



CGHC010106322025 2026:CGHC:42983

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

MAC No. 684 of 2025

1 - United India Insurance Company Limited Through Branch Manager, United India Insurance Company Limited, Branch- Korba, District- Korba (C.G.), (Non-Applicant No.3)

... Appellant

versus

1 - Rajendra Kumar Tandon S/o Babulal Tandon Aged About 32 Years R/o Village- Purani Basti, Hardibazar, Thana- Kusmunda, Tahsil- Pali, District- Korba (C.G.), (**Claimant**)

2 - Sandeep Singh Alias Mittu S/o Sunder Singh Gond Aged About 23 Years R/o Village- Khamariya, Thana- Chechai, District- Anuppur (M.P.), Present Resident Of Jai Gopal Transport, Station Road, Tilda, Raipur (C.G.), **(Non-Applicant No.-1)**

3 - Jai Gopal Transport Tilda, Raipur, District- Raipur (C.G.), Proprietor Sukrut Kesharwani S/o Arvind Kesharwani, Aged About 28 Years, Resident Of Station Road, Tilda, Raipur (C.G.), (**Non-Applicant No.-2)**

... Respondents

For Appellant	:	Mrs. Swati Agrawal, counsel on behalf of Mr. Pankaj Agrawal, Advocate
For Respondent No.1.	:	Mr. Aniket Pandey, counsel on behalf of Vikas Pandey, counsel.
For Respondent Nos.2 & 3.	:	Mr. Palash Rajani, counsel.

Hon'ble Shri Justice Sanjay Kumar Jaiswal, J.
Order on Board
(05/10/2026)

1. This appeal under Section 173 of the Motor Vehicles Act, 1988 has been preferred by the appellant-Insurance Company assailing the award dated 16.12.2024 passed by the 1st Additional Motor Accident Claims Tribunal, Katghora, District- Korba (C.G.) in Motor Accident Claim Case No.90/2022, whereby the Tribunal has awarded a sum of Rs.4,49,000/- as compensation to the claimant for the injuries sustained in a motor accident that occurred on 02.12.2021.

2. While passing the impugned award, the Tribunal has fastened the liability of payment of compensation upon the Insurance Company. Aggrieved thereby, the present appeal has been filed.

3. Learned counsel for the appellant submits that the Tribunal has committed a serious error of law as well as fact in

ignoring the specific stipulation contained in Clause 6 of the National Permit (Exhibit D-1). The said clause clearly provides that the endorsement of the National Permit is required to be renewed from year to year. It is further submitted that when the contents of Exhibit D-1 itself clearly establish the requirement of yearly renewal of the endorsement. Learned counsel also submits that the relevant question before the Tribunal was whether the vehicle possessed a valid and subsisting National Permit on the date of the accident. Once Clause 6 of Exhibit D-1 is properly considered, and there being no valid renewal endorsement for the relevant period, the permit could not have been treated as valid on the date of the accident. Therefore, the finding recorded by the Tribunal is perverse, contrary to the documentary evidence on record and legally unsustainable. The appellant is consequently entitled to be exonerated from the liability to satisfy the award, as there was no valid permit in force on the date of the accident.

4. Per contra, learned counsel appearing for the respondent No.1 supports the impugned award.

5. Learned counsel for respondent Nos. 2 and 3 submit that the objection raised by the appellant-Insurance Company

regarding the absence of authorization of the permit is misconceived. They jointly submits that the vehicle in question was being operated within the State of Chhattisgarh and the accident had also occurred within the State of Chhattisgarh; therefore, no separate authorization of the permit was required for plying the vehicle within the State. In support of their submission, they has placed reliance upon the judgment of the Hon'ble Supreme Court in ***Shri Binod Kumar Singh v. National Insurance Company Ltd.*, SLP (Civil) No.13060 of 2020**.

6. I have heard learned counsel appearing for the parties, considered their rival submissions and perused the record of the Tribunal with due circumspection.

7. The sole contention advanced on behalf of the appellant is that the permit of the offending vehicle had not been duly authorized and, therefore, the vehicle was being plied in contravention of the provisions of law as well as the terms and conditions of the insurance policy. The said contention, however, cannot be accepted in view of the law laid down by the Hon'ble Supreme Court in ***Shri Binod Kumar Singh (supra)***, wherein, in paragraph 8, it has been observed as under:

“8. This Court has carefully gone through the permit which is on record and the National Permit is certainly valid up to 13.10.2017. The authorization fee was required to be paid only when the truck was moving out of State of Bihar as it was registered in the State of Bihar and the truck caught fire on account of short-circuit on 08.06.2014 in the State of Bihar itself and, therefore, the respondent company could not have repudiated the claim on such a frivolous ground. The permit in question was issued by the competent authority in Bihar and, therefore, there was no requirement of paying authorization fee when the truck was being used in the State of Bihar and as per the terms and conditions of the National Permit, authorization fee was required to be paid only when the truck was moving out of State of Bihar. Thus, in the considered opinion of this Court, the appellant was certainly entitled for the insurance claim as held by the State Commission and, therefore, the order passed by the National Commission, dated 19.08.2020, deserves to be set aside and is accordingly set aside. The respondent National Insurance Company is directed to process the claim of the appellant and to pay the amount to the appellant within a period of 60 days from today. It is needless to mention that the claim became due in the year 2014

> and it was repudiated by the respondent National Insurance Company in the year 2014 itself. The order of the State Commission allowing the claim was passed in the year 2017 which was reversed by the National Commission in the year 2020. Therefore, in the considered opinion of this Court, the appellant was not only entitled for the entire claim amount right from the date it became due but he is also entitled for interest from the date of the complaint made before State Commission till the date, the amount is actually paid to him. The appellant shall be entitled to interest @ 9% per annum and the same with the proposed amount be paid positively within 60 days from today."

8. In the present case, the offending vehicle was registered with the Transport Authority at Raipur and was being operated within the territorial limits of the State of Chhattisgarh. The accident also occurred within the State of Chhattisgarh. In such circumstances, in view of the law laid down by the Hon'ble Supreme Court in ***Shri Binod Kumar Singh*** (supra), no separate authorization of the permit was required for plying the vehicle within the State of Chhattisgarh. Consequently, the alleged absence of such

authorization cannot be treated as a breach of the terms and conditions of the insurance policy so as to absolve the appellant-Insurance Company of its liability to indemnify the insured.

9. In view of the foregoing discussion, this Court finds no infirmity in the finding recorded by the Tribunal fastening liability upon the appellant-Insurance Company. The appeal, being devoid of merit, is accordingly **dismissed**.

Sd/-

(Sanjay Kumar Jaiswal)
Judge

Digitally signed by VIJAY BHASKARRAO PEKDE
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