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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ MAC.APP. 683/2018 & CM APPL. 29728/2018

SANJEEV & ANR .....Appellants

Through: Ms. Nishu Budhiraja, Advocate.

versus

M/S SHRIRAM GENEREAL INSORANCE CO LTD ORS .....Respondents

Through: Mr. Sameer Nandwani, Adv. for R-1

CORAM:
HON'BLE MR. JUSTICE ANISH DAYAL

ORDER

% **22.04.2026**

1. This appeal has been filed by challenging the recovery rights granted against the driver and owner *vide* judgment and award dated 16th January 2017 in MAC Petition No. 63/2012, by Motor Accidents Claims Tribunal ['***MACT***'], Karkardooma Courts, Delhi. MACT granted compensation of Rs.5,06,716/- with interest at the rate of 10% in favour of claimants who are legal heirs of victim/*Nagender Kumar @ Ashu* who had sustained fatal injuries in an accident on 19th February 2011 at about 6:45 PM.

2. Deceased was travelling in a TSR bearing no. UP-14-AT-2408, which was being driven in a high speed and rash and negligent manner by appellant no.2. Upon reaching near *Village Chirori, Loni Ghaziabad, UP,* the TSR hit against a truck from back side, as a result of which deceased fell down from the TSR and sustained injuries and subsequently succumbed to his injuries. FIR No.23/2011 was registered at P.S., Loni Ghaziabad.

3. Respondent no.1/Insurance Company had raised a defence that the TSR was being driven without a valid permit, considering that accident had occurred near *Village Chirori, Loni Ghaziabad,* whereas, the offending vehicle had a permit only valid for Noida.

4. *Satish* (***R1W1)***, driver of TSR deposed that he was driving the TSR, from Noida towards his home and had not charged any fare from the deceased. He stated that permit of the TSR was valid within a radius of 16 kms from Noida City Centre and denied that he was plying the TSR in violation of permit conditions.

5. *Rohit Sharma* (***R3W1)***, officer from respondent no.1/Insurance Company stated that the vehicle was being driven without any valid and effective permit.

6. *Upender Vikram Singh* (***R3W3)***, Clerk, Transport Authority, Ghaziabad was a summoned witness, who stated that the TSR was registered with Ghaziabad Authority and the permit was issued for Noida City Centre and was not meant for Ghaziabad.

7. In these circumstances, the MACT concluded that there was violation of terms and conditions of insurance policy and held that, in view of decision of the Supreme Court in ***National Insurance Co. Ltd. v. Challa Upendra Rao and Ors.*** (2004) 8 SCC 517, respondent no.1/Insurance Company would first be liable to pay compensation to respondents/claimants and then recover the same from appellant no.2/driver and appellant no.1/owner.

8. Reliance may also be placed on the decision of Supreme Court in decision of the Supreme Court in ***K. Nagendra v. The New India Insurance Co. Ltd. & Ors.*** (2025) INSC 1270, where the Supreme Court was dealing with a case where permit was issued for a different State, while the accident took place in Channapatna City. The Supreme Court in this context stated as under:

> *"8. Now, let us consider the instant case. The record reveals that the offending vehicle did not have the permit to enter Channapatna City, where the accident took place. This position is not in dispute. Unquestionably, therefore, the terms of the permit have been deviated.*

9. The purpose of an insurance policy in the present context is to shield the owner/operator from direct liability when such an unforeseen/unfortunate incident takes place. To deny the victim/dependents of the victim compensation simply because the accident took place outside the bounds of the permit and, therefore, is outside the purview of the insurance policy, would be offensive to the sense of justice, for the accident itself is for no fault of his. Then, the Insurance Company most certainly ought to pay.

10. At the same time though, when an Insurance Company takes on a policy and accepts payments of premium in pursuance thereto, it agrees to do so within certain bounds. The contract lays down the four corners within which such an insurance policy would operate. If that is the case, to expect the insurer to pay compensation to a third party, which is clearly outside the bounds of the said agreement would be unfair. Balancing the need for payment of compensation to the victim vis-à-vis the interests of the insurer, the order of the High Court applying the pay and recover principle, in our considered view, is entirely justified and requires no interference."

(emphasis added)

9. Supreme Court while upholding decision of the High Court, relied upon another judgment of Supreme Court in ***Amrit Paul v. TATA AIG General Insurance Company*** (2018) 7 SCC 558 where no documentary evidence to support a valid permit had been brought on record. Therefore, the right to pay and recover was granted to the Insurance Company.

10. This Court has taken note of written submissions filed on behalf of appellants. There is nothing in particular stated that could displace the conclusion arrived at by the MACT.

11. As per the road permit available on record, it is valid within the radius of 16 kms from Noida City Centre. Therefore, it cannot be said that the place where the TSR was plying, was within permissible range of the permit when the accident took place. There is no reason as to why the MACT's finding

should be displaced in this regard. Therefore, MACT has rightly awarded right of recovery to respondent no.1/Insurance Company.

12. Accordingly, in view of above discussion, this appeal stands dismissed.

13. Impugned award stands confirmed and the compensation awarded shall continue to be released as per the directions of MACT.

14. Statutory deposit, if any, be refunded to appellants.

15. Order be uploaded on the website of this Court.

ANISH DAYAL, J

APRIL 22, 2026/sm/*sp*