



IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA

FAO No. 75 of 2025 a/w
FAO No. 84/2025
Date of decision: 28.10.2025

(1) FAO No. 75 of 2025
Gargesh KumarAppellant
Versus
Aditya & Anr.Respondents

(2) FAO No. 84 of 2025
Sukhwinder SinghAppellant
Versus
Aditya & Anr.Respondents

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The Hon'ble Mr. Justice Sushil Kukreja, Judge.
¹ *Whether approved for reporting? Yes.*

For the appellant(s): Mr. Vijay Chaudhary, Advocate,
for the appellant in FAO No.
75/2025.

Mr. Parveen Chauhan,
Advocate, for the appellant in
FAO No. 84/2025.

For the respondent(s): Mr. Nimish Gupta, Advocate, for
respondent No. 1 in both the
appeals.

Mr. Parveen Chauhan,
Advocate, for respondent No. 2
in FAO No.75/2025.

¹ *Whether reporters of Local Papers may be allowed to see the judgment?*

Mr. Vijay Chaudhary, Advocate,
for respondent No. 2 in FAO No.
84/2025.

Sushil Kukreja, Judge (oral)

Since both these appeals arise out of a common order, they were heard together and are being disposed of by this common judgment.

2. The present appeals have been filed by the appellant(s) against the impugned order dated 16.01.2025, passed by learned Motor Accident Claims Tribunal-II, Chamba, District Chamba, H.P., in CMA No. 465/2022, whereby respondents No. 1 and 2, i.e. owner and driver of the offending vehicle (appellant(s) herein) were held jointly and severally liable to pay interim compensation of Rs. 50,000/- in favour of the claimant under Section 140 of the Motor Vehicles Act, 1988 (for short "MV Act").

3. FAO No. 75 of 2025 has been filed by Gargesh Kumar, driver of the offending vehicle, on the ground that learned Tribunal below had erroneously fastened the liability

upon him, who admittedly was not the owner of the vehicle at the time of the accident, as it is the owner of the vehicle who alone is liable to pay the compensation.

4. FAO No. 84 of 2025 has been filed by Sukhwinder Singh, owner of the offending vehicle, on the ground that learned Tribunal below has failed to appreciate that since he has exchanged the offending vehicle with "Stan Autos Pvt. Ltd." GT Road near Sherpur Chowk Ludhiana for new Maruti Swift Car, therefore, he was not liable to pay any compensation out of the use of said vehicle.

5. I have heard the learned counsel for the parties and have also gone through the material available on record, carefully.

6. Prior to omission by the Motor Vehicles (Amendment) Act, 2019, (32 of 2019), w.e.f. 1-4-2022, Section 140 of the Motor Vehicles Act, 1988 (for short "MV Act") used to deal with the liability to pay compensation in certain cases on the principle of no fault. At this stage, it would be relevant to reproduce Section 140 of the MV Act,

1988 which reads as under:

“140. Liability to pay compensation in certain cases on the principle of no fault

(1) Where death or permanent disablement of any person has resulted from an accident arising out of the use of a motor vehicle or motor vehicles, the owner of the vehicle shall, or, as the case may be, the owners of the vehicles shall, jointly and severally, be liable to pay compensation in respect of such death or disablement in accordance with the provisions of this section.

(2) The amount of compensation which shall be payable under sub-section (1) in respect of the death of any person shall be a fixed sum of fifty thousand rupees and the amount of compensation payable under that sub-section in respect of the permanent disablement of any person shall be a fixed sum of twenty-five thousand rupees.

(3) In any claim for compensation under sub-section (1), the claimant shall not be required to plead and establish that the death or permanent disablement in respect of which the claim has been made was due to any wrongful act, neglect or default of the owner or owners of the vehicle or vehicles concerned or of any other person.

(4) A claim for compensation under sub-section (1) shall not be defeated by reason of any wrongful act, neglect or default of the person in respect of whose death or permanent disablement the claim has been made nor shall the quantum of compensation recoverable in respect of such death or permanent disablement be reduced on the basis of the share of such person in the responsibility for such death or permanent disablement.

(5) Notwithstanding anything contained in sub-section (2) regarding death or bodily injury to any person, for which the owner of the vehicle is liable to give compensation for relief, he is also liable to pay compensation under any other law for the time being in force:”

7. On a plain reading of this provision, it is abundantly clear that where death or permanent disablement of any person has resulted from an accident arising out of the use of motor vehicle or motor vehicles, the owner of the vehicle or, as the case may be, the owners of the vehicles shall jointly and severally, be liable to pay compensation in accordance with the provisions of this Section. However, in the given case, the learned Tribunal below has fastened the liability on the owner as well as the driver of the vehicle jointly and severally against the mandate of the provisions of Section 140 of MV Act. The driver could not have been made liable to pay the compensation jointly and severally along with the owner of the offending vehicle. It is the owner of the vehicle alone who shall be liable to pay compensation in accordance with the provisions of Section 140 of the MV Act, 1988 in respect of such death or disablement from an accident arising out of the use of a motor vehicle and the claimant shall not be required to plead and establish that the death or permanent disablement in respect of which the

claim has been made was due to any wrongful act, neglect or default of the owner of the vehicle concerned or of any other person.

