IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

205 LPA-67-2017 (O&M)
Date of decision: 13.10.2025

Ranjeet Singh

...Appellant

Versus

Permanent Lok Adalat, Public Utility Services, Sirsa and others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI
HON'BLE MR. JUSTICE VIKAS SURI

Present: Mr. S.S. Brar, Advocate for the appellant.

Ms. Anu Pal, Addl. A.G. Haryana.

Mr. Saurabh Savara, Advocate for
Mr. Punit Jain, Advocate for respondent No.2.

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VIKAS SURI, J.

1. This intra-court appeal under clause X of the Letters Patent, assails the judgment dated 20.07.2016 passed by the learned Single Judge, dismissing the writ petition while upholding the order dated 15.02.2016 passed by the Permanent Lok Adalat, Public Utility Services, Sirsa (for short 'PLA (PUS)', whereby the application filed by the appellant under Section 22-C of the Legal Services Authority Act, 1987 (hereinafter referred to as 'the Act of 1987') for settlement of dispute arising from an insurance policy, was dismissed.

2. Succinctly, the appellant had purchased Mahindra & Mahindra Scorpio vehicle on 14.02.2014, which was assigned temporary registration No.HR-99-PM/2744. The vehicle was insured w.e.f.

14.02.2014 to 13.02.2015 by respondent No.2 (TATA AIG General Insurance Company Ltd.).

2.2 The vehicle was partly financed by Mahindra and Mahindra Financial Services Ltd (respondent No.3). After completion of finance paper work, the authorized dealer of the vehicle delivered the possession along with bill on 25.02.2014.

2.3 On the intervening night of 26/27.04.2014, the vehicle was stolen and upon intimation of the theft being given to the police, FIR No.427 dated 05.05.2014 under Section 379 IPC, against unknown person was registered.

2.4 Thereafter, permanent registration No.HR-24P/5756 was assigned to the vehicle and the registration certificate dated 28.04.2014 (Annexure P-2) was issued, which is valid upto 24.02.2029.

2.5 The appellant lodged a claim with the respondent insurance company based on the untraced report given by the police authorities. The insurance claim of the appellant was repudiated by the insurance company on the ground that the terms and conditions of the insurance policy (Annexure P-1) had been violated, inasmuch as during the currency of temporary registration, which was valid only for 30 days, no application for permanent registration of the vehicle had been made; and the incident of theft has taken place after the expiry of the temporary registration certificate and before an application for permanent registration could have been made.

3. The appellant, aggrieved by the repudiation of his insurance claim, filed a petition under Section 22-C of the Act of 1987 for

settlement of dispute arising from the insurance policy (Annexure P-1) and the claim made thereunder, with regard to the reported theft of the vehicle, which led to registration of supra FIR. The PLA (PUS), dismissed the said petition, vide award dated 15.02.2016 (Annexure P-6).

4. Being aggrieved, the appellant invoked jurisdiction by way of civil writ petition under Article 226/227 of the Constitution of India, which was assigned No.CWP-13296-2016.

4.1 The supra writ petition was dismissed by the learned Single Judge vide judgment dated 20.07.2016, while referring to the statutory provisions contained under Sections 39 and 43 of the Motor Vehicles Act, 1988 (for brevity 'MV Act'), and placing reliance upon the decision in ***Narinder Singh vs. New India Assurance Company Ltd. and others,*** **(2014) 9 SCC 324**.

5. Still aggrieved, the appellant has assailed the judgment dated 20.07.2016 through the instant letters patent appeal.

5.1 Upon notice of the appeal, respondent No.2 entered appearance through counsel and has opposed the same, while defending the judgment passed by the learned Single Judge as well as that by the PLA (PUS). Respondent No.1 [PLA (PUS)] is a proforma respondent. The financial institution (respondent No.3) that had issued the loan for the purpose of purchase of the vehicle, was ordered to be struck off from the array of respondents, vide order dated 04.03.2022. Hence, the insurance company (respondent No.2) is the only contesting respondent in the instant appeal.

6. Learned counsel for the appellant submits that the judgment upon which reliance has been placed by PLA (PUS) as well as by the learned Single Judge is not applicable in the present case. It is further submitted that in ***Narinder Singh's case*** (supra), the vehicle was being 'driven' without permanent registration, as contemplated under Section 39 of the MV Act. In the present case, the appellant was not using the said vehicle and it was parked outside his house. Moreover, prior to the theft, the appellant had already got the vehicle inspected from the authority concerned for the requisite certification in Form 20 of the Central Motor Vehicles Rules, 1989 (for short 'the Rules'). Thus, he had only to submit the necessary documentation after paying the requisite late fee for permanent registration, which was done on 28.04.2014. It is further submitted that the vehicle in question has been issued permanent registration certificate valid from 28.04.2014 upto 24.02.2029, in accordance with the statutory provisions and hence, there was no violation of any of the terms of the policy, as such. Reliance is placed on the judgment in ***Reliance General Insurance Company Ltd. vs. Rakesh Kumar and another,*** reported in **2016(2) PLR 594**.

