

District Magistrate and District Election Officer and Collector, Gwalior, M.P. Vs. National Insurance Company Ltd. & Ors.

Civil Appeal No. _____ of 2026 @ SLP (Civil) No. 22910 of 2025 · Supreme Court of India · 2026-03-23 · Sanjay Karol · Nongmeikapam Kotiswar Singh · F2J-C-1158

Full judgment text

District Magistrate and District Election Officer and Collector, Gwalior, M.P. Vs. National Insurance Company Ltd. & Ors.

[Civil Appeal No. _____ of 2026 @ SLP (Civil) No. 22910 of 2025]

Sanjay Karol J.

1. Leave Granted.

2. This appeal presents a question of determination of liability in connection with the accident that took place on 23rd January 2010 between a bus¹ bearing registration number MP-07-MG-9897 and a motorcycle bearing number MP-07-TC-0514, killing the rider of the latter. The bus, although under the ownership of Kidzee Corner School, Gwalior, had been, undisputedly, requisitioned under the orders of the appellant for the purposes of Gram Panchayat Elections. It had, while being under the orders and command of the relevant election authorities, dashed into the motor-cycle of the deceased.

The Fifth Additional Motor Accident Claims Tribunal, Gwalior² allowed the claim³ that had been filed by the legal representatives of the deceased, namely Rajesh Mandil and awarded compensation to the tune of Rs 5,13,500 along with 6% interest from the date of filing of the petition. The award also provided for a distribution of the amount so awarded as per the discussion in issue No. 6. Aggrieved by such determination, two Miscellaneous Appeals came to be filed before the High Court of Madhya Pradesh - one by the Insurance Company (respondent no.1 herein) being MA No.703 of 2012 and one by the legal representatives of the deceased - respondent nos. 2 to 5, before this Court who instead took objection to the conservative estimation of the deceased's income and as such, prayed for the enhancement of the compensation so awarded.

In terms of the impugned judgment dated 8th January 2024, both the miscellaneous appeals were allowed. The Insurance Company's appeal was allowed insofar as liability originally fastened upon them was instead shifted to the appellant herein. The Appeal by Respondent Nos. 2-5 was allowed by enhancing the compensation to Rs. 27,01,556/-.

3. The appellant by way of this appeal takes exception to the shifting of liability upon him. It is urged that the High Court's determination was erroneous since at the relevant point in time the offending vehicle was under the coverage of an insurance policy, and so liability to be fastened otherwise would be wrong. Further, it is submitted that when the bus was being used for a public purpose and in course thereof, if the liability is fastened upon public authorities it would send a wrong message since the authorities do not have either ownership of the vehicle or any insurable interest therein.

4. The short question to be determined by us is whether the High Court's finding that the appellant, a functionary of the State would be liable to meet the award and not the Respondent - Insurance Company, was in accordance with law or not. We have heard the learned counsel for the parties, Ms. Archana Pathak Dave, learned senior counsel, appointed as amicus curiae and also perused the written submissions filed by them.

5. As already noted above, it is undisputed that the bus in question was requisitioned by the appellant for the Gram Panchayat elections. The word requisition is defined by the Cambridge Dictionary⁴ as follows: "to officially request or take something". Merriam Webster⁵ defines it as "the act of formally requiring or calling upon someone to perform an action; a formal demand made by one nation upon another for the surrender or extradition of a fugitive from justice; the act of requiring something to be furnished; a demand or application made usually with authority: such as - a demand made by military authorities upon civilians for supplies or other needs; a written request for something authorized but

not made available automatically; the state of being in demand or use".

6. The judgment of this Court in *National Insurance Co. Ltd. v. Deepa Devi*⁶, appears to squarely cover the situation presented in this case, as follows:

"10. Parliament either under the 1939 Act or the 1988 Act did not take into consideration a situation of this nature. No doubt, Respondents 3 and 4 continued to be the registered owners of the vehicle despite the fact that the same was requisitioned by the District Magistrate in exercise of the power conferred upon him under the Representation of the People Act. A vehicle is requisitioned by a statutory authority, pursuant to the provisions contained in a statute. The owner of the vehicle cannot refuse to abide by the order of requisition of the vehicle by the Deputy Commissioner. While the vehicle remains under requisition, the owner does not exercise any control thereover.

The driver may still be the employee of the owner of the vehicle but he has to drive it as per the direction of the officer of the State, who is put in charge thereof. Save and except for legal ownership, for all intent and purport, the registered owner of the vehicle loses entire control thereover. He has no say as to whether the vehicle should be driven at a given point of time or not. He cannot ask the driver not to drive a vehicle on a bad road. He or the driver could not possibly say that the vehicle would not be driven in the night. The purpose of requisition is to use the vehicle.

For the period the vehicle remains under the control of the State and/or its officers, the owner is only entitled to payment of compensation therefor in terms of the Act but he cannot not (sic) exercise any control thereupon. In a situation of this nature, this Court must proceed on the presumption that Parliament while enacting the 1988 Act did not envisage such a situation. If in a given situation, the statutory definitions contained in the 1988 Act cannot be given effect to in letter and spirit, the same should be understood from the common sense point of view."

(emphasis supplied)

Still further, a bench of three judges in *Purnya Kala Devi v. State of Assam*⁷, dealt with a case in which the State of Assam had requisitioned the vehicle in question. It was held:

"16. Though the above point was pressed into service, the High Court, without advert to Section 5 of the Assam Act, merely on the basis of the definition of "owner" as contained in Section 2(30) of the 1988 Act, mulcted the award payable by the owner of the vehicle. The High Court failed to appreciate that at the relevant time the offending vehicle was under the requisition of Respondent 1 State of Assam under the provisions of the Assam Act.

