CGHC010094322023

2026:CGHC:33279

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

MAC No. 475 of 2023

1 - Smt. Chamrin Bai W/o Late Nakuldas Aged About 40 Years R/o Ward No.11 Yasin Colony Saraipali, District Mahasamund, Chhattisgarh. (Claimant)

2 - Jai Kishan S/o Late Nakuldas Aged About 23 Years R/o Ward No.11 Yasin Colony Saraipali, District Mahasamund, Chhattisgarh. (Claimant)

3 - Gopi S/o Late Nakuldas Aged About 14 Years Through Natural Guardian Mother, R/o Ward No.11 Yasin Colony Saraipali, District Mahasamund, Chhattisgarh. (Claimant)

4 - Shankar S/o Late Nakuldas Aged About 8 Years Through Natural Guardian Mother, R/o Ward No.11 Yasin Colony Saraipali, District Mahasamund, Chhattisgarh. (Claimant)

--- **Appellants**

versus

1 - Suresh Kumar Rai S/o Chayavati Rai Aged About 33 Years R/o Village Singibahar, Tehsil Farsabhar, District Jashpur, Chhattisgarh. Driver (Vehicle No. C.G.04ea 0630)

2 - M/s Naveen Transport Plot No.8b, Industrial Area, Dhamdha Road Durg, District Durg, Chhattisgarh. (Driver)

3 - United India Insurance Company Limited Krishna Complex Kachhari Chowk, Raipur, District Raipur, Chhattisgarh. (Vehicle No. C.G. 04 Ea 0630) Insurance Company.

--- **Respondents**

For Appellants	:	Ms. Shruti Shrivastava, Advocate
For Respondent No.2	:	Mr. Shailendra Kumar Bajpai, Advocate
For Respondent No.3	:	Mr. P.K. Tulsyan, Advocate
For respondent No. 1	:	None.

MAC No. 1305 of 2023

1 - M/s Naveen Transport Plot No. 8/b, Industrial Area, Dhamdha Road Durg, District- Durg, C.G., Through- Managing Partner, Jaskirat Singh Bal, S/o Harijindar Singh Bal, Aged About 29 Years, Resident Of- Plot No. 8/b, Industrial Area, Dhamdha Road Durg, District : Durg, Chhattisgarh

---**Appellant**

Versus

1 - Smt. Chamrin Bai W/o Late Nakuldas Aged About 40 Years R/o - Ward No. 11, Yasin Colony Saraipali, District Mahasamund, C.G.

2 - Jai Kishan S/o Late Nakuldas Aged About 23 Years R/o - Ward No. 11, Yasin Colony Saraipali, District Mahasamund, C.G.

3 - Gopi S/o Late Nakuldas Aged About 14 Years R/o - Ward No. 11, Yasin Colony Saraipali, District Mahasamund, C.G.

4 - Shankar S/o Late Nakuldas Aged About 8 Years R/o - Ward No. 11, Yasin Colony Saraipali, District Mahasamund, C.G.

5 - Suresh Kumar Rai S/o Chayavati Rai Aged About 33 Years R/o - Village Singibahar, Tehsil Farsabahar, District Jashpur, C.G. (Driver Of Vehicle No. C.G. 04 E.A. 0630)

6 - United India Insurance Company Limited- Krishna Complex Kachhari Chowk, Raipur, District- Raipur, C.G. (Insurer Of Vehicle No. C.G. 04 E.A. 0630)

--- **Respondents**

For Appellant	:	Mr. Shailendra Kumar Bajpai, Advocate
For Respondents No. 1 to 4	:	Ms. Shruti Shrivastava, Advocate
For Respondent No.6	:	Mr. P.K. Tulsyan, Advocate
For respondent No. 5	:	None.

Hon'ble Shri Justice Sanjay Kumar Jaiswal
Judgment On Board

31/07/2026

1. Since both the appeals arise out of the same judgment/order of award, they are being heard and disposed of by this common order.

2. The **MAC No. 475/2023** has been preferred by the **claimants** and the **MAC No. 1305/2023** has been preferred by the **owner** of the offending vehicle against the award dated 17.01.2023 passed by the Learned 2nd Additional Motor Accident Claims Tribunal, Raipur (C.G.), in Claim Case No. 429/2022, whereby compensation of Rs. 13,30,750/-, along with interest @ 7% per annum has been awarded in favour of the claimants, and the owner and driver of the offending vehicle held liable for payment of compensation, however applied the principle of 'pay and recover'.