7. Per contra, learned counsel for respondent No.2-insurance company submitted that the vehicle can be driven only after proper registration and in the present case, the vehicle was being used without registration, which is a punishable offence under the MV Act. The application for permanent registration was not made within the validity of the temporary registration and was applied only after its expiry. It is further submitted that in terms of Section 43(2) of the MV Act, as it stood

prior to the amendment made by the Motor Vehicles (Amendment) Act, 2019 (Central Act No. 32 of 2019) w.e.f. 01.04.2021, the temporary registration was valid only for a period not exceeding one month and was not renewable. It is further submitted that in ***Rakesh Kumar's case*** (supra), the judgment rendered by the Hon'ble Apex Court in ***Narinder Singh's case*** (supra) has not been considered. Reliance is placed on ***United India Insurance Company Limited vs. Sushil Kumar Godara,*** **(2021) 14 SCC 519**, wherein the ratio of ***Narinder Singh's case*** (supra) has been applied.

8. We have heard learned counsel for the parties and with their able assistance perused the case file.

9. Indisputably, the appellant policy holder had purchased a new vehicle on 14.02.2014, which had a temporary registration. After completing the necessary formalities, the application for permanent registration was made on 28.04.2014, however, the vehicle in question was stolen from outside the house of the policy holder on the intervening night of 26/27.04.2014. The permanent registration certificate was issued with validity from 28.04.2014 upto 24.02.2029 and was assigned registration number HR-24-P/5756.

9.1 In the present case, the insurable incident took place in 2014 and the provisions of law, as applicable during the said period need to be noticed. For proper appreciation, Sections 39 and 43, as they stood prior to being amended by the Central Act No.32 of 2019, are reproduced hereunder:-

"**39.*Necessity for registration***.—No person shall drive any motor vehicle and no owner of a motor vehicle shall cause or permit the vehicle to be driven in any public place or in any other place unless the vehicle is registered in accordance with this Chapter and the certificate of registration of the vehicle has not been suspended or cancelled and the vehicle carries a registration mark displayed in the prescribed manner:

Provided that nothing in this section shall apply to a motor vehicle in possession of a dealer subject to such conditions as may be prescribed by the Central Government.

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43.*Temporary registration*.—(1) Notwithstanding anything contained in Section 40 the owner of a motor vehicle may apply to any registering authority or other prescribed authority to have the vehicle temporarily registered in the prescribed manner and for the issue in the prescribed manner of a temporary certificate of registration and a temporary registration mark.

(2) A registration made under this section shall be valid only for a period not exceeding one month, and shall not be renewable:

Provided that where a motor vehicle so registered is a chassis to which a body has not been attached and the same is detained in a workshop beyond the said period of one month for being fitted with a body or any unforeseen circumstances beyond the control of the owner, the period may, on payment of such fees, if any, as may be prescribed, be extended by such further period or periods as the registering authority or other prescribed authority, as the case may be, may allow.

(3) In a case where the motor vehicle is held under hire-purchase agreement, lease or hypothecation, the

> registering authority or other prescribed authority shall issue a temporary certificate of registration of such vehicle, which shall incorporate legibly and prominently the full name and address of the person with whom such agreement has been entered into by the owner."

10. A bare perusal of Section 39 shows that no person shall drive a motor vehicle in any public place without a valid registration granted by the registering authority in accordance with the provisions of MV Act. According to the provisions of Section 43, the owner of the vehicle may apply to the registering authority for temporary registration and a temporary registration mark. If such temporary registration is granted by the authority, it shall be valid only for a period not exceeding one month. The proviso to Section 43 further clarifies that the said period may be extended for such further period by the registering authority only if the conditions stipulated therein are satisfied. Section 41 provides the procedure for registration and the relevant provisions thereof are reproduced hereunder for reference:-

> "**41. Registration, how to be made.**—(1) An application by or on behalf of the owner of a motor vehicle for registration shall be in such form and shall be accompanied by such documents, particulars and information and shall be made within such period as may be prescribed by the Central Government:
>
> Provided that where a motor vehicle is jointly owned by more persons than one, the application shall be made by one of them on behalf of all the owners and such applicant shall be deemed to be the owner of the motor vehicle for the purposes of this Act.

