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HIGH COURT OF CHHATTISGARH AT BILASPUR

MAC No. 647 of 2026

SBI General Insurance Company, Branch Office 4th Floor Pujari Chamber NH-43 Pachpedi Naka Raipur District- Raipur (C.G.) 492001

... Appellant

versus

1 - Ku. Geetanjali Sahu D/o Vijay Kumar Sahu Aged About 13 Years Minor Child Through Father Vijay Kumar Sahu R/o Ward No.11 Mathpara Village Surgi Tehsil And District- Rajnandgaon (C.G.)

2 - Shiv Ram Sahu S/o Sadhuram Sahu Aged About 34 Years R/o Ward No.09, Village Borgahan Thana Arjunda Distt- Balod (Chhattisgarh) (**Driver**)

3 - Khomlal Sahu S/o Hirderam Sahu Aged About 48 Years R/o Ward No.01, Village Jamgaon (R) Thana Jamgaon Distt- Durg (Chhattisgarh) (**Owner**)

... Respondent(s)

For Appellant	: Mr. K. P. S. Gandhi, Advocate
For Respondent No.1	: Mr. Khilendra Sahu, Advocate

Hon'ble Shri Justice Sanjay Kumar Jaiswal, J.

Order on Board

21.08.2026

1. This appeal under Section 173 of the Motor Vehicles Act, 1988 (for short, “the Act of 1988”) has been preferred by the appellant–Insurance Company assailing the award dated 09.01.2026 passed by the Motor Accident Claims Tribunal, Rajnandgaon, in Claim Case No. 207/2024, whereby learned Tribunal has awarded a sum of Rs.3,00,000/- as compensation to the claimant for the injuries sustained by her in a motor accident which occurred on 26.04.2024.
2. Learned counsel for the appellant–Insurance Company submits that the Tribunal itself, upon appreciation of the evidence available on record, has recorded a categorical finding that the offending vehicle was being plied on the date of the accident without a valid permit, which amounted to a fundamental breach of the terms and conditions of the insurance policy. It is contended that, having recorded such finding, the Tribunal ought to have exonerated the Insurance Company from its liability to indemnify the insured. However, despite the said finding, learned Tribunal has erred in directing the appellant–Insurance Company to satisfy the award in the first instance and thereafter recover the amount from the owner. According to learned counsel, such a direction is unsustainable in law and the appellant–Insurance Company deserves to be exonerated from its liability.
3. Per contra, learned counsel appearing for the respondent–claimant opposes the submission made on behalf of the appellant and supports the impugned award.
4. I have heard learned counsel for the parties and perused the record as well as the impugned award with due care.
5. From perusal of paragraph 12 of the impugned award, it is

evident that the learned Tribunal has recorded a specific finding that the offending vehicle did not possess a valid permit on the date of the accident. Thus, there was a breach of the condition of the insurance policy relating to the use of the vehicle in accordance with the terms of the permit. At the same time, the Tribunal has found that the vehicle was duly insured on the date of the accident.

6. The Hon'ble Supreme Court, in ***Amrit Paul Singh and Another v. TATA AIG General Insurance Company Limited and Others***, reported in **(2018) 7 SCC 558**, while considering a fundamental breach of the insurance policy condition on account of the offending vehicle being used without a valid permit, has held that the insurer, though exonerated from its ultimate liability, is required to first satisfy the award by paying the compensation amount to the claimants and shall thereafter be entitled to recover the amount so paid from the owner and driver of the offending vehicle.
7. In view of the principle laid down by the Hon'ble Supreme Court in the aforesaid judgment and having regard to the facts and circumstances of the present case, this Court finds no illegality or perversity in the direction issued by the learned Tribunal requiring the appellant-Insurance Company to first satisfy the award and thereafter recover the amount so paid from the owner of the offending vehicle.
8. Accordingly, the appeal being devoid of merit is **dismissed**.
9. No order as to costs.

Sd/-
(Sanjay Kumar Jaiswal)
Judge