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**IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**

1. FAO-1520-1993 (O&M)
Date of decision: 08.05.2025

The Oriental Insurance Company Limited

...Appellant

Versus

Renu Gupta (deceased) through her LRs and others

...Respondents

2. FAO-1692-1993 (O&M)
Date of decision: 08.05.2025

Renu Gupta (deceased) through her LRs

...Appellant

Versus

Indian Overseas Bank and others

...Respondents

**CORAM: HON'BLE MR. JUSTICE VIKAS BAHL**

Present: Mr. D.P. Gupta, Advocate for the appellant
(In FAO-1520-1993)
for respondent No.3 (In FAO-1692-1993)

Mr. Neeraj Khanna, Advocate for appellant
(In FAO-1692-1993)
for respondent No.1 (In FAO-1520-1993)

Mr. Saarib Aggarwal, Advocate for respondent No.2-Bank
(In FAO-1520-1993)
for respondent No.1-Bank (In FAO-1692-1993)

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**VIKAS BAHL, J. (ORAL)**

1. By this common order, two FAOs i.e., FAO-1520-1993 and

FAO-1692-1993 shall stand disposed of. FAO-1520-1993 has been filed by the Oriental Insurance Company Limited and FAO-1692-1993 has been filed by Renu Gupta wife of Khem Chand Gupta, who was stated to be the injured. Both the said appeals arise out of the Motor Accident Claims Tribunal No.28 of 01.03.1990 vide which the Motor Accident Claims Tribunal, Chandigarh (hereinafter to be referred as "the Tribunal") had awarded an amount of Rs.85,000/- to the injured-Renu Gupta.

2. Learned counsel for the appellant in FAO No.1520 of 1993 has submitted that the appellant-Insurance Company had insured the car when it was owned by the Indian Overseas Bank and since in the present case, the auction had taken place on 23.06.1989 by virtue of which, the Indian Overseas Bank had sold the car in question in open auction to Gurjit Singh-respondent No.4 and the accident had taken place on 18.12.1989, thus the present appellant-Insurance Company is not liable to pay the compensation, as on the date when the accident had taken place, the entity whose vehicle had been insured by the Insurance Company, was no longer the owner of the vehicle in question. It is submitted that the finding of the Tribunal holding the present appellant to be liable to pay the compensation is illegal and deserves to be set aside and the appellant deserves to be exonerated from its liability. With respect to FAO No.1692 of 1993 filed by Renu Gupta, learned counsel for the Insurance Company has submitted that it is not in dispute that Renu Gupta has died and thus, the question of seeking enhancement on account of injuries suffered by the said Renu Gupta which are personal in nature, by her legal representatives would not arise. It is thus, prayed that the appeal filed by the Insurance Company be allowed and

the appeal filed by the claimant-Renu Gupta be dismissed.

3. Learned counsel for the claimant, on the other hand, has vehemently opposed the appeal filed by the Insurance Company i.e., FAO-1520-1993 and has submitted that as per the judgment of the Hon'ble Supreme Court in the case of ***Naveen Kumar Vs. Vijay Kumar and others,*** reported as (***2018)3 Supreme Court Cases 1***, it has been affirmatively held that the person who is shown to be the registered owner cannot be absolved of his liability and continues to be liable till the time his name is reflected as registered owner in the record of the Registering Authority. It is submitted that in the present case, it is not in dispute that on the date of the accident i.e., on 18.12.1989, the Indian Overseas Bank was the registered owner of the car in question and the same was only subsequently transferred on 05.02.1991, as deposed by RW3 Parveen Kumar, Registering Clerk. It is submitted that thus, on the said point alone, even if factual averments as highlighted by learned counsel for the appellant are taken to be true on their face value, then also, the appeal filed by the Insurance Company deserves to be dismissed.

4. With respect to the appeal filed by the injured Renu Gupta, learned counsel for the claimant could not dispute the argument raised on behalf of learned counsel for the Insurance Company and also could not dispute the fact that the said Renu Gupta has already died. Learned counsel for the claimant has however, submitted that the legal representatives of the said Renu Gupta have been pursuing the case and that the said Renu Gupta had filed an appeal in the year 1993 and thus, some amount on account of litigation expenses be paid. It is submitted that had Renu Gupta been alive,

the Insurance Company would have been liable to pay some amount and thus, in view of the said facts and circumstances, the amount as deemed appropriate by this Court be paid as litigation expenses to the LRs of said Renu Gupta. It is further submitted that once the Indian Overseas Bank is held to be liable, then, the Insurance Company, which had insured the offending car at the time when it was under the ownership of Indian Overseas Bank, would be liable to make the payment.

5. This Court has heard learned counsel for the parties and has perused the paper-book and is of the opinion that FAO-1520-1993 filed by the Insurance Company deserves to be dismissed and in FAO-1692-1993 filed by the injured which is now being pursued by her legal representatives, an amount of Rs.25,000/- deserves to be awarded on account of litigation expenses for the reasons stated hereinafter.

