



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 14-07-2026

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

CMA Nos. 529, 533, 535, 539 and 542 of 2023

CMA No. 529 of 2023

Muniyappan
S/o Mani

..Appellant(s)

.Vs.

1. Gowtham Siddarth
S/o Thirugnana Sambandam

2.Cholamandalam MS General Ins
Co .,Ltd.,
Ground Floor, Chinnkadai Street,
Thiruvannamalai Post and District.

3.C.Sakthivel
S/o Chenniyappan

..Respondent(s)

Civil Miscellaneous Appeal filed under Section 173 of the Motor Vehicles Act, 1988, to enhance the compensation amount and fix the entire liability on the 2nd respondent made in Judgment and Decree dated 22-11-2022 made in MCOP No.253 of 2019, on the file of the Motor Accident Claims Tribunal and Special Subordinate Judge, Dharmapuri.

CMA No. 533 of 2023

Arulkumar @ Arul (24 years)
S/o. Muthu

Appellant(s)



Vs

1. Gowtham Siddarth
S/o Thirugnana Sambandam

2. Cholamandalam MS General Ins.,
Co., Ltd.,
Ground Floor, Chinnkadai Street,
Thiruvannamalai Post and District.

3. C. Sakthivel
S/o Chenniyappan

Respondent(s)

Civil Miscellaneous Appeal filed under Section 173 of the Motor Vehicles Act, 1988, to enhance the compensation amount and fix the entire liability on the 2nd respondent made in Judgment and Decree dated 22-11-2022 made in MCOP No.258 of 2019, on the file of the Motor Accident Claims Tribunal and Special Subordinate Judge, Dharmapuri.

CMA No. 535 of 2023

Minor Sneha (16 years)
D/o. Sathya

Appellant(s)

Vs

1. Gowtham Siddarth
S/o Thirugnana Sambandam,

2. Cholamandalam MS General Ins.,
Co., Ltd.,
Ground Floor, Chinnakadai Street,
Thiruvannamalai Post and District.

3. C. Sakthivel
S/o Chenniyappan

..Respondents

Civil Miscellaneous Appeal filed under Section 173 of the Motor Vehicles Act, 1988, to enhance the compensation amount and fix the entire liability on the 2nd respondent made in Judgment and Decree dated 22-11-2022 made in



MCOP No.257 of 2019, on the file of the Motor Accident Claims Tribunal and
Special Subordinate Judge, Dharmapuri.

CMA No. 539 of 2023

Minor Harini

D/o.Ravi

Appellant(s)

.Vs.

1. Gowtham Siddarth
S/o Thirugnana Sambandam

2.Cholamandalam MS General Ins.
Co., Ltd.,
Ground Floor, Chinnkadai Street,
Thiruvannamalai Post and District.

3.C.Sakthivel
S/o Chenniyappan

Respondent(s)

Civil Miscellaneous Appeal filed under Section 173 of the Motor Vehicles Act, 1988, to enhance the compensation amount and fix the entire liability on the 2nd respondent made in Judgment and Decree dated 22-11-2022 made in MCOP No.270 of 2019, on the file of the Motor Accident Claims Tribunal and Special Subordinate Judge, Dharmapuri.

CMA No. 542 of 2023

Minor Sabari

S/o.Sathya

... Appellant(s)

Vs

1. Gowtham Siddarth
S/o Thirugnana Sambandam

2.Cholamandalam MS General Ins.
Co., Ltd,
Ground Floor, Chinnkadai Street,
Thiruvannamalai Post and District.



3.C.Sakthivel
S/o Chenniyappan

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Respondent(s)

Civil Miscellaneous Appeal filed under Section 173 of the Motor Vehicles Act, 1988, to enhance the compensation amount and fix the entire liability on the 2nd respondent made in Judgment and Decree dated 22-11-2022 made in MCOP No.271 of 2019, on the file of the Motor Accident Claims Tribunal and Special Subordinate Judge, Dharmapuri.

For Appellant(s): Mr. S.P.Yuaraj
(All CMAs)

For Respondent(s): Mrs.R.Sreevidhya for R2
(All CMAs)

COMMON JUDGMENT

These appeals have been filed challenging the common award passed by the Motor Accident Claims Tribunal and Special Subordinate Judge, Dharmapuri, in MCOP Nos.253, 258, 257, 270 and 271 of 2019, dated 22.11.2022, wherein the claimants have questioned the Tribunal exonerating the liability of the Insurance Company and fastening the entire liability on the owner of the offending vehicle.

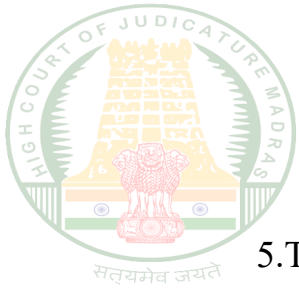
2.The case of the claimants is that on 17.9.2018 three claimants were travelling in one two wheeler, while the other two claimants were travelling in



another two wheeler. The offending vehicle namely the car was driven in a rash and negligent manner and it dashed against both the two wheelers, as a result of which, all the claimants sustained grievous injuries. An FIR also came to be registered against the driver of the offending vehicle in Crime No.222 of 2018. It is under these circumstances, five claim petitions came to be filed before the Tribunal.

