

HIGH COURT OF JAMMU & KASHMIR AND LADAKH AT JAMMU

MA No. 138/2008

Date of pronouncement: 21.08.2026.

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Mangat Ram S/o Sh. Ram Krishan
R/o House No. 205, Ward No. 10,
Gandhi Nagar, Mandi Govind Garh,
District Fateh Garh Sahib, Punjab at present.

.....Appellant(s)/Petitioner(s)

Through :- Mr. Anuj Dewan Raina, Advocate.

v/s

01. Surjeet Kour Wd/o S. Nanak Singh.
02. Gurdeep Kour (minor).
03. Manjeet Kour(minor).
(Respondent Nos. 2&3 both daughters of late Sh. Nanak Singh).
04. Ranjit Singh (minor) S/o Late Sh. Nanak Singh.
(Respondents Nos. 2 to 4 minors through their mother Surjeet Kour)
All residents of Village Raka Lubana Tehsil & District Samba.
05. Joginder Singh S/o Sh. Pritam Singh,
R/o Village Khanyar Tehsil & P/S Amlah
District Fateh Garh Sahib, Punjab.
06. (a) Khushu W/o Late Surinder Pal
R/o Village Ambey Majna near Rudhra Furnace,
Fatehgarh Sahib Tehsil Amlah, Punjab (Wife).

(b) Buta Singh S/o Surinder Singh
R/o Village Ambey Majna near Rudhra Furnace,
Fatehgarh Sahib, Tehsil Amlah, Punjab (Son).
(Respondent Nos. 6(a) & 6(b) are the legal
representatives of deceased respondent No. 6-
Surinder Pal)

.....Respondent(s)

Through :- Mr. Vijay Gupta, Advocate.

CORAM: HON'BLE MR. JUSTICE SANJAY PARIHAR, JUDGE

ORDER
21.08.2026

01. The short question that arises for consideration in the present appeal is whether the Motor Accident Claims Tribunal, Jammu (hereinafter referred to as “the Tribunal”), while passing an award in favour of the claimants on account of the death of Nanak Singh in a motor vehicular accident on 31.12.1999, was justified in fastening the liability to satisfy the award upon the appellant, who was allegedly in possession and control of the offending vehicle at the time of the accident, instead of upon the person in whose name the vehicle stood registered.
02. Briefly stated, the claimants, being the widow, minor daughters and son of the deceased, filed a claim petition seeking compensation on account of the death of Nanak Singh in a motor vehicular accident that occurred on 31.12.1999. On the fateful day, the deceased was travelling in a J&K SRTC bus bearing Registration No. JK02Y-0205. The said bus was hit by the offending truck bearing Registration No. HR-29A-8038, which, according to the claimants, was being driven rashly and negligently while attempting to overtake the bus. As a consequence of the collision, the deceased sustained injuries which ultimately proved fatal, giving rise to the claim petition before the Tribunal.

03. According to the claimants, the offending vehicle, at the relevant point of time, stood registered in the name of respondent No. 2, Surinder Pal. He, however, failed to appear and contest the claim petition and was, accordingly, proceeded *ex parte*. The present appellant, Mangat Ram, was also arrayed as respondent No. 3 before the Tribunal on the ground that he was in possession and control of the offending vehicle and was using the same at the time of the accident. The Tribunal returned a finding that although Surinder Pal continued to be reflected as the registered owner of the offending vehicle in the records of the Registering Authority, the material brought on record established that the vehicle had been purchased by the present appellant prior to the accident resulting in the death of Nanak Singh. The Tribunal further found that, pursuant to an agreement to sell, possession and control of the offending vehicle had been delivered to the appellant.
04. On the basis of the aforesaid findings, the Tribunal concluded that the appellant had acquired possession of the offending vehicle through a lawful transaction and, having possession and effective control thereof, was liable to be treated as its owner notwithstanding the fact that the vehicle had not been formally transferred in his name in the records of the Registering Authority. In arriving at the said conclusion, the Tribunal appears to have placed reliance upon AIR 2007 Gauhati 65, and AIR 1989 Delhi 88 (FB). Accordingly, the Tribunal fastened the liability to satisfy the award of Rs.3,95,800/- upon the present appellant.

