

NON-REPORTABLE

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

**CIVIL APPEAL NO(S). OF 2026
(Arising out of SLP (C) No. 8874 of 2020)**

MANDEEP JINDAL

....APPELLANT(S)

VERSUS

**ORIENTAL INSURANCE
COMPANY LIMITED**

...RESPONDENT(S)

J U D G M E N T

ARAVIND KUMAR, J.

- 1.** Heard. Leave Granted.
- 2.** The Appellant before this Court is the owner of a Tata Indica car bearing Registration No. CH-01AT-3243, which, at the time of the accident, bore Temporary Registration No. CH-18(T)-8028¹. The said vehicle was involved in an accident on

Signature Not Verified
Digitally signed by
RAHUL KUMAR
Date: 2026.10.16
16:48:07 IST
Reason: 

¹ Hereinafter referred to as ‘the offending vehicle’.

21.04.2013, resulting in fatal injuries to one Shri Krishan Singh², who subsequently succumbed to the injuries, giving rise to a claim for compensation under the Motor Vehicles Act, 1988. Respondent No. 1 before this Court is the Insurance Company, whereas Respondent Nos. 2 to 7 were claimants/legal dependants of the deceased. Respondent No. 8 was the driver of the offending vehicle at the relevant point of time. Respondent Nos. 2 to 8 have been deleted vide Order of this Court dated 19.03.2021. In the present Appeal, the Appellant/Owner of the offending vehicle has assailed the judgment and order dated 12.12.2019 passed by the High Court of Delhi³, whereby the High Court, while upholding the compensation of Rs. 16,37,000/- awarded to the Claimants by the Motor Accident Claims Tribunal–1 (North), Rohini, Delhi⁴, allowed the appeal preferred by the Insurance Company to the extent of modifying its liability. Applying the principle of '*Pay and Recover*', the High Court directed the Insurance Company to satisfy the compensation awarded to the Claimants in the first instance, with liberty to recover the amount so paid from the Appellant/Owner of the offending vehicle, on the ground that the vehicle did not possess a valid

² Hereinafter referred to as 'the deceased'

³ Hereinafter referred to as 'the High Court'

⁴ Hereinafter referred to as 'the Tribunal'

registration certificate on the date of the accident, its temporary registration having expired prior thereto.

I. BRIEF FACTS:

- 3.** Shorn of unnecessary details, the brief facts of the case are that, on 21.04.2013, at about 12:15 p.m., an accident occurred in front of the DTC Depot, Bawana, Delhi, allegedly due to the rash and negligent driving of the offending vehicle, resulting in the death of Shri Krishan Singh, who was on his motorbike at the time. Upon completion of the investigation, the police filed an Accident Information Report (AIR) before the Motor Accident Claims Tribunal–1 (North), Rohini, Delhi⁵, which was subsequently converted into Suit No. 4742 of 2016 for adjudication of the claim for compensation to the dependants of the deceased under the Motor Vehicle Act. The claimants, the Insurance Company, the driver and the owner of the offending vehicle appeared before the Tribunal and filed their respective pleadings. The Insurance Company specifically raised a defence that, on the date of the accident, the driver of the offending vehicle did not possess a valid driving licence and that the vehicle itself did not possess a valid registration certificate.

⁵ Hereinafter referred to as ‘the Tribunal’.

4. The Tribunal framed three issues for consideration vide order dated: 11.05.2015, which are:

1. Whether Respondent No. 3 is not liable to pay any compensation, driver of the offending vehicle having no valid driving licence at the time of the accident.
2. Whether the petitioners are entitled to compensation, if yes. What amount and from whom of the respondents?
3. Relief.

