



FAO-1287-1997 (O&M) with  
XOBJC-28-CII-2003

[1]

2026:PHHC:035073



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

**FAO-1287-1997 (O&M) with  
XOBJC-28-CII-2003**

**M/s Maruti Udyog Limited**

**...Appellant**

Versus

Jagdish and others

...Respondents

**Reserved on: 05.03.2026**

**Pronounced on: 09.03.2026**

**Pronounced fully/operative part: Fully**

**CORAM: HON'BLE MR. JUSTICE DEEPAK GUPTA**

Argued by: Mr. D.S. Patwalia, Sr. Advocate with  
Mr. Gursher Bhandal, Advocate and  
Mr. Aditya Jeet, Advocate for the appellant.

Mr. Sanjiv Vij, Advocate  
for respondent No.7/cross-objector.

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**DEEPAK GUPTA, J.**

The present appeal has been filed by M/s Maruti Udyog Limited, Gurgaon, which was arrayed as respondent No.7 before the Motor Accident Claims Tribunal, Gurgaon, assailing the award dated 12.03.1997 passed by the learned Tribunal, whereby the appellant along with Sanjeev Massey, driver of the offending Maruti car, was held liable to pay compensation to the injured claimant Jagdish.

2. The claimant Jagdish has also filed cross-objections seeking enhancement of the compensation awarded by the Tribunal.

3. For the sake of convenience, the parties are referred to as per their status before the Tribunal.

4. **Background Facts** : The record reveals that the claim petition was filed by Jagdish stating that he was working in the Maruti factory as a casual driver and earning about ₹2,500/- per month. On 15.03.1992 at



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about 4:30 PM, he left Sector-4, Gurgaon in a Maruti car, which was being driven by respondent No.1 Sanjeev Massey at high speed and in zig-zag manner. The vehicle was being taken towards M/s Ganga Automobiles, Gurgaon. When the vehicle reached near Sindhu Service Station on the Delhi-Gurgaon road, a truck bearing registration No.HR-29-B-4402, coming from the opposite direction and being driven in a rash and negligent manner, collided with the car. In the said accident, the claimant Jagdish sustained serious injuries.

5. The claim petition was filed against several respondents including the driver of the car, M/s Ganga Automobiles, the driver, owner and insurer of the truck and M/s Maruti Udyog Limited.

6. The driver of the car did not contest the claim petition and was proceeded ex-parte. It is also not disputed that the Maruti car involved in the accident was not insured.

7. M/s Ganga Automobiles contested the petition by asserting that although a Maruti car had been booked with Maruti Udyog Limited and its price had been paid, delivery of the vehicle had not yet been taken. It was pleaded that the vehicle continued to remain under the control and supervision of Maruti Udyog Limited and that neither the claimant nor the driver of the vehicle were employees of M/s Ganga Automobiles.

8. The driver and owner of the truck pleaded that the accident had occurred due to rash and negligent driving of the Maruti car driver and not on account of any negligence on the part of the truck driver.

9. Insurer of the truck pleaded that it could be held liable to pay the compensation only if the driver of the vehicle was holding a valid and effective driving licence and was not disqualified from holding such a licence.

10. M/s Maruti Udyog Limited took the stand that it was neither the owner nor the registered owner of the vehicle at the time of the



accident and denied that the claimant or the driver Sanjeev Massey were its employees.

11. **Findings of the Tribunal :** On appreciation of the evidence, the learned Tribunal came to the conclusion that the accident had taken place due to rash and negligent driving of the Maruti car by Sanjeev Massey. The Tribunal further held that although an invoice of the vehicle had been issued in the name of M/s Ganga Automobiles, the delivery of the vehicle had not been proved. It was accordingly held that the car remained under the control and supervision of Maruti Udyog Limited and therefore, the driver Sanjeev Massey and Maruti Udyog Limited were jointly and severally liable to pay compensation to the claimant. An amount of ₹1,95,000/- was awarded as compensation.

12.1 **Contentions of the Appellant :** Assailing the findings recorded by the learned Tribunal, learned senior counsel appearing for the appellant – M/s Maruti Udyog Limited has argued that the Tribunal has committed a serious error in appreciating the evidence available on record. It is contended that the evidence clearly establishes that the invoice in respect of the car in question had already been issued in favour of M/s Ganga Automobiles prior to the accident. It is further submitted that even the superdari of the vehicle was subsequently taken by an officer of M/s Ganga Automobiles pursuant to the orders passed by the Court on an application moved in that regard, which itself demonstrates that the vehicle stood transferred to the said dealer.

