



FAO-1834-2024(O&M)

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

(108)

FAO-1834-2024(O&M)
Reserved on : 09.12.2025
Pronounced on: 11.12.2025
Uploaded on: 11.12.2025

Shawinder Pal Singh@ Shivinderpal Singh**... Appellant****Versus****Rajvir Kaur And Others****... Respondents****CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL**

Present:- Mr. Harsh Aggarwal, Advocate
for the appellants.

Mr. J.K.Singla, Advocate
Mr. Shivani Singla, Advocate
Mr. Suman Rani, Advocate
for respondent No.1 to 4.

Mr. Kashitiz Goel, Advocate
for respondent No.6.

VIRINDER AGGARWAL, J.

1. The present appeal has been filed by the appellant-respondent no.3 (registered owner of the offending vehicle) assailing the award dated 08.01.2024 passed by the Motor Accident Claims Tribunal, Mansa, whereby compensation of Rs.21,91,200/- has been awarded in favour of the claimants and the liability to satisfy the award has been fastened jointly and severally upon the respondent no.5(driver), respondent no.6 and the appellant as the registered owner. The challenge in this appeal is confined only to the aspect of liability of the owner and quantum of compensation. The findings of the learned Tribunal on negligence are not under challenge before this Court.

BACKGROUND FACTS

2. The claim petition was instituted by the legal representatives of deceased Sukhcharan Singh under Section 166 of the Motor Vehicles Act seeking compensation on account of his death in a motor vehicular accident on 17.10.2020 involving Skoda Fabia car bearing registration No. PB-03R-6633. During the proceedings, it came on record that the said vehicle continued to stand registered in the name of the present appellant. Upon such disclosure, the appellant was impleaded as respondent no.3 before the learned Tribunal on 20.07.2022. The appellant, upon appearance, pleaded that he had already sold the vehicle in the August 2018 to respondent no.6 (Gurjant Singh) and had no control, dominion or possession over the vehicle at the time of accident.

3. The learned Tribunal, after examining the material on record, held that the Registration Certificate of the offending vehicle continued in the name of the appellant on the date of accident and no statutory transfer under Section 50 of the Motor Vehicles Act had been effected. The learned Tribunal observed that the purchaser (respondent no.6), though admitting purchase in his written statement, did not step into the witness box to prove the alleged purchase or to prove the affidavit relied upon by the appellant. It was further held that the documents relied upon by the appellant, namely the affidavit dated 09.08.2018 purportedly of the purchaser (respondent no.6) and the intimation letter dated 12.10.2018 addressed to the Licensing Authority, were insufficient to establish transfer of ownership in the eyes of law. Placing reliance on the ***Naveen Kumar v. Vijay Kumar, 2018 (2) RCR(Civil) 74*** settled principle that the person in whose name the vehicle stands registered on the date of accident is to be treated as the owner for the purposes of the Motor Vehicle Act, Thus, the learned

Tribunal held the appellant, respondent no. 5 (driver) and respondent no.6 (actual owner) liable to satisfy the award.

CONTENTIONS

4. Learned counsel for the appellant contends that the learned Tribunal erred in fastening liability on the appellant despite ample material showing that the vehicle had been sold nearly two years prior to the accident. It is urged that the appellant had executed the transfer documents in favour of respondent no.6, had handed over possession, and had even intimated the Licensing Authority regarding the transfer. It is argued that the appellant had completely divested himself of ownership, possession and control, and once the admitted purchaser-actual owner (respondent no.6) failed to seek transfer of the vehicle in the statutory record, the appellant cannot be saddled with liability. Learned Counsel submits that the learned Tribunal mechanically relied on the RC entry without considering the real, substantive ownership and long lapse of time between sale and accident. It is further submitted that fastening liability on a person who had no nexus whatsoever with the vehicle at the relevant time is contrary to equity, fairness and the object of the Act, besides that he contented that the quantum of compensation assessed by the learned Tribunal is on the higher side and warrants appropriate reduction.