5. Despite the specific plea raised by the Insurance Company that the offending vehicle did not possess a registration number, the Tribunal did not frame any issue in that regard. Instead, the Tribunal framed an issue only with respect to the validity of the driving licence held by the driver of the offending vehicle. Upon perusal of the documents produced by the Investigating Officer, which included a valid driving licence of Respondent No. 8, the driver of the offending vehicle, the Tribunal decided Issue No. I against the Insurance Company. Thereafter, upon appreciation of the evidence adduced by the Claimants, the Tribunal, vide judgment and order dated 03.10.2016, directed the Insurance Company to pay a sum of Rs. 16,37,000/- to the Claimants as compensation.

6. Challenging the above-mentioned judgment of the Tribunal, the Insurance Company filed an Appeal before the High

Court in MAC Appeal No. 129 of 2017 on the ground that the Tribunal ought to have seen that the offending vehicle did not have a valid permanent registration certificate which is not only the fundamental breach of terms of the policy but also the statutory mandate of Motor Vehicle Act i.e. Section 39 of the Act.

- 7.** The High Court held that the offending vehicle did not possess valid registration on the date of the accident, i.e., 21.04.2013, as its temporary registration had expired on 12.04.2013. Consequently, the vehicle was being plied on a public road without valid registration, in breach of the terms and conditions of the Insurance Policy. In view of the said breach, the High Court held that the Insurance Company could not be fastened with the liability to indemnify the owner of the offending vehicle. Further, in response to a specific query posed by the High Court as to whether the owner had applied to the competent authorities for an extension of the temporary registration, the learned counsel appearing for the owner answered in the negative. Accordingly, vide judgment and order dated 12.12.2019, the High Court concluded that, since the offending vehicle did not possess valid registration on the date of the accident, the liability to pay compensation ultimately rested upon its owner and not upon the Insurance Company. However,

keeping in view the interests of the Claimants, the High Court directed the Insurance Company to satisfy the compensation awarded in the first instance, with liberty to recover the amount so paid from the owner of the offending vehicle. Aggrieved by the aforesaid judgment and order, the owner of the offending vehicle has preferred the present Appeal.

II. SUBMISSION OF THE PARTIES:

- 8.** Shri R.K. Kapoor, learned counsel appearing for the Appellant/Owner of the offending vehicle, assailed the judgment of the High Court insofar as it permitted the Insurance Company to recover the compensation amount from the owner of the vehicle on the ground that its temporary registration had expired on the date of the accident. It was contended that the Insurance Company, having accepted the insurance premium, could not absolve itself of liability without establishing a specific breach of the terms and conditions of the Insurance Policy, particularly when the vehicle was subsequently registered and the absence of valid registration had no causal connection with the occurrence of the accident. It was further submitted that the registration of the vehicle was pending before the Motor

Vehicles Department and, therefore, any delay in granting registration was attributable to the Registration Authority and not to the Appellant. Furthermore, it was contended that although the issue of non-registration had been raised by the Insurance Company before the Motor Accident Claims Tribunal, no specific issue in that regard was framed or adjudicated upon by the Tribunal. Consequently, the High Court ought not to have determined the said issue without affording the Appellant an adequate opportunity to contest the same.

- 9.** Mr. Pradeep Gaur, Learned Counsel of the Respondent/Insurance Company supported the High Court's judgment dated 12.12.2019 by contending that the offending vehicle's temporary registration had expired on 12.04.2013, whereas the accident occurred on 21.04.2013, thereby violating Sections 39 and 43 of the Motor Vehicles Act, 1988, as well as the insurance policy conditions. It was submitted that the issue of non-registration had already been specifically pleaded in the written statement and supported by evidence before the MACT, which the Appellant failed to rebut. Relying on *Narinder Singh v. New India Assurance Company Limited and Others*⁶, the Respondent contended that the vehicle was being driven without valid

⁶ (2014) 9 SCC 324

registration and that the High Court had rightly applied the principle of pay and recover, protecting the claimants while permitting recovery of compensation from the vehicle owner. Accordingly, dismissal of the Appeal was sought, as the impugned judgment suffered from no illegality and raised no substantial question of law.