6. The Hon'ble Supreme Court in the case of ***Naveen Kumar*** (Supra), after taking into consideration the definition of the expression "owner" in Section 2(30) of the Motor Vehicles Act, 1988, had observed that it is the person in whose name the motor vehicle stands registered who, for the purpose of the Act, would be treated as the "owner". It was further observed that in case where the registered owner has purported to transfer the vehicle but he continues to be recorded as owner in the records of the Registering Authority then he would not stand absolved of his liability and that the principle underlying the said provision is that the victim of a motor accident or in the case of a death, the legal heirs of the deceased victim should not be left in a state of uncertainty. It was further observed that a claimant for compensation ought not to be burdened with following a trail

of successive transfers, which are not registered with the Registering Authority. Relevant portion of the said judgment is reproduced hereinbelow:-

> *"13. The consistent thread of reasoning which emerges from the above decisions is that* ***in view of the definition of the expression 'owner' in Section 2(30), it is the person in whose name the motor vehicle stands registered who, for the purposes of the Act, would be treated as the 'owner'****. However, where a person is a minor, the guardian of the minor would be treated as the owner. Where a motor vehicle is subject to an agreement of hire purchase, lease or hypothecation, the person in possession of the vehicle under that agreement is treated as the owner.* ***In a situation such as the present where the registered owner has purported to transfer the vehicle but continues to be reflected in the records of the Registering Authority as the owner of the vehicle, he would not stand absolved of liability. Parliament has consciously introduced the definition of the expression 'owner' in Section 2(30), making a departure from the provisions of Section 2(19) in the earlier 1939 Act. The principle underlying the provisions of Section 2(30) is that the victim of a motor accident or, in the case of a death, the legal heirs of the deceased victim should not be left in a state of uncertainty. A claimant for compensation ought not to be burdened with following a trail of successive transfers, which are not registered with the Registering Authority. To hold otherwise would be to defeat the salutary object and purpose of the Act.*** *Hence, the interpretation to be placed must facilitate the fulfilment of the object of the law. In the present case, the first respondent was the 'owner' of the vehicle involved in the accident within the meaning of Section 2(30). The liability to pay compensation stands fastened upon him.*

> *Admittedly, the vehicle was uninsured. The High Court has proceeded upon a misconstruction of the judgments of this Court in Reshma and Purnya Kala Devi.*
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> *14. The submission of the petitioner is that a failure to intimate the transfer will only result in a fine under Section 50(3) but will not invalidate the transfer of the vehicle. In T. V. Jose, this Court observed that there can be transfer of title by payment of consideration and delivery of the car.* ***But for the purposes of the Act, the person whose name is reflected in the records of the Registering Authority is the owner.*** *The owner within the meaning of Section 2(30) is liable to compensate. The mandate of the law must be fulfilled."*

7. In the present case, it is not in dispute that on the date when the accident took place i.e., on 18.12.1989, it was the Indian Overseas Bank who was the registered owner of the car in question and the Insurance Company had issued the Insurance Policy to the Indian Overseas Bank for the insurance of the car in question. The transfer of the car from the Indian Overseas Bank to Gurjit Singh-respondent No.4 by the Registering Authority was done on 05.02.1991. Moreover, admittedly the present case is not a case of hire purchase, lease or hypothecation, thus, the law laid down by the Hon'ble Supreme Court applies on all fours in the present case and the appellant-Insurance Company cannot be absolved of its liability and accordingly, the appeal filed by the Insurance Company i.e. FAO No.1520 of 1993 is meritless and deserves to be dismissed and is accordingly dismissed.

8. With respect to the appeal filed by the claimant-Renu Gupta, it would be relevant to note that the arguments raised on behalf of the

Insurance Company on the aspect of the injured having died and that the legal representatives do not have any right to seek enhancement, could not be refuted by the learned counsel for the claimant. However, it could also not be disputed that the said Renu Gupta had been litigating since 1990 and had filed the present appeal in 1993 and after her death, her legal representatives have been pursuing her case and are also defending the case filed by the Insurance Company and thus, in the said facts and circumstances, this Court is of the opinion that the litigation expenses to the amount of Rs.25,000/- should be paid to the legal representatives of the claimant. Accordingly, FAO No.1692 of 1993 is disposed of with direction to the Oriental Insurance Company Limited to deposit an amount of Rs.25,000/- with the Tribunal within a period of six weeks from today and the Tribunal would release the said amount to the surviving legal representatives of the said Renu Gupta.

9. All the pending miscellaneous applications, if any, shall stand disposed of in view of the abovesaid order.

**08.05.2025** **(VIKAS BAHL)**
*Pawan* **JUDGE**

**Whether speaking/reasoned:-** **Yes/No**

**Whether reportable:-** **Yes/No**