12.2 Learned senior counsel further submits that the Tribunal has wrongly held Sanjeev Massey, the driver of the vehicle, to be an employee of M/s Maruti Udyog Limited despite the absence of any documentary evidence such as an appointment letter, salary record or any other material indicating an employer–employee relationship. It is argued that the said finding is based merely on conjectures and assumptions.

12.3 It is also contended that the observations made by the Tribunal



to the effect that M/s Maruti Udyog Limited had manipulated the record by issuing the invoice in favour of M/s Ganga Automobiles with a view to escape liability are wholly unfounded and unsupported by the evidence on record. According to the learned senior counsel, such conclusions are speculative in nature and cannot form the basis of fastening liability upon the appellant.

12.4 On the strength of these submissions, learned senior counsel has prayed that the impugned award to the extent of fastening liability upon the appellant – M/s Maruti Udyog Limited, deserves to be set aside and the claim petition be dismissed qua the said respondent.

13. M/s Ganga Automobiles, which has been impleaded as respondent No.3 in the present appeal, was proceeded against ex-parte vide order dated 10.11.2025, as despite service in accordance with law, none appeared on its behalf when the matter was taken up for hearing.

14.1 **Contentions of the Cross-Objector -Claimant** : On the other hand, Learned counsel appearing on behalf of respondent No.1 – claimant/cross-objector, has assailed the award of the Tribunal on the aspect of quantum of compensation.

14.2 It is contended that the compensation awarded by the Tribunal is grossly inadequate and does not commensurate with the nature of injuries suffered by the claimant. In this regard, learned counsel has drawn the attention of this Court to the medical evidence noticed by the Tribunal itself, which shows that the claimant had suffered brain stem hematoma resulting in impairment of memory, low IQ and difficulty in speech, along with weakness in the upper and lower limbs, leading to permanent physical disability assessed at 70%.

14.3 It is further submitted that the claimant remained hospitalized and under treatment for nearly two years and the disability certificate (Ex.P2/1) duly proved on record clearly establishes the serious nature of the



injuries. Despite these circumstances, the Tribunal awarded only a sum of ₹1,95,000/- as compensation, which is wholly inadequate and therefore, deserves to be enhanced in accordance with the settled principles governing assessment of compensation under the Motor Vehicles Act.

15. **Consideration by this Court :** This Court has considered the submissions advanced by learned counsel for the parties and has carefully gone through the record of the case as well as the evidence brought on record.

16. After hearing the learned counsel for the parties and perusing the record, this Court finds no infirmity in the finding of the Tribunal that the accident occurred due to rash and negligent driving of the Maruti car by Sanjeev Massey. It has come on record that FIR No.77 dated 15.03.1992 under Sections 279 and 337 IPC was registered with regard to the accident and that Sanjeev Massey was challaned in the said case. The record further reveals that he pleaded guilty before the criminal court and was convicted. The criminal conviction coupled with the evidence on record sufficiently establishes the negligence of the car driver.

17. **(A) Liability in respect of unregistered vehicle :** The principal question that arises for consideration is whether the learned Tribunal was justified in fastening liability upon the appellant – M/s Maruti Udyog Limited. Since the challenge in the present appeal primarily relates to the finding regarding ownership and control of the offending vehicle at the time of the accident, the same is required to be examined in the light of the evidence available on record.

18. It is an admitted position that the car involved in the accident had not been registered with any registering authority at the relevant time and was also not insured. In this context, reference may be made to the definition of “owner” as contained in Section 2(30) of the Motor Vehicles Act, which reads as under:—



“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.”

19. A plain reading of the aforesaid provision shows that ordinarily the owner of a motor vehicle is the person, in whose name the vehicle stands registered. In a case where the registered owner is a minor, the guardian of such minor is treated as the owner. However, in situations, where the vehicle is the subject matter of a hire-purchase agreement, lease or hypothecation arrangement, the person in possession of the vehicle under such agreement is deemed to be the owner for the purposes of the Act. None of these situations is applicable in present case.

20. Therefore, the statutory definition of “owner” contained in Section 2(30) of the Motor Vehicles Act cannot be applied in its strict sense for determining liability. In such a situation, the Court is required to examine, as to who was in possession and control of the vehicle, and whether the property in the vehicle had actually passed to the purchaser.

