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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of decision: 10th July 2026+ MAC.APP. 824/2019 & CM APPL. 45678/2019

IFFCO TOKIO GENERAL INSURANCE CO LTD Appellant

Through: Mr. Brijesh Bagga, Ms. Mouli
Sharma, Advocates.

versus

VINOD YADAV & ORS Respondents

Through: Mr. Sameer Khan, Advocate for R-6
& R-7.**CORAM:****HON'BLE MR. JUSTICE ANISH DAYAL****JUDGMENT****ANISH DAYAL, J (ORAL)**

1. This appeal has been filed by the Insurance Company seeking recovery rights against respondent no.6/driver and respondent no.7/owner which were denied by the Motor Accident Claims Tribunal, North District, Rohini Courts, Delhi (*'MACT/Tribunal'*) in MACT No. 4434/2016 by way of impugned award dated 01st June 2019 awarding Rs. 9,10,000/- along with 9% interest.

2. The accident occurred on 16th June 2009 when one, *Satish* (hereinafter, *'deceased'*) was travelling on his motorcycle and proceeding towards *Center 18, Jail Road* when he was hit by a *TATA-709* bearing registration no. DL-1-LB-2991 (hereinafter, *'offending vehicle'*) driven by



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respondent no.6, owned by respondent no.7 and insured with appellant. Deceased was taken to *BJRM Hospital*, however, he succumbed to his injuries the next day. While, appellant/Insurance Company claimed that there was no valid permit on the date of accident, which amounted to a fundamental breach of insurance policy and therefore, recovery rights ought to have been granted to them, MACT rejected their contention and affixed liability on them to satisfy the impugned award.

3. *Mr. Brijesh Bagga*, counsel for appellant/Insurance Company, points to *paragraph 12* of the impugned award, where the statement of counsel for respondent no. 6/driver and respondent no.7/owner (*respondent no. 1 & 2 before the MACT*) has been noted. It was recorded by MACT that, “*it is admitted by the learned counsel for respondent no.1 that the permit was not valid but simultaneously it is argued that the vehicle was not plied by the respondent no.1 for the purpose of carrying goods, rather he was going to his house.*” On this basis, *Mr. Bagga* submits that the question of re-addressing this issue, at the stage of appeal, does not arise. Further, he also challenges the finding of MACT, wherein it was held that plying the offending vehicle/truck even for personal use does not amount to commercial use.

4. For this, reliance is placed upon the decision of Supreme Court in *Amrit Paul Singh v. TATA AIG General Insurance Co. Ltd & Ors.* (2018) 7 SCC 558. In this case, the Supreme Court dealt with a case, where there was no permit for the vehicle and at the time of accident, the vehicle was coming out of a workshop when it met with an accident. The Supreme Court reached a conclusion that exceptions carved out under *Section 66* of Motor Vehicles Act, 1988 (*‘MV Act’*) are to be pleaded and proved and



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cannot be taken aid of in case of an argument seeking absolution from liability. Supreme Court further stated that “*use of a vehicle in a public place without a permit is a fundamental statutory infraction*”.

5. Further, *Mr. Brijesh Bagga*, counsel for appellant/Insurance Company, vehemently argued that there is nothing on record to state that the period of renewal started from May 2009.

6. *Mr. Sameer Khan*, counsel for respondent no.6/driver & respondent no. 7/owner, counters this by stating that a concession of the counsel cannot possibly work against a statutory protection governed under *Section 81(5)* of the MV Act. Though, it was admitted that on the date of accident, there was no valid permit, *Mr. Khan*, draws attention of this Court to the testimony of *R1W1*, officer from the Permit Department and the documents filed as *Ex.R1W1/R3*, which was the permit transaction details (*a computer printout of the same*). The said document showed that the permits were renewed yearly from 1996 onwards, till it was surrendered in 2003 and, thereafter, in 21st May 2004, a fresh permit entry was given for a period of 5 years and yet again renewed on 11th August 2009.

7. *Mr. Khan*, stated that they had applied for renewal of permit in July 2009 and, thereafter, the permit was granted in August 2009. He placed reliance on the provision of *Section 81(5)* of MV Act which reads as under:

“81. Duration and renewal of permits

(5) Where a permit has been renewed under this section after the expiry of the period thereof, such renewal shall have effect from the date of such expiry irrespective of whether or not a temporary permit has been granted under clause (d) of section 87, and where a temporary permit has been granted, the fee paid in



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respect of such temporary permit shall be refunded.”
(emphasis added)

He, therefore, contends that the renewal of permit granted in August 2009 would have effect from its expiry in May 2009, when the permit granted in May 2004 for 5 years stood expired.

