

Supreme Court of India

Panna Lal vs Shri Chand Mal And Ors. on 8 February, 1980

Equivalent citations: AIR 1980 SC 871, (1980) 2 SCC 314

Author: S M Ali

Bench: A Koshal, P Kailasam, S M Ali

JUDGMENT S. Murtaza Fazal Ali, J.

1. This is a plaintiffs appeal by special leave and is directed against the judgment of the High Court which upheld the judgment of the Courts below dismissing the plaintiff's suit for recovery of Rs. 6,800/-. The facts of the case lie within a very narrow compass and have been detailed in the judgment of the Courts below. It appears that Manak Chand was the owner of a lorry No. AJM 455 and has also the route permit in his name. On 17th February, 1956 Manak Chand sold the route permit and the lorry of Lalchand and Tarachand for a sum of Rs. 4,251/-. Subsequently, the purchasers Lalchand and Tarachand, original defendants, sold the lorry to the plaintiff Panna Lal on 24th, December, 1956. The findings of facts recorded by the Courts below are that after the sale both by Manak Chand to Lalchand and Tarachand and by Lalchand and Tarachand to the plaintiff, the lorry as also the registration paper thereof were delivered to the appellant purchaser and thus title passed to him. As, however the plaintiff did not choose to move the Registering Authority for transfer of registration of the lorry in his name, the name of the original owner Manak Chand continued to remain in the papers of the registering authority under the Motor Vehicles Act. The plaintiff issued notices both to Manak Chand, and to Lalchand and Tarachand for taking steps for transferring the registration in his name in view of the purchase of the lorry by him. Despite these notices, no action was taken. Hence the plaintiff filed a suit for recovery of the amount of Rs. 5,000/- which was paid by the plaintiff for the purchase of lorry from Lal Chand and Tara Chand defendants and claimed Rs. 1,800/- as interest on that amount by way of damages.

2. The short point raised by Mr. Andley, counsel appearing for the appellant was that as neither Manak Chand nor Lalchand and Tarachand took any steps to transfer the registration in the name of the plaintiff before the registering authority, the sale was ineffective and it really amounted to an agreement to sell. We are however unable to agree with this submission because in the Motor Vehicles Act, 1939, as it stood in 1966, there was no provision which prohibits sale of a vehicle. Section 31 of the Act runs thus:

Section 31. Transfer of ownership.

(1) Within thirty days of the transfer of ownership of any motor vehicle registered under this Chapter, the transferee shall report the transfer to the registering authority within whose jurisdiction he resides and shall forward the certificate of registration to that registering authority together with the prescribed fee in order that particulars of the transfer of ownership may be entered therein.

(2) A registering authority other than the original registering authority making any such entry shall communicate the transfer of ownership to the original registering authority.

Under the provisions of this section, the transfer of ownership is permitted but the statute casts an obligation on the transferee to report to the registering authority concerned regarding the transfer of the vehicle along with a certificate of registration and then get the registration transferred in his name. It was therefore the duty of the plaintiff to have applied to the registering authority under Section 31 of the Motor Vehicles Act and got the registration transferred in his name. It has been found by the Courts below that all the registration papers as also the memo of sale were handed over to the plaintiff. In these circumstances therefore if the plaintiff did not choose to move the registering authority, he cannot be heard to say that he is entitled for refund of the purchase money or claim damages. The decisions of the Courts below are therefore correct and do not warrant any interference by this Court.

3. We do not find any merit in this appeal. We accordingly dismiss the appeal but in the circumstances we leave the parties to bear their own costs throughout.