III. POINT FOR CONSIDERATION

10. Having heard the Learned Counsel for the parties and having considered the material available on record, the point that arises before this Court is as follows:

I. Whether the High Court was justified in directing the Insurance Company to pay the compensation awarded to the Claimants in the first instance and thereafter recover the same from the Appellant/Owner of the offending vehicle on the ground that the vehicle did not possess valid registration on the date of the accident?

IV. ANALYSIS

11. The core issue relates to offending vehicle, owned by the Appellant herein, was issued with a valid temporary or

permanent registration certificate on the date of the accident or not.

12. The undisputed fact of the case is that on the date of the accident i.e. 21.04.2013, the owner of the offending vehicle did not have either a temporary or a permanent registration certificate for the vehicle.

13. On the one hand, the learned counsel appearing for the Appellant contended that, on the date of the accident, an application seeking renewal of the registration of the offending vehicle was pending before the competent authorities and that the vehicle was subsequently granted permanent registration in accordance with the provisions of the Motor Vehicles Act, 1988. It was further contended that the Insurance Company, having accepted the insurance premium, could not absolve itself of the liability to pay compensation. On the other hand, the learned counsel appearing for the Insurance Company contended that, in the absence of a valid registration certificate, the offending vehicle could not have been lawfully plied on a public road. It was further contended that no application seeking renewal or registration of the offending vehicle was pending before any competent authority on the date of the accident.

14. In order to determine the correctness of the rival contentions advanced by the Appellant and the Respondent regarding

the pendency of an application for registration before the competent authorities on the date of the accident, which has a bearing on the question of whether the offending vehicle possessed a valid registration certificate at the relevant point of time and, consequently, on the determination of liability as between the Insurance Company and the owner of the vehicle, it is necessary to examine the evidence adduced by the respective parties in support of their contentions.

15. On perusal of material available on record, we find that:

15.1.*Firstly*, although the Tribunal had the opportunity to examine the evidence relating to the aforesaid issue, it failed to do so, as no specific issue was framed in that regard, thereby depriving the parties of an opportunity to adduce evidence and substantiate their respective contentions on the said issue.

15.2.*Secondly*, although both the contesting parties before this Court, namely, the owner of the offending vehicle and the Insurance Company, had appeared before the Tribunal, neither party took any steps during the pendency of the proceedings to seek the framing of a specific issue concerning the validity of the registration certificate of the offending vehicle, despite the Insurance Company having specifically pleaded

that the vehicle did not possess a valid registration certificate on the date of the accident.

15.3.*Thirdly*, the Tribunal, without determining the validity of the registration of the offending vehicle, proceeded to hold that the Insurance Company was liable to pay compensation merely on the ground that the driver of the offending vehicle possessed a valid driving licence. In doing so, the Tribunal failed to examine whether the owner of the offending vehicle had violated any of the terms and conditions of the Insurance Policy or the provisions of the Motor Vehicles Act, 1988, which, in our considered opinion, constitutes an error on the part of the Tribunal.

15.4.*Fourthly*, the High Court, in the absence of any documentary evidence on record substantiating the plea raised by the Insurance Company that the offending vehicle did not possess a valid registration certificate on the date of the accident, proceeded to conclude that the vehicle was being plied without valid registration. The said conclusion was arrived at primarily on the basis of the oral response furnished by the learned counsel appearing for the owner of the offending vehicle before the High Court, without examining any documentary evidence or evidence

adduced by the owner concerning the validity of the registration certificate. In our considered opinion, such a conclusion, in the absence of a proper examination of the relevant evidence, could not have been arrived at by the High Court.

15.5.*Fifthly*, the owner of the offending vehicle did not adduce any evidence before the Tribunal to establish that an application seeking renewal of the registration of the offending vehicle was pending before the competent authorities on the date of the accident, although such a contention has been advanced by him before the High Court as well as before this Court. The said contention has, however, been disputed by the Insurance Company. Thus, despite the rival contentions advanced by the parties regarding the pendency of the application before the competent authorities, neither party has produced any evidence to substantiate its respective stand. In the absence of such evidence, it is not possible for this Court to arrive at a definitive conclusion regarding the liability to pay compensation, as between the Insurance Company and the owner of the offending vehicle.