3. The facts, in brief, are that on 03.01.2022 at about 11:00 PM, the deceased Nakuldas was going to his house on a motorcycle. When he reached near Sheetla Mandir, in front of Main Road, Saraipali, Suresh Kumar Rai, while driving Bus No. CG-04-EA-0630 in a rash and negligent manner, hit the deceased. As a result of the said accident, the deceased sustained grievous injuries and died during the course of treatment. An FIR regarding the accident was lodged at Police Station Saraipali, on the basis of which an offence under Sections 279, 337, 304-A of the Indian Penal Code, 1860 was registered against Suresh Kumar Rai. At the time of accident, the deceased was 45 years old and was working as a mason and earning Rs. 500/- per day, from which he maintained his family. The claimants have claimed a total compensation of Rs. 49,00,000/- (Rupees Forty-Nine Lakhs Only) under various heads for the untimely death of Nakuldas in the said accident.

MAC No. 1305/2023

4. Learned counsel for the appellant/owner of the offending vehicle submits that the earlier owner of the vehicle was Shri Sayyad Anawar Ali. The appellant purchased the vehicle. The appellant’s name was transferred into the registration certificate as well as in the insurance policy, but when some disputed arose regarding transfer of permit in the name of the appellant then a case was filed before the learned State Transport Appellate Tribunal at Raipur and thereafter the learned appellate tribunal ordered to transfer the permit in the name of appellant, despite of order, the transport authorities in a negligence manner not transferred the permit in the name of appellant, therefore, it cannot be said that vehicle was not covered under the valid permit. As such, the vehicle was covered under the valid permit, and therefore, there is no breach of policy and the appellant is not liable to pay the compensation. Hence, the appeal may be allowed, and the impugned order is liable to be set aside.

5. On the other hand, learned counsel appearing for the insurance company opposes the contention made by the learned counsel for the appellant and submits that since the permit was not in the owner's name on the date of the accident, it constituted a breach of policy; therefore, the impugned order/judgment passed by the learned Claims Tribunal is correct based on the evidence.

6. I have heard learned counsel for the parties, considered their rival submissions made herein-above and went through the records with utmost circumspection.

7. The question involved in this appeal is whether the owner/appellant can be held liable for payment of compensation, as only the permit was not transferred in the name of M/s Naveen Transport/appellant on the date of the accident?

8. In this regard, Section 82 of the Act of 1988 may be noticed herein profitably which defines transfer of permit as under :-

> "**82. Transfer of permit.** (1) Save as provided in sub-section (2), a permit shall not be transferable from one person to another except with the permission of the transport authority which granted the permit and shall not, without such permission, operate to confer on any person to whom vehicle covered by the permit is transferred any right to use that vehicle in the manner authorised by the permit.
> (2) Where the holder of a permit dies, the person succeeding to the possession of the vehicle covered by the permit may, for a period of three months, use the permit as if it had been granted to himself :
> Provided that such person has, within thirty days of the death of the holder, informed the transport authority which granted the permit of the death of the holder and of his own intention to use the permit:
> Provided further that no permit shall be used after the date on which it would have ceased to be effective without renewal in the hands of the deceased holder.
> (3) The transport authority may, on application made to it within three months of the death of the holder of a permit, transfer the permit to the person succeeding to the possession of the vehicles covered by the permit:
>
> Provided that the transport authority may entertain an application made after the expiry of the said period of three months if it is satisfied that the applicant was prevented by good and sufficient cause from making an application within the time specified."

9. A careful perusal of Section 82(1) of the Act of 1988 would show that a permit shall not be transferable from person to another except with the permission of the transport authority which granted the permit and Section 82(1) also reiterates that it shall not, without such permission, operate to confer on any person to whom a vehicle covered by the permit is transferred any right to use that vehicle in the manner authorised by the permit. Section 82(1) of the Act of 1988 is pari materia to provision contained under Section 59(1) of the Motor Vehicles Act, 1939 and as held by the Supreme Court in the matter of **M/s Ravi Roadways v. Asia**

BI and Others[1], Exercise of the power to sanction the transfer of a permit under Section 59(1) of the Act of 1939 is quasi-judicial, and the State Government is not competent to impose any restriction upon the exercise of that power by issuing executive instructions. As such, unless the permit is transferred in the name of new owner, it cannot operate automatically in his favour even though the vehicle has been transferred in his name.

10. Coming to the facts of the present case in the light of Section 82(1) of the Motor Vehicles Act, 1988, it is evident that although the ownership of the offending vehicle had been transferred in the name of M/s Naveen Transport/appellant, the permit was not transferred in its favour by the Transport Authority.

11. The Tribunal found that the appellant, the owner of the offending vehicle, purchased the vehicle from "Royal Travels" but failed to have the permit transferred or endorsed in his own name. Despite having a valid permit, he plied the vehicle on a public road on the basis of the earlier permit. This act constituted a breach of the terms and conditions of the insurance policy. Further, the appellant neither appeared nor led any evidence, even though the RC and Insurance were transferred in his name. Further, it was held that on the date of the accident, the vehicle was duly insured with the insurance company/respondent No. 6, and the deceased was a "Third Party" at the time of the accident; therefore, relying on ***Amrit Paul Singh & Anr. Vs. TATA AIG General Insurance Co. Ltd.***, Civil Appeal No. 2253/2018 [SC] and MAC No. 276/2015, ***Branch Manager, United India Insurance Co. Ltd. Vs. Smt. Vijaya Devi Dubey & Ors.*** [Chhattisgarh High Court], it

1 1970 (2) SCC 259

was held that even if there is a breach of policy conditions by the owner, the Insurance Company cannot be absolved from its liability to pay compensation to a Third Party. Accordingly, it was directed that the Insurance Company shall first pay the entire awarded compensation to the claimants and thereafter, the Insurance Company shall be at liberty to recover the said amount from the appellant/Owner and Suresh Kumar Rai (driver/respondent No. 5) through execution proceedings.

