



102 IN THE HIGH OF PUNJAB AND HARYANA AT CHANDIGARH

**Cross-objection No.44-CII-1999 in/and
FAO No.1122 of 1999**

Date of Decision: October 09, 2025

National Insurance Company Ltd. . . . Appellant

Vs.

Khushmeen Singh and others . . . Respondents

CORAM: HON'BLE MR. JUSTICE DEEPAK GUPTA

Present:- Mr. Brij Bhushan Sharma, Advocate for
Mr. Deepak Suri, Advocate
for the appellant-Insurance Company.

Ms. Sheenam Kamboj, Advocate for
Mr. D.S. Sobti, Advocate for respondent Nos.1 and 2 -
claimants.

Mr. Jatinder Kumar Kansal, Advocate for
Mr. Abhinav Gupta, Advocate
for respondent No.3/cross objector - owner.

DEEPAK GUPTA, J.

One Kamaljeet Singh expired in a motor vehicular accident due to rash and negligent driving of a Jeep bearing registration No. CH-01A-0075. Minor children of the said deceased, namely, Khushmeen Singh and Jasmeen Singh (*respondent Nos.1 and 2 herein*) filed a claim petition under Section 166 of the Motor Vehicles Act, 1988 (*hereinafter referred as 'the M.V. Act'*) seeking compensation against registered owner, driver and insurer of the offending vehicle. The Motor Accident Claims Tribunal, Jalandhar (*hereinafter referred as 'the Tribunal'*) vide its Award dated 22.01.1999, awarded compensation of ₹1,60,000/- along with interest and held all the three respondents (*i.e. driver, owner and insurer of the offending vehicle*) to be jointly and severally liable to pay the compensation amount.

2. Against the aforesaid Award, the Insurance Company filed the present appeal seeking to exempt its liability.

3. It is contended by learned counsel for the appellant that Mulakh Raj, i.e. registered owner of the vehicle had obtained the insurance policy by misrepresentation and fraud as was established in the inquiry conducted by the Insurance Company and that the inquiry report dated 12.02.1997 was duly proved by RW2 Mr. A.R. Kamal, the Administrative Officer, but the same has wrongly been ignored by the Tribunal.

4. On the other hand, the registered owner of the vehicle, namely Mulakh Raj (*respondent No.3 herein*) filed the cross objection submitting that offending jeep had already been sold by him to one Jagdev Singh on 13.07.1992, i.e. almost two years prior to the accident and as such, he, i.e. cross-objector could not be held responsible for making payment of the compensation amount.

5. After hearing learned counsel for the parties at length, this Court does not find any merit either in the appeal or in the cross objection.

6. The accident had taken place on 26.07.1994. The insurance policy was issued by the appellant-company for the period w.e.f. 26.07.1994 to 25.07.1995. The contention of the appellant-Insurance Company is that said policy was obtained by owner of the offending vehicle, namely, Mulakh Raj, in connivance with Mr. H.S. Joshi, Development Officer of the Insurance Company fraudulently after the accident and this fact was established during an inquiry. However, the perusal of the Award would reveal that Mr. H.S. Joshi, Development Officer of the Insurance Company was not examined as a witness by the Insurance Company. So much so, it emerged in the cross-examination of RW2 – A.R. Kamal that Mr. H.S. Joshi, Development Officer of the Insurance Company was still in service and there was no evidence as to whether any action whatsoever had been taken against said Mr. H.S. Joshi.

7. In the aforesaid facts and circumstances, when the Insurance Company-appellant could not prove any collusion between the owner and

Mr. H.S. Joshi, its Development Officer; or that any action had been taken against said Mr. H.S. Joshi, who had allegedly colluded with the owner, the Tribunal did not commit any error in ignoring the inquiry report relied by the Insurance Company. As such, the present appeal is held to be devoid of any merit and so, the same is hereby dismissed.

8. As far as the cross objection filed by respondent No.3 – Mulakh Raj is concerned, it is not disputed by him that at the time of accident, he was the registered owner of the offending vehicle. Even if it be assumed that he had sold the offending vehicle two years prior to the accident to one Jagdev Singh, as is contended by him, it will not exempt him from any liability, in view of authoritative pronouncement of Hon'ble Supreme Court in ***Naveen Kumar vs Vijay Kumar AIR 2018 SC 983***, in which it was held that it is the registered owner within the meaning of Section 2(30) of the M.V. Act, who is liable to pay compensation.

9. In view of the above discussion, the present appeal as well as the cross objection are hereby dismissed.

Photocopy of this order be placed on the connected case file.

October 09, 2025
Sarita

(DEEPAK GUPTA)
JUDGE

Whether speaking/reasoned?	Yes/No
Whether reportable?	Yes/No