IN THE DELHI STATE CONSUMER DISPUTES REDRESSAL COMMISSION

Date of Institution: 31.07.2018
Date of hearing: 14.09.2026
Date of Decision: 23.09.2026

FIRST APPEAL NO.348/2018

IN THE MATTER OF

NATIONAL INSURANCE CO. LTD.
2E/9, JHANDEWALAN EXTENSION
NEW DELHI-110055

...APPELLANT

(Through Mr. S.K. Tyagi, Advocate)

VERSUS

MR. ASHOK KUMAR
S/O MR. LAKHAN RANA
R/O R-14, RITA BLOCK
MAIN MARKET , SHAKKARPUR
DELHI-110092

...RESPONDENT

(proceeded *ex-parte* vide order dated 31.01.2020)

CORAM:
HON'BLE JUSTICE SANGITA DHINGRA SEHGAL (PRESIDENT)
HON'BLE MS. BIMLA KUMARI, MEMBER (FEMALE)

Present: None for the parties.

PER : HON'BLE MS. BIMLA KUMARI, MEMBER (FEMALE)

JUDGMENT

1. The present appeal has been filed by the appellant on 31.07.2018 impugning the order dated 12.04.2018

passed by the District Consumer Disputes Redressal Forum (East District), Saini Enclave, Delhi-110092 (hereinafter the District Forum) in Consumer Complaint bearing no. 648 of 2014.

2. Along with the appeal, the appellant has also filed an application seeking condonation of delay in filing the appeal. The affidavit of Mr. Rajneesh Kumar i.e. Authorized Representative of the appellant has been filed along with this application. The application has been moved without mentioning any provision of law. However, it is being considered under Section 15 of the Consumer Protection Act, 1986 as it is arising out of Complaint Case No.648/2014.

3. Application for condonation of delay has been filed on various grounds. Para No. 2 & 3 of the application read as under:

> *"2. That the impugned order dated 12-04-2018, which was received on 08-06-2018, by the counsel for the appellant. The same was sent to the Regional Office of the appellant for the opinion, and thereafter, the opinion of senior advocate was also obtained.*
> *3. That the present counsel was engage on 8th July, 2018 and thereafter, the appeal was prepared and the same is being filed on 31.07.2018."*

4. To adjudicate this issue, we deem it appropriate to refer to Section 15 of the Consumer Protection Act, 1986 which provides as under:-

> "*Any person aggrieved by an order made by the District Forum may prefer an appeal against such order to the State Commission* ***within a period of thirty days from the date of the order*** *in such form and manner as may be prescribed.*
> *Provided that the State Commission may entertain an appeal after the expiry of the said period of thirty days if*

it is satisfied that there was sufficient cause for not filing it within that period:
[Provided further that no appeal by a person, who is required to pay any amount in terms of an order of the District Forum, shall be entertained by the State Commission unless the appellant has deposited in the prescribed manner fifty per cent. of the amount or rupees twenty-five thousand, whichever is less]"

5. A perusal of the aforesaid statutory position reflects that the appeal against an impugned order should be preferred within a period of thirty days from the date of such order.

6. In order to condone the delay, the appellant has to satisfy this Commission that there was sufficient cause for preferring the appeal after the stipulated period. The term 'sufficient cause' has been explained by the Apex Court in **Basawaraj and Ors. vs. The Spl. Land Acquisition Officer** reported in **AIR 2014 SC 746.** The relevant paras of the aforesaid judgment are reproduced as under:-

"9. Sufficient cause is the cause for which Defendant could not be blamed for his absence. The meaning of the word "sufficient" is "adequate" or "enough", inasmuch as may be necessary to answer the purpose intended. Therefore, the word "sufficient" embraces no more than that which provides a platitude, which when the act done suffices to accomplish the purpose intended in the facts and circumstances existing in a case, duly examined from the view point of a reasonable standard of a cautious man. In this context, "sufficient cause" means that the party should not have acted in a negligent manner or there was a want of bona fide on its part in view of the facts and circumstances of a case or it cannot be alleged that the party has "not acted diligently" or "remained inactive". However, the facts and circumstances of each case must afford sufficient ground to enable the Court concerned to exercise discretion for the reason that whenever the Court