> (2) An application referred to in sub-section (1) shall be accompanied by such fee as may be prescribed by the Central Government."
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> ***
>
> "(11) If the owner fails to make an application under sub-section (1), or, as the case may be, under sub-section (8) within the period prescribed, the registering authority may, having regard to the circumstances of the case, require the owner 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 (13):
>
> Provided that action under section 177 shall be taken against the owner where the owner fails to pay the said amount.
>
> (12) Where the owner has paid the amount under sub-section (11), no action shall be taken against him under section 177.
>
> (13) For the purposes of sub-section (11), the State Government may prescribe different amounts having regard to the period of delay on the part of the owner in making an application under sub-section (1) or sub-section (8)."

11. The only issue arising for consideration is whether the PLA (PUS) and the learned Single Judge were correct in holding that the appellant is not entitled to claim compensation for damages in respect of the theft of the vehicle, which was parked outside the appellant's house on the ground that on the date of the theft, the vehicle did not have a valid registration as contemplated under the provisions of Sections 39 and 43 of the MV Act.

12. The facts are not in dispute. Concededly, the vehicle was insured for the period from 14.02.2014 to 13.02.2015. The new vehicle

was assigned a temporary registration certificate and a temporary registration mark. Upon the appellant applying for permanent registration, the same was accepted and a permanent registration mark was assigned to the said vehicle. A copy of the registration certificate has been placed on record as Annexure P-2, which shows that the same is valid from 28.04.2014 to 24.02.2029 and was issued on 28.04.2014, i.e. the very next day after the theft.

13. Learned counsel for the appellant has strenuously contended that the vehicle was not being 'driven'; and pending permanent registration, was parked outside the appellant's house from where it was stolen. It is argued that Section 39 of the MV Act casts restrictions only on driving a vehicle unless it is duly registered. A vehicle, which is not being used and is merely parked cannot be deemed to have contravened the statutory provisions contained under Section 39 of the Act *ibid*. It is further contended that the Lok Adalat and the learned Single Judge has not correctly appreciated the judgment rendered by the Hon'ble Supreme Court in ***Narinder Singh's case*** (supra).

14. In ***Narinder Singh's case*** (supra), the claim was in the context of an accident, involving a vehicle, the temporary registration of which had expired. It was held by the Hon'ble Apex Court that the insurer was not liable and in that context, observed as under:-

> "**9.** We have perused the order passed by the three forums. The only issue for consideration is, as to whether the National Commission is correct in law in holding that the appellant is not entitled to claim compensation for damage in respect of the vehicle when admittedly the vehicle was being driven on the date of accident without any

> valid registration as contemplated under the provisions of Section 39 and Section 43 of the Motor Vehicles Act."
>
> "**12.** Indisputably, a temporary registration was granted in respect of the vehicle in question, which had expired on 11-1-2006 and the alleged accident took place on 2-2-2006 when the vehicle was without any registration. <u>Nothing has been brought on record by the appellant to show that before or after 11-1-2006, when the period of temporary registration expired, the appellant, owner of the vehicle, either applied for permanent registration as contemplated under Section 39 of the Act</u> <u>or</u> <u>made any application for extension of period as temporary registration on the ground of some special reasons</u>. In our view, therefore, <u>using a vehicle on the public road without any registration</u> is not only an offence punishable under Section 192 of the Motor Vehicles Act but also <u>a fundamental breach of the terms and conditions of policy contract</u>."

15. In ***Sushil Kumar Godara*** (supra)**,** the claim was in the context of theft of a vehicle, the temporary registration of which had expired, from a place in a different city, to where it had been driven. Applying the ratio of ***Narinder Singh's case*** (supra), their Lordships of the Hon'ble Supreme Court held as under:-

> "**14.** In the present case, the temporary registration of the respondent's vehicle had expired on 28-7-2011. Not only was the vehicle driven, but also taken to another city, where it was stationed overnight in a place other than the respondent's premises. There is nothing on record to suggest that the respondent had applied for registration or that he was awaiting registration. In these circumstances, the ratio of ***Narinder Singh*** [(2014) 9 SCC 324] applies, in the opinion of this Court. That ***Narinder Singh*** [(2014) 9 SCC 324] was in the context of an accident, is immaterial. <u>Despite this, the respondent plied his vehicle and took it to</u>

> Jodhpur, where the theft took place. It is of no consequence, that the car was not plying on the road, when it was stolen; the material fact is that concededly, it was driven to the place from where it was stolen, after the expiry of temporary registration. But for its theft, the respondent would have driven back the vehicle. What is important is this Court's opinion of the law, that when an insurable incident that potentially results in liability occurs, there should be no fundamental breach of the conditions contained in the contract of insurance. Therefore, on the date of theft, the vehicle had been driven/used without a valid registration, amounting to a clear violation of Sections 39 and 192 of the Motor Vehicles Act, 1988."