16. For the aforesaid reasons, we are unable to arrive at a definitive conclusion as to who should ultimately be saddled

with the liability to pay compensation, inasmuch as the evidence necessary for such determination is not available on record. The fundamental issue bearing upon the determination of such liability, namely, whether the offending vehicle possessed a valid registration certificate on the date of the accident, was neither framed nor adjudicated upon by the Tribunal. Even the High Court, in exercise of its appellate jurisdiction, did not frame the said issue so as to afford the parties an opportunity to adduce evidence in support of their respective contentions. Consequently, in the absence of a proper adjudication of the said issue on the basis of legally admissible evidence, the question of ultimate liability cannot be conclusively determined.

- 17.** Although the learned counsel appearing for the owner of the offending vehicle, in response to a specific query posed by the High Court as to whether the owner had applied to the competent authorities for an extension of the temporary registration, answered the same in the negative, we are of the considered view that, in the absence of evidence adduced by the respective parties on the said issue, no adverse inference can be drawn against the Appellant herein solely on the basis of such a response.

- 18.** For the aforesaid reasons, we are of the considered opinion that the impugned judgment of the High Court deserves to be set aside and the matter be remanded to the Tribunal for fresh adjudication of the issue concerning the validity of the temporary or permanent registration of the offending vehicle on the date of the accident. The Tribunal shall afford both parties an opportunity to adduce evidence in support of their respective contentions on the said issue, which they were unable to do earlier on account of the failure to frame a specific issue in that regard. Such a course, in our considered view, would safeguard the interests of both parties and subserve the ends of justice.
- 19.** The High Court, keeping in view the interests of the Claimants, directed the Insurance Company to pay the compensation awarded in the first instance, with liberty to recover the same from the owner of the offending vehicle. However, the question as to whether the Insurance Company is entitled to recover the amount so paid from the owner shall be determined by the Tribunal upon framing the aforesaid issue and affording the parties an opportunity to adduce evidence in support of their respective contentions.
- 20.** For the aforesaid reasons, the Appeal is partly allowed and the impugned judgment and order dated 12.12.2019 passed by the High Court of Delhi in MAC Appeal No. 129 of 2017

is hereby set aside. Consequently, Suit No. 4742 of 2016 shall stand restored to the file of the Motor Accident Claims Tribunal–1 (North), Rohini, Delhi, for adjudication of the limited issue concerning the validity of the registration of the offending vehicle on the date of the accident. The Tribunal shall frame an appropriate issue in this regard and afford both the contesting parties, namely, the Appellant/Owner of the offending vehicle and Respondent No. 1/Insurance Company, an opportunity to adduce oral as well as documentary evidence in support of their respective contentions. The Tribunal shall thereafter determine whether the Insurance Company is entitled to recover the compensation amount from the Appellant/Owner of the offending vehicle, in accordance with law. We make it clear that we have not expressed any opinion on the merits of the aforesaid issue, and all contentions of the parties in that regard are left open to be urged before the Tribunal. The Tribunal shall adjudicate the said issue independently, on the basis of the evidence adduced by the parties, without being influenced by any observations made herein. However, we direct the Insurance Company to pay the compensation awarded by the Tribunal, along with the accrued interest as directed by the Tribunal, to the Claimants within a period of four weeks from the date of this order, if

the same has not been paid already. The indemnification aspect would depend upon the finding that would be arrived at by the Tribunal by fastening the liability either on the insurer or the insured as the case maybe.

21. Pending applications, if any, shall stand disposed of.

.....J.
[ARAVIND KUMAR]

.....J.
[VIPUL M. PANCHOLI]

**NEW DELHI;
OCTOBER 16th, 2026.**