5. Learned counsel appearing for respondents no.1 to 4 submits that the claimants are satisfied with the compensation awarded by the learned Tribunal and they have no grievance on that account. However, learned counsel submits that the learned Tribunal has correctly applied the law relating to liability of the registered owner and the award does not call for interference on this aspect.

6. Learned counsel for respondent No.6 has opposed the submissions advanced on behalf of the appellant and supported the impugned award. It is

contended that the appellant admittedly did not intimate the registering authority within the statutory time as required under the Motor Vehicles Act and, therefore, he continued to remain the owner of the vehicle on the date of accident in terms of principle laid in *Naveen Kumar v. Vijay Kumar (Supra)*. He further maintains that respondent No.6 had already sold the vehicle to respondent No.5, who was himself the driver of the offending vehicle at the relevant time and was, therefore, the person actually in control and responsible for the accident. Consequently, it is argued that respondent No.6 cannot be saddled with liability and that the burden must remain upon the appellant, being the registered owner, and upon respondent No.5, being the driver and the person in possession of the vehicle at the time of accident.

OBSERVATIONS AND FINDINGS

7. I have heard learned counsel for the parties at length and have carefully gone through the record. Insofar as the finding of the learned Tribunal on the aspect of negligence is concerned, the same is not under challenge before this Court. Likewise, the compensation awarded by the learned Tribunal appears to be just and fair and in consonance with the settled principles of law and does not call for any interference in the present appeal. Therefore, the scope of controversy is only confined to the limited question of fastening liability upon the appellant solely on account of the Registration Certificate continuing to stand in his name on the date of accident.

8. In this regard, the present case essentially turns upon the following aspects, which this Court proceeds to examine hereinafter under appropriate heads:

(i) The Factum Of Sale and Ownership

9. At the outset, it is apposite to refer to **Section 2(30) of the Motor Vehicles Act, 1988**, which defines the term “owner” as under:

“2(30) “owner” means a person in whose name a motor vehicle stands registered, and where such person is a minor, the guardian of such minor, and in relation to a motor vehicle which is the subject of a hire-purchase, agreement, or an agreement of lease or an agreement of hypothecation, the person in possession of the vehicle under that agreement;

Thus, while ordinarily the registered owner is treated as the owner, the statutory definition also contemplates situations where legal or beneficial possession stands transferred under a recognised legal arrangement.

10. In the present case, it is not in dispute that the appellant had transferred the vehicle to respondent No.6 in the 09.08.2018 i.e. more than two years prior to the accident. The purchaser/actual owner (respondent no.6) himself in his written statement (**Annexure A-1**) submitted on 09.03.2021, and in interim order dated 20.07.2022 (**Annexure A-2**) has admitted the purchase of car by him from appellant. Further, respondent No.6 also appeared in the witness box and proved on record the affidavit dated 09.08.2018 (**Annexure A-4**) in support of the sale executed by him.

11. Moreover, it is also of considerable relevance that the appellant was impleaded as a party to the claim petition only much later on 20.07.2022, whereas even prior to such impleadment, respondent No.6, in his original written statement (**Annexure A-1**) submitted on 09.03.2021, had already

admitted that he had purchased the vehicle from the appellant nearly two years before the accident in August 2018. Thus, the foundational fact showing transfer of the vehicle stood placed on record at the instance of respondent No.6 himself. The belated impleadment of the appellant, after respondent No.6 had unequivocally owned the transfer, further fortifies the genuineness of the original transaction and rules out any possibility of the same being set up as a device after the accident.

(ii) Statutory Intimation

12. Equally, the statutory scheme under Section 50 of Motor Vehicle Act, 1988 requires that upon transfer of a motor vehicle, the transferor shall intimate the registering authority in the prescribed manner. The relevant portion of the Section 50 is reproduced 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

(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) xxxx

(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.(emphasis added)”

