally along with the opponent Nos.1, 2.1 and 2.2.

8. The Insurance Company is directed to deposit the decretal amount alongwith 9% p.a. interest from the date of

claim petition till its realisation before the concerned Tribunal, within a period of eight weeks from the date of receipt of this order.

Raj

**Sd/-
(J.C. DOSHI, J.)**

Original copy of this order has been signed by the Hon'ble Judge.
Digitally signed by: RAJ SUBHASH DHOBİ(HC01779), Private Secretary, at High Court of Gujarat on 30/09/2026 15:28:03