3.The Tribunal, on considering the facts and circumstances of the case and on appreciation of oral and documentary evidence, came to a conclusion that the accident had taken place only due to the rash and negligent driving on the part of the driver of the offending vehicle.

4.The Tribunal thereafter considered the issue as to whether the Insurance Company could be made liable to pay the compensation in the light of the stand taken by the Insurance Company to the effect that the cheque that was issued towards the insurance policy was dishonoured and consequently the policy was cancelled and that such cancellation had also been intimated to the owner of the vehicle as well as the concerned RTO. The Tribunal found that the policy had been cancelled and that the cancellation of the policy was also intimated to the owner of the vehicle and therefore, the Insurance Company was exonerated from their liability.



5.The Tribunal thereafter proceeded to fix the compensation in each

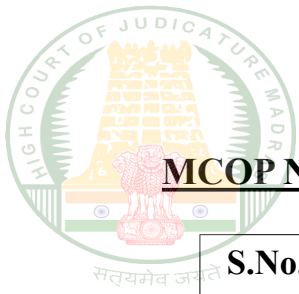
MCOPs as follows:

MCOP No.253 of 2019

S.No.	Compensation awarded under the Head	Amount (in Rs.)
1	Disability @ 5%	25,000/-
2	Pain and suffering	10,000/-
3	Nourishment	5,000/-
4	Attender charges	2,000/-
5	Medical bills	40,926/-
6	Two wheeler repair bill	23,918/-
7	Transport	1,000/-
8	Loss on clothing	1,000/-
	Total :	1,08,844/-

MCOP No.257 of 2019

S.No.	Compensation awarded under the Head	Amount (in Rs.)
1	Towards pain & suffering each	15,000/-
2	Towards Extra Nourishment each	2,000/-
3	Towards Attender Charges each	1,000/-
4	Towards Transport Charges each	1,000/-
5	Towards medical expenses each	7,854/-
6	Towards loss of property each	1,000/-
	Total :	27,854/-

**MCOP No.258/2019**

S.No.	Compensation awarded under the Head	Amount (in Rs.)
1	Just Compensation	2,07,360/-
2	Loss of earnings	24,000/-
3	Pain and suffering	25,000/-
4	Cost of Nourishment	20,000/-
5	Cost of the attender	10,000/-
6	Transport Expenses	71,600/-
7	Medical Bills	3,77,181/-
8	Loss of clothing on accident	1,000/-
	Total :	7,36,141/-

MCOP No.270 of 2019

S.No.	Compensation awarded under the Head	Amount (in Rs.)
1	Disability @ 5%	10,000/-
2	Pain and suffering	5,000/-
3	Nourishment	5,000/-
4	Attender charges	2,000/-
5	Medical bills	74,704/-
6	Transport	4,200/-
7	Loss on clothing	1,000/-
	Total :	1,01,904/-

MCOP No.271 of 2019

S.No.	Compensation awarded under the Head	Amount (in Rs.)
1	Just Compensation	1,50,000/-
2	Mental agony	25,000/-
3	Pain and suffering	20,000/-
4	Cost of Nourishment	15,000/-
5	Cost of the attender	10,000/-
6	Medical Expenses	1,06,509/-
7	Transport Expenses	37,220/-
8	Loss of clothing on accident	1,000/-
	Total :	3,64,729/-



The compensation amount was directed to be paid by the 1st respondent along with interest at the rate of 7.5% p.a. Aggrieved by the same, all these appeals have been filed by the claimants questioning the finding rendered by the Tribunal exonerating the Insurance Company from the liability.

6. Heard the learned counsel for the appellants and the learned counsel for the 2nd respondent/Insurance Company.

7. The crux of the issue that is involved in the present appeals is as to whether the policy has been properly cancelled and intimated to the owner of the vehicle by the Insurance Company in order to escape from the liability.

8. Before deciding the above issue, it will be appropriate to take note of the judgment of the Apex Court in **United India Insurance Co., Ltd., Vs. Laxmamma & Others** reported in **2012 1 TANMAC 481** and the relevant portion is extracted hereunder:

“19. In our view, the legal position is this : where the policy of insurance is issued by an authorized insurer on receipt of cheque towards payment of premium and such cheque is returned dishonoured, the liability of authorized insurer to indemnify third parties in respect of the liability which that policy covered subsists and it has to satisfy award of compensation by reason of the provisions of Sections 147(5) and 149(1) of the M.V. Act unless the policy of insurance is



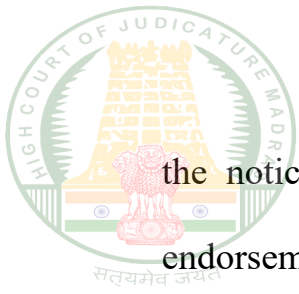
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cancelled by the authorized insurer and intimation of such cancellation has reached the insured before the accident. In other words, where the policy of insurance is issued by an authorized insurer to cover a vehicle on receipt of the cheque paid towards premium and the cheque gets dishonored and before the accident of the vehicle occurs, such insurance company cancels the policy of insurance and sends intimation thereof to the owner, the insurance company's liability to indemnify the third parties which that policy covered ceases and the insurance company is not liable to satisfy awards of compensation in respect thereof.

