



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 21-07-2026

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

CMA No. 2366 of 2021 & CMA No. 2316 of 2026

and

CMP Nos. 13316 of 2021 & CMP No. 17742 of 2026

CMA No. 2366 of 2021

M/s.Mahindra and Mahindra Financial
Services Ltd.,
Having Its Office At No.181, Raja
Annamalai Road, Sb Colony,
Coimbatore - 641 011.

Appellant(s)

.Vs.

1. N.Ganesan @ Ganesh,
S/o.Nagaraj

2.T. Prabhakaran,
S/o.Thavanami

3.S. Senthilkumar,
S/o.Subramanian

4.United India Insurance Company
Ltd.,
Having Its Branch Office At No.178,
Dr.Nanjappa Road, Opp. Chidambaram
Park, Coimbatore - 641 018.

Respondent(s)



PRAYER in CMA No. 2366 of 2021:

Civil Miscellaneous Appeal filed under Section 173 of the Motor Vehicles Act, 1988, to set aside the order dated 08.01.2021 made in M.C.O.P.No.348 of 2015 on the file of Motors Accident Claims Tribunal Special Subordinate Judge at Erode.

For Petitioner(s): Ms.M.Nagalakshmi

For Respondent(s) : Mrs.I.Malar for R4

CMA No.2316 of 2026

United India Insurance Company Ltd.,
Having its office at No.178,
Dr. Nanjappa Road,
Opp. Chidamabarm Park,
Coimbatore 641 018.

Appellant(s)

Vs

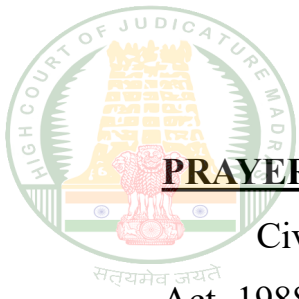
1. N. Ganesan @ Ganesh
S/o. Nagaraj

2.T. Prabakaran
S/o. Thavamani

3.S. Senthilkumar
S/o. Subramanian

4.Mahindra and Mahindra Financial
Services Ltd.,
having its office at No.181, Rajaj
Annamalai Road, SB Colony,
Coimbatore 641 011.

Respondent(s)



PRAYER in CMA No. 2316 of 2026

Civil Miscellaneous Appeal filed under Section 173 of the Motor Vehicles Act, 1988, against the Judgment and Decree dated 08.01.2021 made in MCOP No.348/2015 on the file of the Motor Accident Claims Tribunal (Spl. Sub Court), Erode.

For Petitioner(s): I.Malar Ravichandran

For Respondent(s) : Mr. S. Namasivayam for R4

COMMON JUDGMENT

These appeals arise out of the award passed by the Motor Accident Claims Tribunal (Spl. Sub Court), Erode in MCOP No.348 of 2015, dated 08.01.2021. The 1st respondent in these appeals is the claimant. The claim petition was filed on the ground that the claimant was riding a two wheeler on 21.07.2015 from Idikarai to Govindanaickenpalayam road and at about 6.30 p.m, near EB Colony, the offending vehicle which was a tractor was coming from opposite direction and it was driven in a rash and negligent manner. It attempted to overtake another vehicle which was going in front and dashed against the two wheeler belonging to the claimant. As a result of which, the claimant fell down and sustained grievous injuries and underwent treatment as an inpatient for nearly 23 days. It is under these circumstances, the claim petitions came to be filed before the Tribunal.

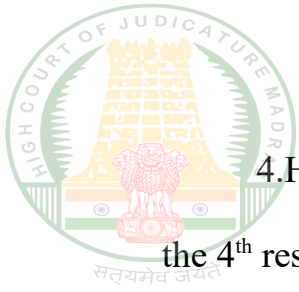


2. The Tribunal, on considering the facts and circumstances of the case and on appreciation of oral and documentary evidence came to a conclusion that the accident had taken place only due to the rash and negligent driving on the part of the driver of the offending vehicle. Having rendered such a finding, the Tribunal proceeded to fix the total compensation at Rs.4,11,000/- under the following heads:

<i>Sl.No</i>	<i>Compensation awarded under the head</i>	<i>Amount (in Rs.)</i>
1	Loss of Earnings	70,000/-
2	Transport to Hospital	10,000/-
3	Extra Nourishment	8,000/-
4	Attender Charges	Nil
5	Future Medical Expenses	Nil
6	Damages for Clothes and Articles	3,000/-
7	Medical Expenses	2,000/-
8	Pain and Sufferings	75,000/-
9	Permanent Disability & Loss of Earning Power	2,43,000/-
	Total :	4,11,000/-

The above compensation was directed to be paid along with interest at the rate of 9% p.a. Aggrieved by the same, the 4th respondent in the claim petition and the 3rd respondent Insurance company have filed these appeals before this Court.