05. Aggrieved of the award dated 20.11.2007, the appellant has preferred the present appeal. During the pendency of the appeal, this Court directed the appellant to deposit 50% of the awarded amount with the Registry within a period of three weeks. As per the report of the Registry, an amount of Rs.1,72,900/- stood deposited pursuant to the said direction.
06. The specific case set up by the appellant is that the impugned award, insofar as it fastens liability upon him, is legally unsustainable and perverse. According to the appellant, he came to be impleaded as a party to the claim proceedings merely on the basis of an application allegedly filed by him seeking release of the offending vehicle. It is further contended that the Tribunal failed to determine the question of ownership of the offending vehicle in accordance with law. The finding recorded by the Tribunal treating the appellant as the owner is assailed as perverse and unsupported by legally admissible evidence. According to the appellant, he had no legal nexus with the offending vehicle so as to render him liable for satisfaction of the award. It is further urged that, having regard to the controversy between the parties, it was incumbent upon the Tribunal to frame a specific issue with respect to the ownership of the offending vehicle and to return a finding thereon on the basis of the evidence led by the parties. In the absence of such an exercise, it is contended, the liability could not legally have been fastened upon the appellant.
07. The appellant has specifically denied being the owner of the offending vehicle. In support of his contention, reliance has been placed upon the judgments of the Supreme Court in *Surendra Kumar Bhilawe v. New*

India Assurance Company Limited, (2020) 18 SCC 224; *Prakash Chand Daga v. Saveta Sharma & Ors.*, (2019) 2 SCC 747; and *Naveen Kumar v. Vijay Kumar & Ors.*, (2018) 3 SCC 1. On the strength of the aforesaid judgments, it is argued that, for the purposes of the Motor Vehicles Act, 1988, the person in whose name the motor vehicle continues to stand registered in the records of the Registering Authority is to be treated as its “owner”. Consequently, even where the registered owner has purported to sell or transfer the vehicle, but the transfer has not been recorded with the Registering Authority and the transferor continues to be reflected as the registered owner, he does not stand absolved of his liability towards third-party claims merely on account of such purported transfer. It is, accordingly, contended that the Tribunal erred in fastening liability upon the appellant merely on the basis of his alleged possession and control over the offending vehicle and that the judgments relied upon by the Tribunal cannot prevail over the authoritative pronouncements of the Supreme Court governing the field.

08. *Per contra*, learned counsel appearing for the respondents/claimants has vehemently supported the impugned award and submitted that the findings recorded by the Tribunal are based upon the evidence available on record. It is contended that the material before the Tribunal sufficiently established that the appellant had purchased the offending vehicle from its registered owner and was in possession and control thereof at the relevant time. Learned counsel further submitted that, while seeking release of truck bearing Registration No. HR-29A-8038, the appellant had himself

admitted, on the strength of an affidavit, that he had purchased the truck on 09.07.1999 and had undertaken to produce the vehicle as and when directed by the competent court. It is, therefore, contended that the appellant cannot now resile from his own admission and deny his relationship with, possession of, or control over the offending vehicle. Learned counsel for the respondents, however, fairly conceded that, as per the certificate of registration and the records maintained by the Registering Authority, the offending vehicle continued to stand registered in the name of Surinder Pal, respondent No. 6.

09. Heard learned counsel for the parties and perused the record. There is no dispute on the factual position that, on the date of the accident, i.e. 31.12.1999, the offending vehicle stood registered in the name of Surinder Pal, respondent No. 6. The Tribunal, however, proceeded to hold the appellant, Mangat Ram, liable to satisfy the award on the premise that he had purchased the offending vehicle prior to the accident and was in possession and effective control thereof pursuant to an agreement to sell. The Tribunal, while returning such finding, observed as under:

“It appears that the order of release of the offending vehicle had been passed with regard to FIR No. 170 dated 31.12.1999 of Police Station, Payal in case, titled, “State Vs. Joginder Singh attested by learned Judicial Magistrate Ist Class, Ludhiana on 14.10.2006. Efforts of respondent No. 3 to summon the registering authority Balabgarh did not materialize due to transfer of functions of the registering authority to RTO Faridabad. However, there is no controversy that Surinder Pal continues to be recorded as registered owner

of the offending vehicle. From documents relied upon by petitioners it is established that the offending vehicle had been purchased by respondent No. 3 well before the fatal accident leading to death of deceased Nanak Singh and said respondent was having possession and control on the offending vehicle pursuant to the Agreement of Sale. It is established that possession of the offending vehicle has been acquired by respondent No. 3 Mangat Ram through a lawful mode and on the basis of such possession and control he is deemed to be the owner of the offending vehicle notwithstanding the fact that the vehicle has not been transferred in his name in the record of registering authority. I am fortified in my approach by the law laid down in AIR 2007 Guwahati 65 and AIR 1989 Delhi 88 (FB). Thus, respondent Mangat Ram is liable to pay compensation to petitioners in his capacity as owner of offending truck”.

