Misc Crl 48/2026
STATE Vs. UNKNOWN
FIR NO. 518/2025
PS Pahar Ganj

NEETU SHARMA

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07.02.2026

Present: Sh. Shashank Tyagi, Ld. APP for the State.
Sh. Santosh Kumar, Ld. Counsel for applicant.

Arguments have already been heard. Record perused.

1. The instant application has been filed by a financer namely M/s Perfect Capital Service for release of e-rikshaw. The applicant avers that it had financed the e-rikshaw to the registered owner who later failed to adhere to the payment of instalments. The financer filed an application under Section-9 of the Arbitration and Conciliation Act and obtained an order of appointment of receiver for the said e-rikshaw. The applicant claims that it has the first charge over the vehicle and therefore it is entitled to sale the same for recovery of its loan. As such, the applicant wants release of vehicle.

2. IO has filed a reply to the application indicating that the e-rikshaw is involved FIR registered for offences punishable under Section-106, 125, 281 BNS. It also shows that the applicant is not the owner neither was in possession of the vehicle at the time of accident. Dilnawaz is shown to be the registered owner of the vehicle but the reply asserts that the applicant/financer has already sold the vehicle to one Satish due to non payment of installments by the registered owner and that even there are documents regarding re-finance.

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Satish Kumar has not got the RC transferred in his name but was in possession of the vehicle. IO further indicates that the driver of e-rikshaw did not possess any DL and further that the e-rikshaw is not insured.

3. Upon hearing the arguments, this court is of the view that the applicant/financer cannot claim release of vehicle. It appears that applicant is claiming that registered owner Satish had approached it for finace and it had granted loan facility to him for the said e-rikshaw. Reply of the IO however shows that Dilnawaz is the registered owner. Clearly therefore, the applicant is telling lie. It seems that Dilnawaz had earlier obtained finance for the e-rikshaw but failed to pay the installments. Thereafter, the applicant/financer appears to have re-financed the vehicle to Satish. Since Dilnawaz is stated to be the registered owner, he shall remain the same until RC is transferred. If any liability is there of Satish in respect of the applicant, it is for them to sort out the same but the applicant cannot claim a first charge over the vehicle when the same is involved in road accident.

4. It is pertinent to note that the e-rikshaw is involved in a fatal accident resulting into death of a person. The obvious consequence will be a compensation proceeding under Motor Vehicles Act in which the compensation would have to be awarded. In the absence of insurance, the driver/owner will become liable to pay the compensation. For such purpose, Delhi Motor Accidents Claims Tribunal Rules, 2008 provides the following vide Rule-6:

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> "6.Prohibition against release of motor vehicle involved in accident.-(1) No court shall release a motor vehicle involved in an accident resulting in death or bodily injury or damage to property, when such vehicle is not covered by the policy of insurance against third party risks taken in the name of registered owner or when the registered owner fails to furnish copy of such insurance policy despite demand by investigating police officer, unless and until the registered owner furnishes sufficient security to the satisfaction of the court to pay compensation that may be awarded in a claim case arising out of such accident.
> (2) Where the motor vehicle is not covered by a policy of insurance against third party risks, or when registered owner of the motor vehicle fails to furnish copy of such policy in circumstance mentioned in sub rule (1), the motor vehicle shall be sold off in public auction by the magistrate having jurisdiction over the area where accident occurred, on expiry of three months of the vehicle being taken in possession by the investigating police officer, and proceeds thereof shall be deposited with the Claims Tribunal having jurisdiction over the area in question, within fifteen days for purpose of satisfying the compensation that may have been awarded, or may be awarded in a claim case arising out of such accident".

5. Firstly, the aforesaid rule prohibits the release of un-insure vehicle. Secondly, even if it is to be released, the same has to be released to the registered owner that too after taking sufficient

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security for the payment of compensation. The applicant/financer is not the registered owner presently nor has mentioned its inclination to give security for compensation. Rather, the applicant wants to utilize the e-rikshaw for itself, which would clearly be against the aforesaid rule. It is clear that even if applicant is treated as financer, it shall have no first charge over the vehicle as the compensation to victim under statutory scheme will have the first charge.

6. In view of the aforesaid, it is held that applicant/financer in the present case cannot claim release of e-rikshaw on superdari. The application is dismissed.

Copy of this order be given *dasti* to the applicant.

(Neetu Sharma)
ACJM-01/CENTRAL
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