9.It is clear from the above judgment that the liability of an authorised insurer to indemnify third parties cannot be avoided in the light of Sections 147(5) and 149(1) of the Motor Vehicles Act, unless the cancellation of the policy by the authorised insurer is intimated to the insured before the accident.

10.In the case in hand, Ex.R-1 was marked, which is the policy that was issued in the name of the 1st respondent, who is the owner of the offending vehicle. Ex.R.2 is the cheque that was issued in the name of the Cholomandalam General Insurance Company Limited by one S.Dayanidi. The cheque was dishonoured with an endorsement “funds insufficient” and it was returned on 07.05.2018. Thereafter, by intimation dated 09.05.2018, the Insurance Company sent a communication to both the 1st respondent and the concerned RTO informing them about the cancellation of the policy. Insofar as



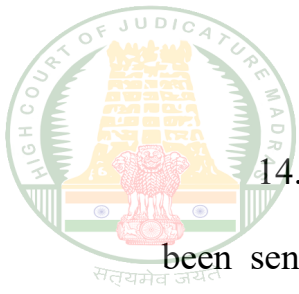
the notice sent to the 1st respondent is concerned, it was returned with an endorsement 'unclaimed' and returned to the sender. The same is evident from

Ex.R-6. The notice sent to the RTO, however, was duly received. Thereafter, a legal notice was issued by the Insurance Company to the 1st respondent on 09.05.2022 calling upon him to indemnify the liability. Even this legal notice came to be returned with an endorsement 'no such person'.

11.The learned counsel for the appellants submitted that in the first place Ex.R.2 shows that the cheque was not issued by the 1st respondent and it was issued by some third party which does not pertain to the policy in question.

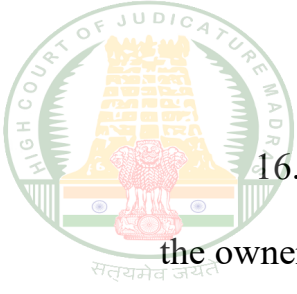
12.The above submission of the learned counsel for the appellants is not sustainable. It is now too well settled that anyone can issue a cheque to discharge the liability of another person and there is no bar under the Negotiable Instruments Act for one person to discharge the debt or liability of another person.

13.The learned counsel further submitted that Ex.R-6, which was relied upon by the Insurance Company, shows that the so called communication dated 09.05.2018 was not immediately sent to the 1st respondent and that there was an inordinate delay, which remains unexplained.



14. In the considered view of this Court, Ex.R.6 shows that the notice has been sent by the Insurance Company through registered post to the correct address of the 1st respondent, as could be ascertained from the policy marked as Ex.R-1. Once the notice is issued to the correct address and is returned with an endorsement 'unclaimed, Section 27 of the General Clauses Act, 1897 comes into play. There is a presumption of service of notice that is sent under registered cover to the known address of the addressee. In the case in hand, the registered letter has been returned with an endorsement 'unclaimed'. This only indicates that an attempt was made to serve the notice on the 1st respondent who is the owner of the vehicle, but for some reason he did not claim the notice. Hence, there is a legal presumption that the termination notice has been duly served on the 1st respondent and this clearly satisfies the legal requirement which has been explained by the Apex Court in the judgment in Lakshmammas case referred supra.

15. In the light of the above discussion, this Court does not find any illegality in the finding rendered by the Tribunal to the effect that the cancellation of the policy even before the accident was duly sent to the 1st respondent and there is a legal presumption of the same being intimated. Accordingly, the Tribunal exonerating the Insurance Company from the liability is perfectly in order.



16. The award passed by the Tribunal by mulcting the entire liability on the owner of the offending owner viz., the 1st respondent is confirmed.

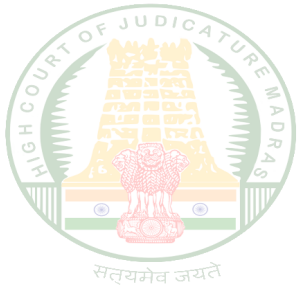
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17. In the result, all the Civil Miscellaneous Appeals stands dismissed. No costs.

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Index: Yes/No
Speaking/Non-speaking order
Internet: Yes
Neutral Citation: Yes/No

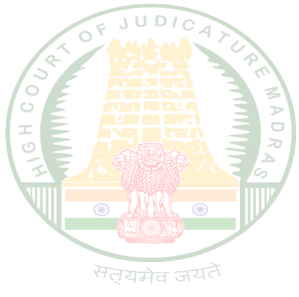
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To

The Motor Accident Claims Tribunal and
Special Subordinate Judge, Dharmapuri.



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N.ANAND VENKATESH J.

KP

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542 of 2023**

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