21. The Constitution Bench of the Hon’ble Supreme Court in ***Naveen Kumar v. Vijay Kumar, (2018) 3 SCC 1***, has held that for the purpose of fastening liability under the Motor Vehicles Act, the expression “owner” ordinarily refers to the person in whose name the vehicle stands registered, so that third party victims are not left without a remedy due to disputes between transferor and transferee. A similar principle had earlier been noticed in ***Dr. T.V. Jose v. Chacko P.M., (2001) 8 SCC 748***. However, the said principle applies in situations, where the vehicle already stands registered in the name of a particular person.

22. In the present case, it is an admitted position that the offending vehicle had not been registered with the registering authority at the time of the accident. In such circumstances, the question as to whether



the property in the vehicle had passed to the purchaser, has to be examined in the light of the principles governing transfer of movable property.

23. In this regard, the Hon'ble Supreme Court in ***Complete Insulations (P) Ltd. v. New India Assurance Co. Ltd., (1996) 1 SCC 221***, held that a motor vehicle is movable property and that the passing of property in the goods depends upon the intention of the parties as contemplated under Sections 19 and 20 of the Sale of Goods Act and that registration under the Motor Vehicles Act is only a regulatory requirement for the use of the vehicle on public roads and does not by itself determine the transfer of ownership. It was further held that the transfer of ownership is complete, when the property in the vehicle passes in accordance with the provisions of the Sale of Goods Act, which ordinarily depends upon delivery of possession and the intention of the parties.

24. In ***Pushpa @ Leela v. Shakuntala, (2011) 2 SCC 240***, the Supreme Court held that in cases where transfer of vehicle has not been completed in accordance with law, the person who has actual possession and control of the vehicle at the relevant time cannot escape liability merely on the basis of documents showing a proposed transfer. The Court further observed that the beneficial object of the Motor Vehicles Act requires that the person who had dominion over the vehicle and allowed it to be used on the road must bear the responsibility towards third parties. The Supreme Court has also emphasized that the Motor Vehicles Act is a beneficial legislation intended to protect victims of accidents, and therefore the expression "owner" must receive a pragmatic and purposive interpretation.

25. In ***Purnya Kala Devi v. State of Assam, (2014) 14 SCC 142***, it was observed that liability cannot be avoided merely by relying upon technicalities of title, when the vehicle was being operated under the authority or control of a particular person.

26. The legal position emerging from the aforesaid authorities can



broadly be summarised thus. Firstly, where a motor vehicle stands registered with the registering authority, the person in whose name the vehicle is registered is ordinarily treated as the “owner” for the purpose of fastening liability under the Motor Vehicles Act, as held by the Constitution Bench in ***Naveen Kumar v. Vijay Kumar (supra)***. Secondly, where the vehicle has been transferred but the transfer has not been recorded with the registering authority, the registered owner would nevertheless continue to be liable towards third parties, as explained in ***Dr. T.V. Jose v. Chacko P.M. (supra)***, since the statutory records continue to reflect him as the owner and the victim cannot be left remediless. Thirdly, in a situation where the vehicle had not been registered at all at the time of the accident, the statutory concept of “registered owner” would not be available. In such circumstances, the Court must determine ownership on the basis of general principles governing transfer of movable property, particularly the intention of the parties and the passing of possession, as explained by the Supreme Court in ***Complete Insulations (P) Ltd. v. New India Assurance Co. Ltd. (supra)*** and in this situation, the person having possession, control or dominion over the vehicle at the relevant time would be treated as responsible for the consequences arising from its use.

27. Applying the aforesaid principles to the facts of the present case, it is evident that the offending vehicle had not been registered with any registering authority at the time of the accident. Consequently, the statutory test of determining liability on the basis of the “registered owner”, as explained in ***Naveen Kumar v. Vijay Kumar (supra)***, would not strictly apply.

28. The appellant has strongly relied upon the fact that the invoice of the car had already been issued in favour of M/s Ganga Automobiles. However, a careful perusal of the evidence reveals that there is no reliable material to establish that the vehicle had actually been delivered to the dealer. Even the witness examined by the appellant admitted that he could not state the name of any official of M/s Ganga Automobiles, who had



taken delivery of the car. No document evidencing delivery of possession of the vehicle to the dealer has been produced. On the contrary, the evidence indicates that the vehicle continued to remain under the possession and control of the appellant – M/s Maruti Udyog Limited at the relevant time.