3. The 1st respondent has been served with notice and the name of the 1st respondent has also been printed in the cause list. There is no appearance either in person or through counsel.

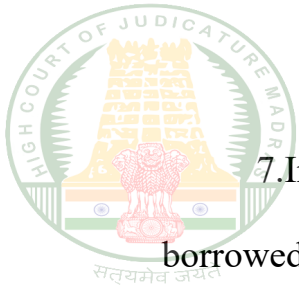


4. Heard the learned counsel for the appellant and the learned counsel for the 4th respondent.

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5. The main ground that was urged by the learned counsel appearing on behalf of the appellant in CMA No.2366 of 2021 is that the owner of the offending vehicle had borrowed loan for the purchase of the tractor and had repaid the loan, pursuant to which a no objection certificate was also issued. Thereafter, the appellant had no obligations whatsoever with the owner of the vehicle. Despite the same, the Tribunal has assumed that the appellant had taken the insurance policy with the United India Insurance Company, by drawing an adverse inference. It is contended that the said finding rendered by the Tribunal is unsustainable and the direction issued by the Tribunal fixing the liability against the appellant and the Insurance Company is unsustainable in law.

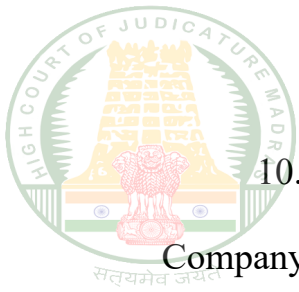
6. The learned counsel appearing on behalf of the Insurance Company submitted that as on the date of accident, there was no subsisting policy issued by the Company in favour of the owner of the offending vehicle and therefore there is absolutely no reason as to why the Insurance Company must be mulcted with the liability and consequently the learned counsel sought for the interference of the finding of the Tribunal in fixing the liability against the Insurance Company.



7. In the case in hand, the owner of the offending vehicle had originally borrowed the money from the Finance Company, who is the appellant in CMA No.2366 of 2021. The copy of the loan agreement dated 28.06.2014 was not able to be filed before the Tribunal and hence CMP No.19535 of 2024, was moved before this Court to bring in additional evidence. This petition was allowed by an order dated 21.07.2026 and the copy of the loan agreement dated 28.06.2014 is marked as Ex.R-2.

8. On going through the agreement, it is seen that the owner of the offending vehicle has specifically agreed to take a comprehensive insurance policy for the vehicle. Thus, the duty is upon the owner of the offending vehicle to take insurance cover and the Finance Company has not been obligated with this condition. In view of the same, the owner of the offending vehicle was duty bound to establish before the Tribunal that a valid insurance cover was taken for the offending vehicle and the owner of the vehicle failed to discharge this burden.

9. Insofar as the Insurance Company is concerned, their specific stand is that there was no insurance coverage for the offending vehicle and therefore, the Insurance Company cannot be made liable to pay the compensation.



10. The Tribunal has taken an adverse inference against the Finance Company on the ground that the Finance Company did not produce any document in their possession and consequently the Tribunal has virtually assumed that the Finance Company had taken a policy cover for the offending vehicle with the United India Insurance Company and therefore the Tribunal made the Finance Company and the Insurance Company jointly and severally liable to pay the compensation to the claimant. This finding rendered by the Tribunal is unsustainable for the simple reason that the finding is not supported by any reasons and such a finding has been given on a mere presumption. The owner of the vehicle has failed to discharge his burden in producing the policy, if at all there was any such policy covering the offending vehicle at the time of the accident.

11. In the light of the above discussion, the finding of the Tribunal by fixing joint and several liability as against the appellants in these appeals, is illegal and such finding suffers from perversity warranting the interference of this Court.

12. In the light of the above discussion, this Court holds that the owner of the offending vehicle namely the 2nd respondent alone is liable to pay the compensation amount fixed by the Tribunal to the claimants.



13. In the result, both these appeals are allowed and there shall be a direction to the 2nd respondent, who is the owner of the offending vehicle to deposit the entire compensation amount along with interest at the rate of 9% p.a, within a period of eight (8) weeks from the date of receipt of a copy of this judgement. On such deposit, the claimant will be entitled to withdraw the same. Whatever amount has been deposited by the appellants in these appeals shall be permitted to be withdrawn along with the accrued interest. No costs. Consequently, connected miscellaneous petition is closed.

21-07-2026

Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No

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To

The Motors Accident Claims Tribunal

Special Subordinate Judge at Erode.



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N.ANAND VENKATESH J.

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**CMA No. 2366 of 2021
and
CMA No. 2316 of 2026**

21-07-2026