Therefore, Respondent 1 was squarely covered under the definition of "owner" as contained in Section 2(30) of the 1988 Act. The High Court failed to appreciate the underlying legislative intention in including in the definition of "owner" a person in possession of a vehicle either under an agreement of lease or agreement of hypothecation or under a hire-purchase agreement to the effect that a person in control and possession of the vehicle should be construed as the "owner" and not alone the registered owner.

The High Court further failed to appreciate the legislative intention that the registered owner of the vehicle should not be held liable if the vehicle was not in his possession and control. The Tribunal also erred in accepting the allegation of Respondent 2 that the vehicle was released on the date of the accident at 10.30 a.m. and the accident occurred at 10.30 a.m. without any evidence even though in the claim petition, it was stated that the accident had occurred at 10.15 a.m."

(emphasis supplied)

7. That being the position of law, we are of the considered view that no error can be found in the impugned judgment. As such, the appeal is bereft of merit.

8. Before parting with the matter, however, we deem it appropriate to deal with one of the contentions raised by the appellant to the effect that it will send a bad message to civic authorities who are requisitioning such vehicles for public purposes.

9. When a public authority requisitions a privately owned vehicle for public purposes, the nature of possession and control changes entirely. The owner is divested of custody and decisionmaking power, and the vehicle is placed at the disposal of the State for governmental functions. During this period, the owner neither directs its use nor derives any benefit from it. It only stands to reason that in such circumstances, if an untoward incident occurs, responsibility would properly to rest with the

requisitioning authority and not with the insurer engaged by the owner for ordinary, private or commercial use, as the case may be. Once requisitioned, the vehicle is operated under official directions.

The authority determines the manner of deployment, the purpose for which it is used, and the conditions under which it is operated. The owner has no say in these matters. Where control is assumed by the State, the legal consequences arising from that control cannot, in fairness, be shifted back to a private insurer whose contractual engagement was premised on a wholly different footing. It is equally important to recognize that a requisition is not a voluntary arrangement, instead it is a command issued under statutory authority, as stated by the judgments referred to supra. The owner does not consent to part with possession; he is compelled to do so.

The insurance policy obtained by him envisions and accounts for the vehicle's regular and lawful use in the ordinary course. Compelled deployment for public functions cannot reasonably be characterised as "regular use" within the 'usual' contemplation. To fasten liability upon the insurer in these circumstances would be to extend the contract beyond the risk that was agreed to be covered. Requiring the insurer to answer for consequences arising from a use neither authorised nor controlled by the insured would be unfair.

The insurer assesses and underwrites risk based on the insured's ordinary operations. When the State steps in, assumes control, and deploys the vehicle for its own purposes, it assumes with that control the corresponding responsibility. Further, when statutory power is exercised to requisition private property in the public interest, that power carries with it an obligation to answer for the consequences flowing from such compelled use. To hold otherwise would impose upon private parties and their insurers the burden of risks generated exclusively by governmental action.

10. Here itself, it be observed, that the learned Amicus Curiae, in her note, submitted to the Court that in view of U.P. SRTC v. National Insurance Co. Ltd.⁸, which in turn relied on U.P. SRTC v. Kulsum⁹, the insurer would continue to be liable despite it being operated by the authority. We cannot accept this view since the crucial distinction in the above two cases vis-a-vis the present one is that in the former the vehicles operated under an agreement for such purpose.

Here, as is abundantly clear, it was a requisition by the authority under a special statute. Accordingly, it is held that where a vehicle is requisitioned for public functions and an incident occurs during the period of such requisition, liability ought properly to be borne by the requisitioning authority, and not by the insurer engaged by the owner for the vehicle's regular and voluntary use.

11. There is yet another point that needs consideration. Section 160 of the Representation of the Peoples Act, 1950 grants power to the State to requisition premises and vehicles. The provision, however, does not expressly authorize the requisition of manpower such as driver. In practice, however, vehicles are often placed at the disposal of the authorities along with their drivers.

In practice, however, vehicles are often placed at the disposal of the Authorities along with their drivers in view of operational convenience. Once the vehicle is requisitioned and deployed for election duty, its control and use effectively passes to the State authorities for the duration of that period, as already observed supra. In such circumstances, it is a reasonable conclusion that by accepting and utilizing the services of the driver, the Authorities implicitly recognized such a driver's competence, capacity and ability to operate the vehicle.

It is also to be noted that the authority in this case made a conscious decision to requisition the vehicle with the driver instead of exercising its power to request staff for the purpose of carrying out duties in connection with the election. In other words while the vehicle could have been requisitioned from the School, the driver could have been a staff member of the authorities/institutions listed under Section 159(2) of the Act. However, that was not the case. Viewed thus too, the liability would rest with the requisitioning authority, and thereby with the State.

12. With these observations, the appeal is dismissed along with any pending applications being disposed of.

.....J. (Sanjay Karol)

.....J. (Nongmeikapam Kotiswar Singh)

New Delhi

March 23, 2026

1 Offending vehicle

2 Tribunal

3 Claim No. 25/2010

4 <https://dictionary.cambridge.org/dictionary/english/requisition>

5 <https://www.merriam-webster.com/dictionary/requisition>

6 (2008) 1 SCC 414

7 (2014) 14 SCC 142

8 2021 SCC OnLine SC 3278

9 (2011) 8 SCC 142

Source disclosure: Complete sanitized public judgment text retained for research; official-primary replacement remains pending.

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