29. The contention raised by learned senior counsel for the appellant that though the invoice does not bear the signature of the purchaser acknowledging delivery but such acknowledgment is ordinarily obtained on the exit gate pass, as mentioned in the grounds of appeal, does not advance the case of the appellant. Even if it is assumed that the acknowledgment of delivery is obtained on the exit gate pass and not on the invoice, nothing prevented M/s Maruti Udyog Limited – appellant from producing the relevant exit gate pass or examining the concerned official to establish that the vehicle had in fact been delivered to M/s Ganga Automobiles. In the absence of such evidence, the plea regarding delivery of the vehicle cannot be accepted.

30. It is also noteworthy that although the appellant has denied that Sanjeev Massey was its employee, it is not disputed that the injured claimant Jagdish was working with M/s Maruti Udyog Limited. Only stand is that he was not the regular employee. The claimant, while appearing as PW3, deposed that when the car was being taken for delivery, one Mr. Khattar, an officer of the Maruti factory, was also travelling in the vehicle. According to him, the car was first taken to M/s Ganga Automobiles where its officials asked him and Sanjeev Massey to drop Mr. Khattar at Sector-4, Gurgaon, and while returning thereafter the accident took place.

31. The learned Tribunal noticed that this part of the statement was beyond the pleadings. Significantly, Mr. Khattar, whose presence in the vehicle was not denied and who admittedly was an officer of M/s Maruti Udyog Limited, was not examined by the appellant to support its version. Furthermore, if the claimant and Sanjeev Massey were not employees of M/s Maruti Udyog Limited, it remains unexplained as to how the vehicle



could have been taken out of the premises of the company for delivery to M/s Ganga Automobiles. The appellant has also failed to place on record any documentary evidence showing that the vehicle had been delivered to M/s Ganga Automobiles, or that any representative of the dealer had acknowledged such delivery either on the invoice or on the alleged exit gate pass.

32. In these circumstances, the inference drawn by the Tribunal that the vehicle continued to remain under the control of M/s Maruti Udyog Limited, and that the invoice was issued in favour of M/s Ganga Automobiles only subsequently, compelling the dealer to obtain the vehicle on superdari from the Court after the accident, cannot be said to be conjectural or unsupported by the evidence on record.

33. In view of the discussion made hereinabove, this Court finds no reason to interfere with the findings recorded by the learned Tribunal. The Tribunal was justified in holding that the accident had occurred before the delivery of the vehicle to the dealer and that Maruti Udyog Limited could not escape liability. The conclusion arrived at by the Tribunal that respondent No.1 Sanjeev Massey, the driver of the car, and respondent No.7 M/s Maruti Udyog Limited are jointly and severally liable to pay compensation to the injured claimant, in the absence of proof of delivery of the vehicle to M/s Ganga Automobiles, is therefore, affirmed.

34. **Quantum of Compensation** : Coming to the quantum of compensation, the evidence on record shows that the claimant suffered extremely serious injuries. The medical evidence reveals that the claimant suffered brain stem hematoma and developed impairment of memory, low IQ and difficulty in speech with weakness in multiple limbs. The disability certificate proved on record shows that he suffered 70% permanent disability. The record also indicates that the claimant remained under prolonged treatment. Such injuries clearly indicate long-term neurological impairment affecting the normal functioning of the claimant.



35. While assessing compensation in cases involving permanent disability, it is well settled that the Court must determine the functional disability and its impact on the earning capacity of the injured, and not merely rely upon the percentage of physical disability mentioned in the disability certificate. The Hon'ble Supreme Court in ***Raj Kumar v. Ajay Kumar, (2011) 1 SCC 343***, elaborately explained the principles governing assessment of compensation in injury cases. The Court held that the Tribunal must ascertain (i) whether there is permanent disability, (ii) whether such disability affects the earning capacity of the injured, and (iii) the extent to which the earning capacity has been reduced. It was further observed that in cases where the injuries affect the ability of the claimant to perform his avocation, the percentage of functional disability may correspond to or even exceed the physical disability certified by the medical board.

36. Further guidance on computation of compensation has been provided by the Constitution Bench of the Supreme Court in ***National Insurance Company Ltd. v. Pranay Sethi, (2017) 16 SCC 680***, wherein it was held that the determination of compensation must follow a structured and consistent approach, including the addition of future prospects to the income of the victim so as to arrive at just compensation. Though the said judgment primarily dealt with death cases, the principles relating to structured computation and addition of future prospects have been consistently applied even in injury cases where loss of earning capacity is established.