16. A conspectus of the above is that Section 39 of the MV Act prohibits a motor vehicle from being driven, unless the same is registered. However, the said provision is silent regarding mere possession of such vehicle, if it is not being driven or used, i.e. if it is parked in a warehouse, garage, or other available regular place of parking.

17. In the case at hand, no material has been placed before us nor any has been referred to by learned counsel for the respondents, to impress upon this Court that the vehicle in question was being driven or used, in contravention of the statutory provisions. Thus, learned counsel for the respondents are not in a position to dispute that the factual aspect noticed hereinabove has not even been contested by filing appropriate pleadings/evidence. In the absence of the vehicle in question being driven/used, no provision of law is shown to have been violated and as such, no terms of insurance policy, in that regard, are shown to have been breached.

18. It would also be gainful to refer to the observations made in ***Narinder Singh's case*** (supra), wherein after the period of temporary registration had expired, in the said case, the owner of the vehicle had neither applied for permanent registration nor made any application for extension of period on the ground of some special reasons. The said situation does not arise in the present case as the appellant, i.e. owner of the vehicle, had not only taken steps for the registration of the vehicle but the registration certificate was also issued pursuant to such application made on 28.04.2014. The process also mandates prior inspection of the vehicle for obtaining the requisite certificate in Form 20 of the Rules. The relevant portion of the said Form, is reproduced hereunder:

> "CERTIFICATE OF INSPECTION OF MOTOR VEHICLE
>
> Certified that the particulars contained in the application are true and that the vehicle complies with the requirements of the Motor Vehicle Act, 1988, and the Rules made thereunder.
>
> Date ....
> Ref. No. .... Signature of the Inspecting Authority
> Name..
> Designation.....................................
> Office Endorsement
> Office of the ...."

19. Moreover, a perusal of sub-sections 11 to 13 of Section 41 of the MV Act would show that the application for registration of permanent registration can be made even after the period prescribed, subject to payment of the prescribed fee. Section 41(12) further stipulates that upon such payment under sub-section 11, no action shall be taken against the owner of the vehicle in question under Section 177 of the Act *ibid*. The

vehicle in question having been registered and assigned permanent registration mark and issued a registration certificate valid from 28.04.2014 to 24.02.2029, it would be safe to infer unless contrary is shown, that the same was done only after making due compliance of Section 41 and the Rules framed in that regard. In the light of the above, ***Narinder Singh's case*** (supra) is distinguishable on facts and not applicable to the instant case.

20. Having given our thoughtful consideration to the decision of the learned single Judge of this Court in ***Rakesh Kumar's case*** (supra) which was a binding precedent for PLA (PUS), and in the absence of any material brought to the notice of this Court that the vehicle in question was being driven/used, we are in agreement with the reasoning recorded therein. The relevant portion of the said judgment is extracted hereunder, for reference:

> "The fact that respondent No. 1 purchased new Bolero car, which was insured with the petitioner-company for the period from 19.09.2007 to 18.09.2008 is not in dispute. Further, it is not in dispute that it was stolen on 02.01.2008. For rejecting the claim, the petitioner sought to raise an issue that on that date the vehicle was not registered. Section 39 of the Act was referred to, which makes registration of a vehicle mandatory for plying on the road. It is not in dispute that the vehicle in the present case was not being plied on road as it was a case of theft."

21. In the light of the aforesaid discussion, the present intra-court appeal is allowed. Resultantly, the impugned judgment dated 20.07.2016 dismissing CWP-13296-2016 as well as the award dated 15.02.2016

passed by PLA (PUS) are set aside. The insurance claim application filed by the writ petitioner/appellant is allowed to the extent that the insurance company (respondent No.2) is held liable to indemnify the appellant for the theft of the vehicle, if not barred by any other provision of law. As the present insurance claim pertains to the year 2014 and more than 11 years have lapsed, the insurance company is directed to dispose of the supra insurance claim application, in accordance with law, within a period of two months from today.

22. The Letter Patent Appeal is disposed of in the aforesaid terms.

(HARSIMRAN SINGH SETHI)
JUDGE

(VIKAS SURI)
JUDGE

13.10.2025
sumit.k

Whether speaking/reasoned : Yes No

Whether Reportable : Yes No