10. In the backdrop of the aforesaid finding, the principal question that falls for consideration is whether the liability to satisfy an award arising out of a third-party claim could have been fastened upon the appellant merely because possession and control of the offending vehicle had allegedly been transferred to him, when admittedly the vehicle continued to stand registered in the name of Surinder Pal in the records of the Registering Authority.
11. The Tribunal placed reliance upon AIR 2007 Gauhati 65. The said authority, however, arose in a materially different factual setting involving a hire-purchase arrangement. In that case, possession of the vehicle was traceable to a hire-purchase agreement and the question of ownership was, therefore, examined in the context of the specific statutory

definition contained in Section 2(30) of the Motor Vehicles Act, 1988, which expressly takes within its fold, in appropriate cases, a person in possession of a motor vehicle under a hire-purchase agreement, an agreement of lease or an agreement of hypothecation. The controversy in *supra* was, thus, intrinsically connected with the existence and effect of a hire-purchase arrangement. The factual and legal foundation of that decision being materially different from the case at hand, where the appellant claims to be merely an alleged purchaser under an agreement to sell without corresponding transfer in the registration record, the said judgment could not have been applied by the Tribunal to determine the liability in the present case.

12. The Tribunal also relied upon the Full Bench judgment of the Delhi High Court in AIR 1989 Delhi 88 (FB). In that case, the sale of the vehicle had been completed prior to the accident, the consideration had been paid and possession delivered. The controversy also involved the effect of transfer of the vehicle upon the subsisting contract of insurance. Significantly, the said judgment was rendered in the context of the Motor Vehicles Act, 1939. The present controversy, on the other hand, is governed by the Motor Vehicles Act, 1988 and, more particularly, by the statutory definition of “owner” contained in Section 2(30) thereof. The liability in the present case must, therefore, be determined in the light of the statutory regime under the 1988 Act and the law subsequently declared by the Supreme Court.

13. The legal position under the Motor Vehicles Act, 1988 stands authoritatively settled by the Supreme Court in *Naveen Kumar v. Vijay Kumar & Ors.*, (2018) 3 SCC 1. The Supreme Court, while interpreting Section 2(30) of the Act, held that where a person is a registered owner of a motor vehicle, that person is to be treated as the “owner” for the purposes of the Act. A person whose name continues to be reflected in the records of the Registering Authority cannot escape the statutory consequences flowing from such registration merely by asserting that the vehicle had been sold and possession thereof delivered to another person. The principle assumes particular significance in third-party claims. A victim of a motor vehicular accident, or his legal representatives, cannot reasonably be expected to trace successive private transactions or unregistered transfers of a motor vehicle in order to ascertain the person upon whom liability is to be fastened. Certainty in this regard is achieved by fastening statutory responsibility upon the person whose name is reflected as the registered owner in the records maintained under the Act.
14. The aforesaid principle was reiterated by the Supreme Court in *Prakash Chand Daga v. Savita Sharma & Ors.*, (2019) 2 SCC 747. The fact that possession of a vehicle has been delivered pursuant to a private transaction does not, by itself, absolve the person who continues to be reflected as its registered owner from liability towards a third party when the statutory record has not been altered in accordance with law. Reference may also be made to *Surendra Kumar Bhilawe v. New India Assurance Company Limited*, (2020) 18 SCC 224, wherein the Supreme

Court again examined the concept of “owner” in the context of Section 2(30) of the Motor Vehicles Act, 1988. The Court recognized the legal significance attaching to the registration of a motor vehicle and held, in the factual context of that case, that a private agreement and delivery of possession would not, without fulfilment of the statutory requirements governing transfer, necessarily displace the status of the person in whose name the vehicle continued to stand registered.