37. Similarly, in ***Jagdish v. Mohan, (2018) 4 SCC 571***, the Supreme Court emphasized that in cases involving serious permanent disability, the Court must adopt a realistic and humane approach, keeping in view the long-term consequences of the injuries upon the victim's livelihood, dignity and quality of life. The Court observed that compensation awarded must be such as would reasonably enable the injured to cope with the lasting impact of the disability.



38. In the present case, the claimant was working as a driver prior to the accident. The neurological impairments suffered by him, including memory impairment, difficulty in speech and weakness in limbs, would seriously affect his ability to safely drive a vehicle or perform any occupation requiring alertness and coordination. Therefore, the disability suffered by the claimant cannot be treated as a mere medical disability but must be considered as functional disability substantially affecting his earning capacity.

39. Thus, keeping in view the principles laid down by the Supreme Court in ***Raj Kumar v. Ajay Kumar; National Insurance Company Ltd. v. Pranay Sethi***; and ***Jagdish v. Mohan (supra)***, this Court is of the considered view that the compensation awarded by the Tribunal was not commensurate with the nature of injuries and the long-term impact of the disability suffered by the claimant. The reassessment of compensation made by this Court by applying the multiplier method and by awarding compensation under appropriate heads is, therefore, necessary to ensure that the claimant receives just, fair and reasonable compensation as envisaged under the Motor Vehicles Act.

40. Applying the principles laid down by the Supreme Court in ***Raj Kumar v. Ajay Kumar (supra)***, the disability assessed at 70% is reasonably taken as representing the loss of earning capacity of the claimant. Accordingly, the loss of future income has been computed by applying the appropriate multiplier method.

41. Despite the seriousness of the injuries, the Tribunal awarded only ₹1,95,000/-, which appears to be wholly inadequate and not commensurate with the nature of injuries suffered by the claimant.

42. The claimant stated that he was earning about ₹2,500/- per month prior to the accident. The said income is accepted for the purpose of computation.



43.1 *Loss of income during treatment* : The claimant remained under treatment for a considerable period of two years as per evidence on record and was unable to work. On the basis of monthly income of ₹2,500/-, he is awarded ₹60,000/- (2500 x 12 x 2) for loss of income during the period of treatment.

43.2 *Medical expenses* : Keeping in view evidence on record, an amount of ₹20,000/- is awarded towards medical expenses.

43.3 *Special diet and transportation* : Considering the nature of injuries and repeated hospital visits, a sum of ₹10,000/- is awarded for special diet and ₹5,000/- for transportation.

43.4 *Pain and suffering* : In view of the grievous injuries suffered by the claimant including head injury and neurological impairment, a sum of ₹50,000/- is awarded towards pain and suffering.

43.5 *Attendant charges* : The claimant remained under prolonged treatment and must have required assistance of an attendant. A sum of ₹25,000/- is awarded towards attendant charges.

43.6 *Loss of future earning capacity* : The claimant suffered 70% permanent disability, which has seriously affected his earning capacity. Taking the annual income of ₹30,000/- and adding 40% towards future prospects, the annual income comes to ₹42,000/-. Taking functional disability at 70%, the annual loss of earning works out to ₹29,400/-. Applying the multiplier of 15, the loss of future earning capacity comes to ₹4,41,000/-.

43.7 *Future attendant assistance* : Considering the nature of disability affecting speech and memory, the claimant would require assistance even in future. A sum of ₹14,000/- is awarded under this head.

43.8 Thus, the total compensation payable to the claimant comes to ₹6,25,000/-.



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44. Since the Tribunal has already awarded ₹1,95,000/-, the claimant becomes entitled to enhanced compensation of ₹4,30,000/-.

45. **Conclusion :** Accordingly, the appeal filed by M/s Maruti Udyog Limited is dismissed. The cross-objections filed by the claimant are allowed and the compensation is enhanced to ₹6,25,000/-. The enhanced amount of ₹4,30,000/- shall be payable jointly and severally by respondent Sanjeev Massey, and appellant - M/s Maruti Udyog Limited along with interest at the rate of 7.5% per annum from the date of filing of the claim petition till realization.

46. Accordingly, the appeal stands dismissed, whereas the cross-objections are allowed in the manner indicated above.

**09.03.2026**

*Yogesh*

**(DEEPAK GUPTA)  
JUDGE**

Whether speaking/reasoned:- Yes/No

Whether reportable:- Yes/No

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