In the present case, it is not disputed that the appellant has placed on record an affidavit dated 09.08.2018 (**Annexure A-4**) of the transferee (respondent no.6) acknowledging the purchase of Skoda Car bearing registration no. PB-03-R-6633, and an intimation letter dated 12.10.2018 (**Annexure A-5**) addressed to the Licensing Authority i.e. The Regional Transport Officer, Bathinda. The appellant thereby performed the obligation cast upon him,

though after about two months of sale. However, once such intimation was issued, it was incumbent either upon the transferee (respondent no.6) to complete the further formalities under the Act and the Rules, or upon the registering authority to take consequential action. Their omission cannot be used to saddle the appellant with a liability he had already divested by executing a lawful transfer and by notifying the authority in writing. Therefore, the material on record sufficiently indicates that the appellant had taken steps to notify transfer and had ceased to have any nexus with the offending vehicle, and the statutory obligation thereafter lay upon the transferee to complete the transfer in the prescribed manner.

(iii) Applicability Of The Principle Laid Down In Naveen Kumar's Case.

13. Further, the reliance placed by the learned Tribunal and respondent no.6 on the judgment of the Hon'ble Supreme Court in *Naveen Kumar v. Vijay Kumar(Supra)* appears to be somewhat mechanical. The underlying object behind the said ruling was to curb situations where mischievous private arrangements are set up after an accident so as to defeat the rights of the victim or the insurer, and where parties act in collusion to avoid liability. In the present case, the transfer is shown to have taken place **two years prior** to the accident and not as an afterthought. The appellant has produced contemporaneous documents and correspondence predating the accident by a considerable margin, and respondent no.6 himself admitted the purchase in his pleading and furthermore registration authority was also intimated as required under Section 50(1) of Motor vehicle Act,1988. In such circumstances, there is no possibility of creation of documents post accident. Thus, the rationale behind the rule in *Naveen Kumar(Supra)*, namely, to prevent post-accident manipulation, does

not arise in the present factual matrix because this is not a case of a last-minute transfer or a device to defeat compensation.

14. On the other hand, the plea of respondent No.6 that he had further sold the vehicle to respondent No.5 merely two days prior to the accident does not inspire confidence. In comparison, the appellant had transferred the vehicle much prior to the accident, whereas the alleged subsequent sale pleaded by respondent No.6 was without any intimation to the Registering Authority and is claimed to have taken place only two days before the accident. Thus, respondent No. 6 cannot, by setting up such a version, claim absolution from liability. The victim should not be placed in a situation of uncertainty by permitting shifting versions or belated transfers. The facts and circumstances on record clearly apprehend respondent No.6 as the **owner** in possession and control of the offending vehicle, even though he and the authorities failed to complete the formalities of transfer of registration, despite the appellant having already intimated the authorities in accordance with law. It was respondent No.6 who was at fault in the first instance by not effecting transfer of registration after purchase from the appellant and, thereafter, by not sending any intimation of the alleged sale to respondent No.1 (driver).

15. In view of the above discussion and the material placed on record, this Court is of the considered view that fastening liability solely on the basis of a technical entry in the Registration Certificate, despite clear, independent and contemporaneous material demonstrating complete divestment much prior to the accident, would amount to penalising a person who had no role, control or effective ownership at the relevant time. In the given factual matrix, the principle attaching liability to the registered owner cannot be applied

mechanically by ignoring the actual and real ownership. Once the transferee himself admits ownership and was in undisputed possession, the liability ought to be fastened upon the person having control and beneficial use of the vehicle.

16. Resultantly, the appeal is accordingly **allowed** to the extent of exonerating the appellant from any liability to satisfy the award. Respondent No.6, being the admitted owner and in possession of the offending vehicle at the relevant time, shall be solely liable to satisfy the award amount along with interest as determined by the learned Tribunal. In case the appellant has already paid any amount towards the award, he shall be entitled to recover the same from respondent No.6 in accordance with law. The liability of respondent Nos.5 and 6 to satisfy the award would, however, remain joint and several.

17. Since the main case has been decided, pending miscellaneous application(s), if any, stands also disposed of.

11.12.2025
Saurav Pathania

(VIRINDER AGGARWAL)
JUDGE

<i>Whether reasoned / speaking?</i>	<i>Yes / No</i>
<i>Whether reportable?</i>	<i>Yes / No</i>