8. Now at this stage, it would be relevant to refer to the definition of 'Owner' as provided under Section 2(30) of MV Act, which reads as under:-

"(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"

9. In **Naveen Kumar Vs. Vijay Kumar & Others, (2018) 3 SCC 1**, it has been held that the person in whose name a motor vehicle stands registered is the owner of the vehicle for the purposes of the Act. The relevant portion of the aforesaid judgment reads as under:-

"6. The expression 'owner' is defined in [Section 2\(30\)](#) of the Act, 1988, thus:

***"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.”

The person in whose name a motor vehicle stands registered is the owner of the vehicle for the purposes of the Act. The use of the expression ‘means’ is a clear indication of the position that it is the registered owner who Parliament has regarded as the owner of the vehicle. In the earlier Act of 1939, the expression ‘owner’ was defined in [Section 2\(19\)](#) as follows:

“2. (19) ‘owner’ means, where the person in possession of a motor vehicle is a minor, the guardian of such minor, and in relation to a motor vehicle which is the subject of a hire-purchase agreement, the person in possession of the vehicle under that agreement.

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 Act of 1939. 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*."*

10. The aforesaid decision in **Naveen Kumar's** case was relied upon by the Hon'ble Apex Court in **Surendra Kumar Bhilawe Vs. New India Assurance Company Limited, (2020) 18 SCC 224**, wherein, it has been held that where the registered owner purports 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 his liability as owner. The relevant portion of the aforesaid judgment reads as under:-

"47. In Naveen Kumar vs. Vijay Kumar and Others (2018) 3 SCC 1, a three-Judge Bench of this Court held that in view of the definition of the expression "owner" in Section 2(30) of the Motor Vehicles Act, 1988, it is the person in whose name the motor vehicle stands

registered, who, for the purposes of the said Act, would be treated as the owner of the vehicle. Where the registered owner purports 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 his liability as owner.

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52. In our considered opinion, the National Commission erred in law in reversing the concurrent factual findings of the District Forum and the National Commission ignoring vital admitted facts as stated above, including registration of the said truck being in the name of the appellant, even as on the date of the accident, over three years after the alleged transfer, payment by the appellant of the premium for the Insurance Policy, issuance of Insurance Policy in the name of the appellant, permit in the name of the Appellant even after three years and seven months, absence of "No-Objection" from the financier bank etc. and also overlooking the definition of owner in Section 2(30) of the Motor Vehicles Act, as also other relevant provisions of the Motor Vehicles Act and the Rules framed thereunder, including in particular the transferability of a policy of insurance under Section 157.

53. In view of the definition of "owner" in Section 2(30) of the Motor Vehicles Act, the appellant remained the owner of the said truck on the date of the accident and the Insurer could not have avoided its liability for the losses suffered by the owner on the ground of transfer of ownership to Mohammad Iliyas Ansari."

11.

Thus in view of the aforesaid authoritative pronouncements of law by the Hon'ble Apex Court, the person in whose name a motor vehicle stands registered is the owner of the vehicle for the purposes of the Act.

Admittedly, in the present case the appellant in FAO No. 84 of 2025, i.e. Sukhwinder Singh was the registered owner of the vehicle in question and in view of the definition of the "owner", he remained owner of the offending vehicle on the date of the accident. The vehicle was un-insured, therefore, learned Tribunal below has not committed any illegality in fastening the liability upon him, being registered owner of the offending vehicle. However, as observed earlier, learned Tribunal below has erred in law by fastening the liability on the driver of the vehicle as driver could not have been held liable to pay the compensation jointly and severally alongwith the owner under Section 140 of MV Act.

12. Hence, in view of my aforesaid discussion, impugned order dated 16.01.2025, passed by the learned Tribunal below in CMA No. 465/2022 is modified to the extent that respondent No. 1, Sukhwinder Singh, who is owner of the offending vehicle shall alone be liable to pay interim compensation of Rs. 50,000/- in favour of claimant Aditya.

13. In view of the above discussion, the appeal of the appellant Gargesh Kumar, i.e. FAO No. 75 of 2025 is allowed and the appeal of the appellant Sukhwinder Singh, i.e. FAO No. 84 of 2025 is dismissed.

14. Both the appeals are disposed of in the aforesaid terms, so also pending application(s), if any.

(Sushil Kukreja)
Judge

28th October, 2025
(raman)