12. In view of the foregoing discussion, this Court finds no illegality in the impugned award holding the appellant liable for payment of compensation, nor in the order directing 'pay and recover.' Consequently, the appeal is devoid of merit and liable to be dismissed.

MAC No. 475/2023

13. Learned counsel for the appellants/Claimants would submit that the learned Claims Tribunal has erred in awarding a lesser amount of compensation in the facts of the case. The Claims Tribunal has assessed the income of the deceased as Rs. 7,800/- per month, whereas the deceased was a mason and earning Rs. 15,000/- per month; therefore, the income of the deceased should be considered on the higher side. The Tribunal has also awarded a lesser amount under other conventional heads, which need to be enhanced. Therefore, the instant appeal should be allowed, and the compensation awarded by the Claims Tribunal may suitably be enhanced.

14. Learned counsel for the owner/respondent No.2 and insurer/respondent No. 3 opposed and submits that, on the facts and evidence available on record, the compensation awarded by the claims tribunal is just and proper; there is no scope of enhancement.

15. I have heard learned counsel for the parties and went through the records with utmost circumspection.

16. In the case at hand, the learned Tribunal has indeed taken the monthly income of the deceased to be Rs. 7,800. According to the appellant Chamrin Bai (AW-1), the deceased was aged about 45 years and used to earn Rs. 15,000/- per month from the work of mason, but no documents have been produced in support of this fact, hence, it would proper to take his monthly income of Rs.9,280/- as per the Chhattisgarh Minimum Wages Notification issued by the office of Labour Commissioner, Chhattisgarh for unskilled labour. Furthermore, in other conventional heads the Tribunal has granted only Rs.1,90,000/- which ought to be Rs.2,09,000/-, to that extent the impugned award needs to be modified.

17. Thus, in light of the aforesaid discussion and in light of the judgments of the Supreme Court rendered in the matters of **National Insurance Company Ltd. V. Pranay Sethi[2], Sarla Verma & Ors. Vs. Delhi Transport Corporation & Ors[3] and Magma General Insurance Co. Ltd. v. Nanu Ram @ Chuhru**

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2 (2017) 16 SCC 680

3 (2009) 6 SCC 121

Ram & Ors[4], this Court is computing the compensation as below:-

Sr. No.	Heads	Compensation awarded by the Tribunal	Compensation awarded by this Court
1	Income	Rs. 7,800 x 12 = 93,600/-	Rs. 9,280 x 12 = 1,11,360/-
2.	Future prospect	(+)25% (i.e. Rs. 23,400) = 1,17,000/-	(+)25% (i.e. Rs. 27,840) = 1,39,200/-
3.	Deduction	(-) 1/4 (i.e.29,250) = 87,750/-	(-) 1/4 (i.e. 34,800) = 1,04,400/-
4.	Multiplier	(x) 13 = 11,40,750/-	(x) 13 = 13,57,200/-
5	Other conventional heads	Rs. 1,90,000/-	Rs. 2,09,000/- (16,500+16,500+1,76,000)
	Total	**Rs. 13,30,750/-**	**Rs. 15,66,200/-**

18. In view of the aforesaid analysis, the amount of compensation of Rs.13,30,750/- awarded by the Claims Tribunal is enhanced to Rs.15,66,200/-. Hence, after deducting the amount of Rs.13,30,750/-, the appellants are held entitled for an additional amount of **Rs.2,35,450/-**. The additional amount of compensation shall carry interest @ 6% per annum from the date of filing of the claim application before the Claims Tribunal till its realization. Rest of the conditions of the impugned award shall remain intact.

19. As a result, the claimants' appeal **(MAC No. 475/2023)** is **partly allowed**, and the impugned award is modified to the extent indicated hereinabove, and the owner's appeal **(MAC No. 1305/2023)** is hereby **dismissed**.

4 (2018) 18 SCC 130

20. The Registry is directed to communicate the claimants in writing “the enhanced amount” in this appeal as against the award made by the concerned Tribunal. The said communication be made in Hindi Deonagri language and the help of paralegal workers may be availed with a co-ordination of Secretary, Legal Aid of the concerned area wherein the claimants resides.

Sd/-
(Sanjay Kumar Jaiswal)
Judge

H.L. Sahu