> *exercises discretion, it has to be exercised judiciously. The applicant must satisfy the Court that he was prevented by any "sufficient cause" from prosecuting his case, and unless a satisfactory explanation is furnished, the Court should not allow the application for condonation of delay. The court has to examine whether the mistake is bona fide or was merely a device to cover an ulterior purpose."*

7. From the aforesaid *dicta* of the Hon'ble Apex Court, it is clear that **'sufficient cause'** means that the party should not have acted in a negligent manner or there was a want of *bona fide* on its part and the applicant must satisfy the Court that he was prevented by any "sufficient cause" from prosecuting his case, and unless a satisfactory explanation is furnished, the Court should not allow the application for condonation of delay.

8. Reverting to the material available before us, we find that the impugned order was passed on **12.04.2018** and the impugned order was received by the appellant on 08.08.2018. It is significant to note that it is an admitted case of appellant that it received the certified copy of the impugned order on 08.06.2018. Hence, the period of limitation starts from **09.06.2018** which has expired on **09.07.2018**. The present appeal has been filed on **31.07.2018.** Hence, there is delay of **22** days in filing the appeal. In view of the submissions, record and averments made in the application, the delay in filing the appeal is condoned. Hence, the application seeking condonation of delay in filing the appeal is allowed and stands dispose off.

9. Now, coming to the merits of case, brief facts of case as per the complainant are that the complainant purchased a second-hand Bajaj Pulsar motorcycle bearing no. DL-10-SC-6070 on 24.12.2012 for Rs.67,000/- from Shri Kunal Sardana. The vehicle was insured in the complainant's name on 08.07.2013 by the

OP on the basis of sale documents, with an undertaking by complainant to get the ownership of vehicle transferred in his name within 15 days. On the night of 13/14.07.2013, the motorcycle was stolen from the house of his friend, which led to registration of FIR No. 639/2013 under Section 379 IPC at P.S. Shakarpur. The OP was informed and claim was filed. But, the claim was repudiated on 10.02.2014 on the ground that complainant had no insurable interest.

10. The Complainant filed the complaint case before the District Forum and prayed for directions to the Opposite Party to pay Rs.54,115/- being the IDV alongwith 18% interest from 15.07.2013, Rs.1,00,000/- as compensation for harassment and Rs. 25,000/- as cost of litigation.

11. The Opposite Party filed the written statement wherein it was submitted that the vehicle was not registered in the complainant's name; the complainant lacked insurable interest on the date of loss; he failed to get transferred the ownership in his name within 15 days from the date of purchase which was in contravention of the provision of the Motor Vehicles Act. It was also contended that liability of OP was limited to market value of the vehicle on the date of lost or the insured estimated value whichever was less.

12. The Complainant filed rejoinder to the written statement wherein he denied the contents of written statement and reaffirmed the facts narrated in the complaint.

13. The Complainant as well as Opposite Party filed evidence by way of their respective affidavits.

14. The District Commission after hearing arguments from the counsel for parties and taking into

consideration the material available on record passed the order as under:

> *"Perusal of the record reveals that the complainant had got his vehicle insured on 08.07.2013, and the theft of insured vehicle took place on 13/14.07.2013 i.e. after 5 days of the issuance of insurance policy, the objection raised by OP was that the complainant had failed to get the vehicle transferred in his name, but once the policy has been issued in the name of the complainant, they are estopped from taking defence of Registration Certificate and the factum of theft also approved by surveyor appointed by OP as well as FIR and untraced report. The claim of the complainant should not be repudiated on technical grounds.*
>
> *Hence, we allow the present complaint and direct OP to pay Rs. 40,585/- (75% of the IDV) alongwith 9% interest from the date of filing of complaint till realization. We also award Rs. 7,500/- as compensation on account of harassment and mental agony which includes the cost of litigation. The order be complied within a period of 45 days from the date of order.*
>
> *Copy of the order be supplied to both the parties as per rules.*
>
> *File be consigned to Record Room."*

15. Aggrieved by the aforesaid order of the District Commission, the Appellant/Opposite Party has preferred the present appeal *inter-alia* on the grounds that the District

Commission failed to appreciate that the respondent had violated the provisions of Section 50 of the Motor Vehicles Act. The complainant was not the registered owner of the vehicle and therefore he was having no insurable interest in the vehicle. The vehicle was purchased on 24.12.2012 and for seven months it was neither registered nor insured in the name of complainant. On 08.07.2013, the vehicle was insured on the basis of an undertaking by the respondent that the vehicle would be transferred within 15 days. However, on the date of theft, the vehicle remained registered in the name of previous owner. Consequently, the complainant was not entitled to compensation. The impugned order is vague, legally unsustainable and reflects non-application of mind and be set aside.

