

**Shri Binod Kumar Singh
v.
National Insurance Company Ltd.**

(Civil Appeal No. 2214 of 2025)

07 February 2025

[B.V. Nagarathna and Satish Chandra Sharma,* JJ.]

Issue for Consideration

Issue arose as regards the order of the National Consumer Disputes Redressal Commission disallowing the insurance claim of the appellant.

Headnotes[†]

Insurance – Insurance claim – Entitlement – Valid National permit – Non-depositing of authorization fee – Truck of the appellant, insured with the respondent-insurance company, caught fire during the insurance period – Direction by the State Commission to the respondent to settle the claim on non-standard basis – However, the National Commission held that the insurance claim cannot be allowed in the absence of any valid permit and set aside the order passed by the State Commission – Correctness:

Held: National permit was valid – 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 in the State of Bihar itself, thus, the respondent company could not have repudiated the claim on such a frivolous ground – Permit was issued by the competent authority in Bihar, thus, no requirement of paying authorization fee when the truck was being used in the State of Bihar – 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, the appellant entitled for the insurance claim as held by the State Commission – Order passed by the National Commission set aside – Appellant not only entitled for the entire claim amount right from the date it became due but also entitled for interest @ 9% per annum from the date

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of the complaint made before State Commission till the date, the amount is actually paid to him. [Paras 8, 9]

Case Law Cited

National Insurance Company v. Nitin Khandelwal, Criminal Appeal No. 8463/2014; Amrit Paul Singh and Anr. v. TATA AIG General Insurance Co. Ltd. & Ors. (2018) 7 SCC 558 – referred to.

List of Acts

Insurance; Authorization fee; Validity of insurance cover; Non-standard basis; National permit; State Consumer Disputes Redressal Commission; National Consumer Disputes Redressal Commission; Insurance claim; Valid National permit; Non-depositing of authorization fee; Insurance period; Non-standard basis; Absence of valid permit; Repudiation of claim; Interest.

List of Keywords

Compounding of offence; Compounding application; First offence; Actual date of filing of return of income; Due date for filing of returns; Subsequent furnishing of return of income by assessee; Failure to furnish returns of income; “Voluntary disclosure”; Guidelines for Compounding of Offences under Direct Tax Laws, 2014; Guidelines for Compounding of Offences under Direct Tax Laws, 2008; Guidelines for Compounding of Offences under Direct Tax Laws, 2019; Guidelines for Compounding of Offences under Direct Tax Laws, 2022; Delay in filing return.

Case Arising From

CIVIL APPELLATE JURISDICTION: Civil Appeal No. 2214 of 2025
From the Judgment and Order dated 19.08.2020 of the National Consumers Disputes Redressal Commission, New Delhi in FA No. 1778 of 2017

Appearances for Parties

Neeraj Shekhar, Mrs. Kshama Sharma, Rajesh Maurya, Ram Bachhan Choudhary, Amrendra Singh, Ms. Priya Chakraborty, Ujjwal Ashutosh, Advs. for the Appellant.

Amit Kumar Singh, Ms. K Enatoli Sema, Ms. Chubalemla Chang, Prang Newmai, Advs. for the Respondent.

Shri Binod Kumar Singh v. National Insurance Company Ltd.**Judgment / Order of the Supreme Court****Judgment****Satish Chandra Sharma, J.**

1. Leave Granted.
2. The present appeal is arising out of order dated 19.08.2020 passed by National Consumer Disputes Redressal Commission, New Delhi, (for short, "the National Commission") in First Appeal No. 1778 of 2017.
3. The facts of the case reveal that the appellant before this Court is the owner of Truck bearing registration No. BR-02-Q9220 make TATA-251625.0LPKTC. The truck was insured with the respondent National Insurance Company for a period of one year i.e. from 18.09.2013 to the midnight of 17.09.2014 and unfortunately, the truck caught fire on account of short-circuit on 08.06.2014 meaning thereby during the validity of insurance cover.
4. The appellant preferred a complaint before the State Consumer Disputes Redressal Commission, Bihar, Patna (for short, "the State Commission") and the State Commission placing reliance on the judgment delivered in the case of **National Insurance Company Vs. Nitin Khandelwal** (Criminal Appeal No. 8463/2014) directed the respondent insurance company to settle the claim on non-standard basis within a period of three months if other requirements were fulfilled by the appellant.
5. The respondent National Insurance Company being aggrieved by the order passed by the State Commission dated 07.07.2017 preferred an appeal before the National Commission and the National Commission has allowed the appeal holding that the judgment delivered by this Court in the case of **Nitin Khandelwal** (supra) does not help the appellant as it was a theft case whereas the present case relates to damage by fire. The National Commission after placing reliance upon the judgment delivered in the case of **Amrit Paul Singh and Anr. Vs. TATA AIG General Insurance Co. Ltd. & Ors.** (2018) 7 SCC 558 has allowed the appeal and held that the insurance claim cannot be allowed in the absence of any valid permit thereby setting aside the order passed by the State Commission.

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6. Learned counsel for the appellant has vehemently argued before this Court that the All India Permit (National Permit) was issued having validity period with effect from 14.10.2012 to 13.10.2017 and for State of Bihar, the permit was in force from 13.10.2012 to 13.10.2013 meaning thereby, on the date the truck caught fire on 08.06.2014, there was a valid National Permit in existence.
7. Learned counsel for the respondent National Insurance Company has vehemently argued before this Court that as per the terms and conditions of the permit, the fee was deposited for a period with effect from 13.10.2012 to 13.10.2017 and the authorization fee was not deposited beyond 14.10.2013 and, therefore, and in the absence of non-depositing of authorization fee, National Permit cannot be said to be a valid permit.
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

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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. With the aforesaid, the appeal stands allowed. No orders as to costs. Pending applications, if any, shall stand disposed of.

Result of the case: Appeal allowed.

¹Headnotes prepared by: Nidhi Jain