BHOLA NATH KHATAI
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CGHC010326272024 2026:CGHC:46691

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

MAC No. 1909 of 2024

1 - Bharat Sharma S/o Jay Bhagwan Sharma, Aged About 23 Years R/o Ward No.1, Satya Chowk Kumahari, P.S. Kumhari, District -Durg, Chhattisgarh. (Driver)

2 - Narendra Kumar S/o Chandrabhan Jaat, Aged About 32 Years R/o F-403 Avinash Pride, Kabir Nagar, P.S. Kabir Nagar, District - Raipur, Chhattisgarh. (Owner)

... Appellant(s)

versus

1 - Neelkamal Vaishnav (Minor), Aged About 14 Years Through His Guardian, Homdas Vaishnav, S/o Radheshyam Vaishnav, R/o Sanjay Nagar, Kumhari, P.S. Kumhari, District Durg, Chhattisgarh. (Claimant)

2 - United India Insurance Company Limited, Through Divisional Manager, Krishna Complex Jail Road, Kuchehri Chowk, Raipur, District - Rairpur, Chhattisgarh. (Insurer)

... Respondent(s)

For Appellant	**:**	Mr. Shivendu Pandya, Advocate
For Respondent No.2	**:**	Mr. Pankaj Agrawal, Advocate

Hon'ble Shri Justice Sanjay Kumar Jaiswal, J.

Order on Board

04.11.2026

1. With the consent of learned counsel appearing for the

appellants and the Insurance Company, the matter was heard finally.

2. The present appeal under Section 173 of the Motor Vehicles Act, 1988, has been preferred by the appellants/driver and owner, assailing the award dated 21.12.2023 passed by the 14th Additional Motor Accident Claims Tribunal, Raipur, District Raipur (C.G.), in Claim Case No.69/2022, whereby the Tribunal has awarded a sum of Rs.12,93,600/- as compensation on account of the death of Parmeshwar Vaishnav, who died in a motor vehicle accident that occurred on 16.11.2021.

3. While passing the impugned award, the Tribunal exonerated the Insurance Company from its liability on the ground that the permit of the offending vehicle did not have the requisite authorization and, consequently, fastened the liability to pay the compensation upon the driver and owner of the offending vehicle. Being aggrieved by the said finding, the appellants have preferred the present appeal.

4. Learned counsel appearing for the appellants submits that the finding recorded by the Tribunal regarding the absence of authorization is misconceived. It is contended that the offending vehicle was registered in the State of Chhattisgarh, was being plied within the territorial limits of the State of

Chhattisgarh, and the accident had also occurred within the State itself. Therefore, no separate authorization was required for plying the vehicle within the State of Chhattisgarh. Hence, it is prayed that the impugned finding exonerating the Insurance Company be set aside and the appellants be absolved of their liability to pay the compensation.

5. Per contra, learned counsel appearing for respondent No.2/Insurance Company submits that the permit of the offending vehicle did not have the requisite authorization on the date of the accident and, therefore, the vehicle was being plied in violation of the terms and conditions of the insurance policy. It is contended that the Tribunal has rightly exonerated the Insurance Company from its liability. Hence, the appeal deserves to be dismissed.

6. I have heard learned counsel appearing for the parties and perused the record with due care.

7. The Tribunal has exonerated the Insurance Company from its liability on the ground that the permit of the offending vehicle had not been duly authorized on the date of the accident and, therefore, the vehicle was being plied in contravention of the terms and conditions of the insurance policy.

8. The aforesaid finding recorded by the Tribunal, however, cannot be sustained in view of the law laid down by the Hon'ble Supreme Court in ***Shri Binod Kumar Singh v. National Insurance Company Ltd.*****, SLP (Civil) No.13060 of 2020**., 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."

9. A perusal of the evidence available on record reveals that the permit of the offending vehicle (Ex. D-3) was valid for the period from 31.08.2019 to 30.08.2024. Admittedly, the accident occurred on 16.11.2021, i.e., during the subsistence of the aforesaid permit. It is also not in dispute that the offending vehicle was duly insured with the Insurance Company on the date of the accident.

10. In the present case, the offending vehicle was registered with the Transport Authority, Raipur, and was being plied 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 principle laid down by the Hon'ble Supreme Court in **Shri Binod Kumar Singh (supra)**, no separate authorization was required for plying the vehicle within the State of Chhattisgarh. Consequently, the alleged absence of such authorization cannot be construed as a breach of the terms and conditions of the insurance policy so as to absolve the Insurance Company of its liability to satisfy the award.

11. In view of the aforesaid discussion, the finding recorded by the Tribunal regarding breach of the terms and conditions of the insurance policy, on the basis of which the Insurance

Company has been exonerated from its liability, is hereby set aside. Accordingly, respondent No.2/Insurance Company is held liable to satisfy the award and pay the compensation amount awarded by the Tribunal under the impugned award. The remaining findings and directions contained in the impugned award shall remain unaltered.

12. Consequently, the appeal is **allowed** and the impugned award stands modified to the extent indicated hereinabove.

13. The record of the Tribunal, along with a copy of this judgment, be transmitted forthwith for information, compliance and necessary action, if any.

Sd/-
(Sanjay Kumar Jaiswal)
Judge

Khatai