



C.M.A.No.1019 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02.07.2026

CORAM:

THE HON'BLE MR. JUSTICE N. ANAND VENKATESH

C.M.A.No.1019 of 2022
and C.M.P.No.7522 of 2022

United India Insurance Company Ltd.,
Rep. by its Branch Manager,
Office at Hulical, Meenakshi Complex,
No.4/90, Coonoor Road, Hulical Seals,
Coonoor, The Nilgiris District – 643 213.

... Appellant

Vs.

1. S.Murugan
2. M.Samuthravel (Minor)
3. M.Pranesh (Minor)
(Minors rep. by their father S.Murugan
as a guardian)
4. S.Tamilselvan
5. T.C.Rajendran

... Respondents

PRAYER: Civil Miscellaneous Appeal is filed under Section 173 of the Motor Vehicles Act, 1988, against the award dated 29.10.2021 made in MCOP No.1 of 2019 on the file of the Motor Accidents Claims Tribunal (Subordinate Judge), Coonoor.

For Appellant : Mr.D.Bhaskaran

For Respondents : Mr.MA.P.Thangavel
Mr.M.Lokesh for R1 to R3



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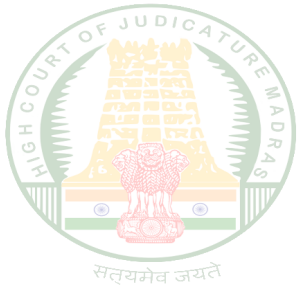
JUDGMENT

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This Civil Miscellaneous Appeal has been filed by the Insurance Company aggrieved by the award passed by the Motor Accident Claims Tribunal, Subordinate Court, Coonoor in MCOP No.1 of 2019 dated 29.10.2021.

2. The first claimant is the husband and claimants 2 and 3 are the children of the deceased Muthulakshmi. The case of the claimants is that on 16.11.2018, the deceased was proceeding from Thuthurmattam to reach Mahalingam colony by walk and at about 01.00 p.m., the offending vehicle belonging to the first respondent was driven in a rash and negligent manner and dashed on the deceased, as a result of which, the deceased sustained grievous injuries all over her body and ultimately she succumbed to injuries. It is under these circumstances, the claim petition came to be filed before the Tribunal seeking for compensation.

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.



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4. The Tribunal having rendered the above finding, fixed the total compensation at Rs.19,57,000/- under the following heads:

<i>S.No.</i>	<i>Compensation awarded under the head</i>	<i>Amount (in Rs.)</i>
1	Loss of Dependency	17,92,000
2	Spouse Consortium	44,000
3	Parental Consortium	88,000
4	Funeral Expenses	16,500
5	Loss of Estate	16,500
Total		19,57,000

5. The above compensation was directed to be paid with interest at the rate of 7.5% per annum. Aggrieved by the same, the Insurance Company has filed the present appeal before this Court.

6. Heard Mr.D.Bhaskaran, learned counsel for the appellant/Insurance Company and Mr.MA.P.Thangavel, learned counsel for respondents 1 to 3/claimants.

7. The main ground that was urged by the learned counsel for the appellant/Insurance Company is that the Tribunal ought to have deducted TDS from the compensation fixed under Section 194 A of the Income Tax

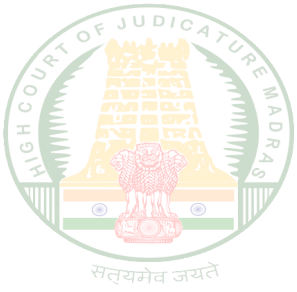


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Act. It is further contended that the compensation that has been fixed by the Tribunal is on the higher side and it requires the interference of this Court.

8. The issue that has been raised on the side of the appeal is squarely covered in by the Division Bench of this Court in C.M.A. (MD)No.1424 of 2024 dated 25.10.2024 and the relevant portions are extracted hereunder:-

*“4. The Circular dated 14.10.2011 issued by the Income Tax Authorities, whereby deduction of income tax has been ordered on the award amount and interest accrued on the deposits made under the orders of the Court in Motor Accident Claims case, was quashed by the High Court of Himachal Pradesh in a suo motu proceedings, reported in **2014 SCC OnLine HP 4273** and the same was followed by the **Hon'ble Justice J.B.Padriwala** (as he then was) leading the Division Bench of Gujarat High Court in the case of **Oriental Insurance Company Ltd. vs. Chief Commissioner of Income Tax (TDS)** reported in **2023 (1) TNMAC 465**. Aggrieved over the Judgment of the High Court of Himachal Pradesh, an Appeal is filed and the same is pending before the Hon'ble Supreme Court, however, there was no stay in the said challenge. Since the reference regarding the deduction of TDS is pending before the Hon'ble Supreme Court as well as before this Court, the issue herein will be decided after the outcome of the decision of the Hon'ble Apex Court as well as this Court.*



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5. Accordingly, this Civil Miscellaneous Appeal is disposed of. The appellant/Insurance Company is directed to deposit the award amount together with interest at the rate of 7.5% p.a. from the date of petition till the date of deposit, less the TDS amount, within a period of six weeks from the date of receipt of a copy of this order. On such deposit being made, the claimants/respondents 1 and 2 herein are permitted to withdraw the amount with accrued interest as ordered by the Tribunal. In case, if the Hon'ble Supreme Court decides that there is no necessity to deduct the TDS amount for the compensation amount, the appellant/Insurance Company is directed to deposit the said TDS amount to the credit of the claim petition. No costs. Consequently, connected miscellaneous petition is closed.”

9. In view of the above, if ultimately the Hon'ble Apex Court decides that there is no necessity to deduct the TDS amount from the compensation amount, the Insurance Company can be directed to deposit the TDS amount to the credit of the claim petition.

10. Insofar as the quantum of compensation as fixed by the Tribunal is concerned, it is seen that the same is just and proper and it does not require the interference of this Court.

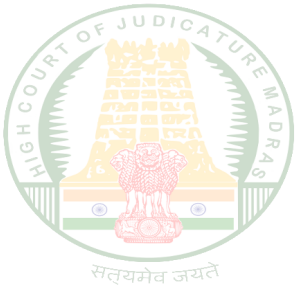


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11. It is brought to the notice of this Court that the appellant/Insurance Company has already deposited the entire award amount along with accrued interest and costs after deducting the TDS amount.

12. In view of the same, the claimants will be permitted to withdraw the entire award amount deposited along with accrued interest. If ultimately the Hon'ble Apex Court decides that there is no necessity to deduct the TDS amount, the appellant/Insurance Company is directed to deposit the TDS amount to the credit of the claim petition and it can also be withdrawn by the claimants. On the contrary, if the Insurance Company has already deposited the TDS amount to the Income Tax department, necessary certificate shall be issued to the claimants to enable them to claim for refund of the TDS amount from the Income Tax department.

13. It is brought to the notice of this Court that during the pendency of this appeal, claimants 2 and 3 also became major. In view of the same, the Tribunal shall entertain the petition filed by all the three claimants and permit them to withdraw their shares along with the accrued interest.



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WEB COPY14. In the result, this Civil Miscellaneous Appeal stands disposed of. Consequently, the connected miscellaneous petition is closed. No costs.

02.07.2026

Neutral Citation: Yes/No
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To

1. The Subordinate Judge,
Subordinate Court,
Motor Accidents Claims Tribunal,
Coonoor.
2. The Section Officer,
VR Section, High Court of Madras.



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N. ANAND VENKATESH, J.

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