16. The respondent did not file reply to appeal and was proceeded *ex-parte* vide order dated 31.01.2020.

17. Written arguments on behalf of the appellant have been filed vide diary no. 14956 dated 21.09.2023.

18. We have carefully and thoroughly perused the material available on record.

19. **The question that arises for consideration is whether there is any illegality or material irregularity in the impugned order passed by the District Forum.**

20. It is evident from Ld. District Forum's record that the respondent had purchased the vehicle bearing no. DL-10-SC-6070 from one Mr. Kunal Sardana on 24.12.2012 and the appellant insured the vehicle in name of the respondent on 08.07.2013 **(page 60 of complaint)** after taking an undertaking

from the respondent that he would get transferred the ownership of vehicle in his name within 15 days. It is worth noting that the vehicle was stone on the intervening night of 13.07.2013 after 5 days of insurance of policy by the appellant which is clear from the copy of the FIR bearing no. 639/2013 (**page 27 to 29 of complaint**). It is significant to note that the appellant repudiated the claim of the respondent on the ground that he had no insurable interest as he did not get the vehicle transferred in his name after purchasing the vehicle and violated the provisions of Section 50 of the Motor Vehicles Act.

21. To deal with this issue, we would like to refer to Section 50 of Motor Vehicle Act, 1988, which reads as under:

"50. Transfer of ownership.—(1) Where the ownership of any motor vehicle registered under this Chapter is transferred,—

(a) the transferor shall,—

(i) in the case of a vehicle registered within the same State, within fourteen days of the transfer, report the fact of transfer, in such form with such documents and in such manner, as may be prescribed by the Central Government to the registering authority within whose jurisdiction the transfer is to be effected and shall simultaneously send a copy of the said report to the transferee; and

(ii) in the case of a vehicle registered outside the State, within forty-five days of the transfer, forward to the registering authority referred to in sub-clause (i)—

(A) the no objection certificate obtained under section 48; or

(B) in a case where no such certificate has been obtained,—

(I) the receipt obtained under sub-section (2) of section 48; or

(II) the postal acknowledgement received by the transferred if he has sent an application in this behalf by registered post acknowledgement due to the registering authority referred to in section 48,

together with a declaration that he has not received any communication from such authority refusing to grant such certificate or requiring him to comply with any direction subject to which such certificate may be granted;

(b) the transferee shall, within thirty days of the transfer, report the transfer to the registering authority within whose jurisdiction he has the residence or place of business where the vehicle is normally kept, as the case may be, and shall forward the certificate of registration to that registering authority together with the prescribed fee and a copy of the report received by him from the transferor in order that particulars of the transfer of ownership may be entered in the certificate of registration.

(2) Where—

(a) the person in whose name a motor vehicle stands registered dies, or

(b) a motor vehicle has been purchased or acquired at a public auction conducted by, or on behalf of, Government,

the person succeeding to the possession of the vehicle or, as the case may be, who has purchased or acquired the motor vehicle, shall make an application for the purpose of transferring the ownership of the vehicle in his name, to the registering authority in whose jurisdiction he has the residence or place of business where the vehicle is normally kept, as the case may be, in such manner, accompanied with such fee, and within such period as may be prescribed by the Central Government.

(3) If the transferor or the transferee fails to report to the registering authority the fact of transfer within the period specified in clause (a) or clause (b) of sub-section (1), as the case may be, or if the person who is required to make an application under sub-section (2) (hereafter in this section referred to as the other person) fails to make such application within the period prescribed, the registering authority may, having regard to the circumstances of the case, require the transferor or the transferee, or the other person, as the case may be, to pay, in lieu of any action that may be taken against him under section 177 such amount not exceeding one hundred rupees as may be prescribed under sub-section (5):

Provided that action under section 177 shall be taken against the transferor or the transferee or the other person, as the case may be, where he fails to pay the said amount.