8. He further relies upon the decision of High Court of Karnataka in **Dr. Narasimulu Nandini Memorial Education Trust v. Banu Begum & Ors.**, Miscellaneous First Appeal No. ('MFA') 202022/2016, where the Court was considering a similar situation and analysed the provisions of *Section 81* of the MV Act in some detail. The High Court arrived at the conclusion that the permit was in force on the date of accident and the renewal would be validated from date of expiry. The High Court relied upon the decision of a Co-ordinate Bench of the Court in **United India Insurance Co. Ltd. v. Smt. Yasmin Begum & Ors.**, MFA 3338/2015, wherein, the Court held as under:

“23. On a reading of the aforesaid provisions, it becomes clear when the permit is issued, in the first instance, it is effective from the date of issuance for a period of five years. But subsequently when a permit which has expired is renewed, it is from the date of expiry. Having regard to Sub-sections (2) and (3) of Section 81 of the Act, where there could be a delay in making of an application for renewal of permit and also keeping in mind the fact that renewal application would take sometime for it to be considered, processed and ultimately the permit being renewed even though such an application has been made well within time. Sub-section (5) of Section 81 of the Act takes care of a period during which the vehicle is plying on the public road, pending renewal of the permit. In such a case, Sub-section (5) of Section 81 of the Act states that



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where a permit is renewed after the expiry of its period, such renewal shall have an effect from the date of such expiry. In other words, Sub-section (5) of Section 81 of the Act deals with a case of deemed permit or takes care of a situation where pending renewal of a permit, a transport vehicle is plying on a public road. In such a situation, it cannot be considered to be a case where the transport vehicle is plying without a permit rather the vehicle is plying pending renewal of the permit i.e. on a deemed permit. Renewal of the permit could take place only if a permit had been issued in the first instance and not otherwise. Hence, the object of a provision incorporating a legal fiction must be given its fullest scope and application.”

(emphasis added)

9. The High Court of Karnataka in ***Yasmin Begum*** (*supra*) had distinguished the decision in ***Amrit Paul Singh*** (*supra*) on account that, in that case, the offending vehicle did not have a permit at all.

10. Taking into account these submissions, the Court is of the opinion that *Section 81(5)* of MV Act does provide a deeming fiction for a permit renewal to be valid from the date of expiry of the previous permit. There is no doubt that renewal of the permit was applied for in July 2009 *albeit* after the accident, but that does not take away the fact that renewal obtained in August 2009 will operate from May 2009 onwards, which was when the previous permit expired.

11. There is no caveat in the statute that the reasons for delay have to be considered. On the contrary, *Section 81(3)* of the MV Act provides that application for renewal can be filed even after the expiry of permit and states as under:



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“(3) Notwithstanding anything contained in sub-section (2), the Regional Transport Authority or the State Transport Authority, as the case may be, may entertain an application for the renewal of a permit after the last date specified in that sub-section if it is satisfied that the applicant was prevented by good and sufficient cause from making an application within the time specified.”

(emphasis added)

12. Therefore, the question as to for what reason was there delay in applying for a permit or whether the driver/owner became wiser after the accident and applied for the permit subsequently, may not be relevant for the purposes of considering whether the permit was valid on the date of the accident or not. Admission by counsel for respondent no.6/driver and respondent no.7/owner, as recorded in the impugned order, cannot dilute, erode or extinguish the right of the driver/owner to plead the benefit of the statutory provision.

13. In the opinion of this Court, since the permit was valid on the date of accident by virtue of the subsequent renewal, the question of whether vehicle was being plied for personal use or commercial use may also not be relevant for our discussion.

14. As regards the objection raised by *Mr. Bagga*, regarding starting of the date of renewal of permit not being known from records, this Court has perused the testimony of *RIW1*, where it was noted that the records had been weeded out. Therefore, there will be no purpose in trying to elicit further evidence in this regard. No doubt, in a particular case, where renewal is sought after a less proximate date and much later, for instance, 3 months, 6 months or 1 year later, there could have been an issue, as to



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when the renewal applies from, theoretically. However, that is not case here.

15. Accordingly, in view of the above, the appeal stands dismissed.
16. Pending applications, if any, are rendered infructuous.
17. Statutory deposit be refunded to appellant/Insurance Company, only if the order of deposit has been complied with.
18. Judgment be uploaded on the website of this Court.

(ANISH DAYAL)
JUDGE

JULY 10, 2026/ak/sp