15. Tested on the touchstone of the aforesaid legal position, the reasoning adopted by the Tribunal cannot be sustained. Admittedly, on the date of the accident, the offending vehicle continued to stand registered in the name of Surinder Pal. The appellant's alleged purchase of the vehicle and his possession or control thereof did not result in alteration of the registration record maintained by the competent Registering Authority. The Tribunal, therefore, fell into error in treating the appellant as the “owner” of the offending vehicle merely on the basis of his alleged possession and control and in fastening the entire liability to satisfy the award upon him. The reliance placed upon *supra* was misplaced in view of the statutory scheme of the Motor Vehicles Act, 1988 and the law subsequently declared by the Supreme Court, particularly in *Naveen Kumar*.
16. In the case at hand, it is an admitted position that, as on the date of the accident, the offending vehicle stood registered in the name of Surinder Pal, whereas the appellant was alleged to have subsequently acquired possession thereof pursuant to a private transaction. Mere delivery of

possession, without the transfer being recorded by the Registering Authority in accordance with law, could not, for the purposes of the third-party claim, have the effect of absolving the registered owner of his statutory liability. The fact that the appellant may have sought release of the vehicle and may even have asserted that he had purchased the same would establish, at best, his possession of or interest in the vehicle. Such material, however, could not override the statutory consequence flowing from the fact that Surinder Pal continued to be reflected as the registered owner on the relevant date.

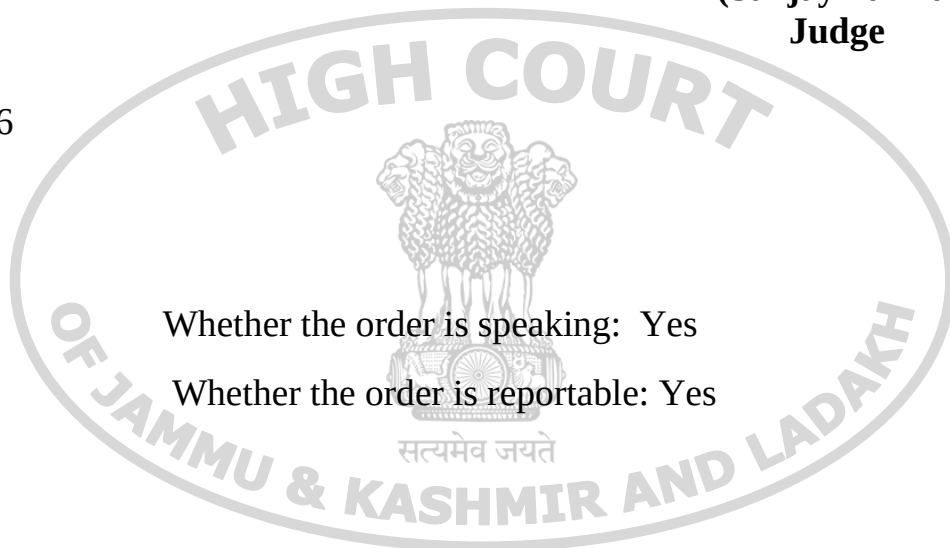
17. During the course of arguments, it was fairly conceded that, pursuant to the interim directions passed by this Court, the appellant deposited 50% of the awarded amount and that the amount so deposited, along with interest, already stands released in favour of the claimants. Thus, insofar as 50% of the awarded compensation is concerned, the same already stands satisfied. The mere fact that possession of the vehicle had allegedly been transferred to the appellant before the accident would not absolve the registered owner of his liability towards a third-party claim. Since Surinder Pal continued to be the registered owner of the offending vehicle on the date of the accident, the Tribunal could not have relieved him of the liability to satisfy the award merely on the ground that possession of the vehicle had been delivered to the appellant.

18. In view of the foregoing discussion, the impugned award calls for modification. Since 50% of the awarded amount, along with interest, already stands deposited by the appellant and released in favour of the

claimants, the remaining 50% of the awarded amount, i.e. Rs.1,97,900/-, together with interest@6% per annum, shall be satisfied by the registered owner, namely, successor-in-interest of deceased regd. Owner namely Surinder Pal, who shall deposit the said amount before the Tribunal within a period of three weeks from today. If not then tribunal shall proceed to recover same by following due process of law. The appeal is, accordingly, allowed to the aforesaid extent and the award passed by the Tribunal stands modified in the manner indicated hereinabove. Record be sent back.

(Sanjay Parihar)
Judge

JAMMU
21.08.2026
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Whether the order is speaking: Yes

Whether the order is reportable: Yes