(4) Where a person has paid the amount under sub-section (3), no action shall be taken against him under section 177.

(5) For the purposes of sub-section (3), a State Government may prescribe different amounts having regard to the period of delay on the part of the transferor or the transferee in reporting the fact of transfer of ownership of the motor vehicle or of the other person in making the application under sub-section (2).

(6) On receipt of a report under sub-section (1), or an application under sub-section (2), the registering authority may cause the transfer of ownership to be entered in the certificate of registration.

(7) A registering authority making any such entry shall communicate the transfer of ownership to the transferor and to the original registering authority, if it is not the original registering authority."

22. Thus, a perusal of above referred provision makes it clear when the ownership of a vehicle is transferred, the transferor within a period of 14 days shall report the fact of transfer to the Registering Authority and the transferee shall report the fact of transfer to the Registering Authority within a period of 30 days of the transfer of vehicle.

23. In the present case, neither the transferor, namely, Mr. Kunal Sardana nor the transferee, namely, Mr. Ashok Kumar (respondent herein) reported the fact of transfer to the Registering Authority as is clear from the record. Thus, in view of Sub-Clause(3) of Section 50 of Motor Vehicle Act, 1988, the Registering Authority may require the transferor or the transferee

to pay a sum not exceeding one hundred rupee in lieu of any action that may be taken against them under Section 177 of Motor Vehicle Act. Further as per Sub-Clause (4) of Section 50 of Motor Vehicle Act, if the transferor or transferee pays the said amount of Rs.100/- then no action will be taken by the Registering Authority under Section 177 of Motor Vehicle Act against the transferor or the transferee.

24. In the present case, it is significant to note that the vehicle was already registered in the name of transferor, namely, Mr. Kunal Sardana. Further, on the basis of documents produced by the respondent, the appellant issued the insurance policy on 08.07.2013 in favour of respondent. In these circumstances, we are of the considered view that the appellant has not able to prove as to how the respondent was not having the insurable interest in the vehicle on the date of theft.

25. Further, we are of the considered view that if the respondent had violated the provisions of Section 50 of Motor Vehicle Act, 1988 as alleged by the appellant, the respondent was liable to be prosecuted under Section 177 of Motor Vehicle Act only. We are of the considered view that once the insurance policy was issued by the appellant in favour of the respondent then the appellant was liable to pay the amount to the respondent as per insurance policy and it was not fair on the part of insurance company to repudiate the claim of respondent on technical ground.

26. At this stage, we would also like to refer the judgment of **Hon'ble Supreme Court** in **Oriental Insurance Co. Ltd. vs M/S Ozma Shipping Company & Anr Civil**

appeal no.6289 of 2001 decided on **25.08.2009**, wherein it was inter-alia held as under:

> *"The insurance companies in genuine and bona fide claims of the insured, should not adopt the attitude of avoiding payments on one pretext or the other. This attitude avoiding puts a serious question mark on their credibility and trustworthiness of the insurance companies. Incidentally, by adopting honest approach and attitude, the insurance companies would be able to save enormous litigation costs and the interest liability."*

27. Keeping in view the facts and circumstances of the case, we are of the considered view that the provisions of Motor Vehicle Act, 1988 do not come in any way to entitle the appellant to repudiate the claim even when it had already insured the vehicle in the name of the respondent and had also received premium towards it.

28. Consequently, we are of the considered view that there is no infirmity and illegality in the impugned order passed by the Ld. District Forum.

29. Accordingly, the appeal filed by the appellant is hereby **dismissed**.

30. In the facts and circumstances of the case, the parties shall bear their own costs.

31. Applications pending, if any, stand disposed of in terms of the aforesaid judgment.

32. A copy of this judgment be provided to all the parties free of cost as mandated by the Consumer Protection Act, 1986. The judgment be uploaded forthwith on the website of the commission for the perusal of the parties.

33. Appeal file be consigned to record room along with a copy of this Judgment.

34. Trial court record received, if any, be sent back along with copy of this Judgment.

(JUSTICE SANGITA DHINGRA SEHGAL)
PRESIDENT

(BIMLA KUMARI)
MEMBER (FEMALE)

Pronounced On : 23.09.2026.