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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.04.2022

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THE HON'BLE MR. JUSTICE C.V.KARTHIKEYAN

Civil Miscellaneous Appeal No.3053 of 2017
and
C.M.P.No.7586 of 2021

The Branch Manager,
The Oriental Insurance Company Limited,
Kamalasubramaniam Arcade 1st Floor,
2851/35, 4 Trichy Main Road,
Thanjavur Town Munsifi ...Appellant/2nd Respondent

Versus

1.R.Jothi ...1st Respondent/Claimant
2.V.Ramadoss ...2nd Respondent/1st Respondent

The Civil Miscellaneous Appeal filed under Section 173 of the Motor Vehicles Act, 1988, against the Judgment and Decree made in M.C.O.P.No.253 of 2015, dated 02.06.2016, on the file of the Motor Accidents Claims Tribunal (Court of Chief Judicial Magistrate), Tiruvarur.

For Appellant : Mr.K.Vinod

For Respondents : Mr.K.Varadha Kamaraj

JUDGMENT

The second respondent in M.C.O.P.No.253 of 2015, on the file of the Motor Accidents Claims Tribunal/Chief Judicial Magistrate Court at Tiruvarur is the appellant herein.

2. M.C.O.P.No.253 of 2015 had been filed by the legal representatives/mother of the deceased Venkatesan.

3. The father of the deceased had been impleaded as the first respondent.

4. The mother had necessity to file the claim petition seeking compensation for the death of her son Venkatesan. Owing to the fact that the said Venkatesan had borrowed a motor-cycle



bearing registration No.TN 51 J 8141 which belonged to his father/first respondent on 18.05.2013 and while driving it at around 11.30 p.m., on that day in the Service Main Road at Kilvelur, a cow had crossed the road and Venkatesan had applied sudden brakes but fell down and sustained injuries. Though he was admitted to Tiruvarur Medical College Hospital, Venkatesan died owing to the injuries suffered. A criminal case was registered in Crime No.215/2013 under Sections 279, 304 (A) IPC by the Kilvelur Police Station.

5. It had been stated that the death of Venkatesan, had put the claimant/mother to much loss and mental agony and therefore, the Claim Petition had been filed under Section 163 A of the Motor Vehicles Act, 1980 seeking compensation of Rs.20 lakhs together with interest.

6. The said Claim Petition came up for consideration before the Motor Accidents Claims Tribunal/Chief Judicial Magistrate Court at Tiruvarur. The Tribunal, by order dated 02.06.2016, had granted a total compensation of Rs.4 lakhs.

7. Questioning the reasons given in the said order and denying the liability to pay compensation, the second respondent/Insurance Company had filed the present appeal.

8. The Tribunal had opined that the Claim Petition under Section 163A of the Motor Vehicles Act, 1980 is maintainable and had proceeded to examine whether it was necessary to determine negligence and for that purpose relied on the Judgment reported in 2012 2 TN MAC 763 [Robacca Vs. Nagarjuna Finance Ltd.,] and held that negligence need not be established and therefore, proceeded to determine compensation payable.

9. The Tribunal, thereafter also opined that the deceased was earning a sum of Rs.10,000/- per month, but however restricted the income at Rs.40,000/- per annum and deducted one half for personal expenses and finally, fixed the annual income at Rs.20,000/- and granted compensation by applying multiplier at '16'. The Tribunal also granted compensation towards funeral expenses and also compensation towards loss of love and affection. The Tribunal granted a total compensation of Rs.4,00,000/-.

10. Questioning both liability and also the very jurisdiction of the Tribunal to determine compensation, the present appeal has been filed.

11. Heard Mr.K.Vinod, learned counsel appearing for the appellant/Insurance Company and Mr.K.Varadha Kamaraj, learned counsel appearing for the respondents/claimants.



12. It is the contention of Mr.K.Vinod, learned counsel for the appellant/Insurance Company that the facts of the case pointed out that the deceased had borrowed the vehicle of his father/first respondent and had met with an accident while applying sudden brake to avoid hitting a cow, had fallen down and owing to such accident, had suffered grievous injuries leading to his death.

13. These facts are not disputed. But the crucial aspect as per the narration of those facts is that the deceased Venkatesan had borrowed the vehicle of his father. It is therefore contended by Mr.K.Vinod, learned counsel that due to such act of borrowal of the vehicle, Venkatesan should be deemed to have stepped into the shoes of the owner of the vehicle and there being no other vehicle involved in the accident, he cannot therefore claim compensation for his own rashness or his own negligent driving.

14. It is claimed that the provision under Section 163 A of the said Act would also not be attracted if the annual income of the claimant or the deceased was more than Rs.40,000/- and therefore, it is urged that the order of the Tribunal should be re-visited by this Court and interfered with and set aside.

15. Mr.K.Varadha Kamaraj, learned counsel for the respondents/claimants on the other hand, contended that the fact that the deceased met with an accident while driving a motor vehicle cannot be denied or disputed and therefore the petition has been filed under Section 163 A of the Motor Vehicles Act and under such provision negligence need not be proved or established and therefore urged that compensation can be granted.

16. It is also stated by the learned counsel for the respondents that the said provision was to alleviate the grievance of those who suffered an accident owing to their own mistake and therefore, stated that the Tribunal had correctly granted an award and had correctly assumed jurisdiction to grant the award.

17. I have considered the arguments advanced and also perused the materials available on record.

18. The facts of the case are not in dispute. The deceased Venkatesan had borrowed the motorcycle of his own father bearing registration No.TN 51 J 8141. He was driving it on 18.05.2013. At around 11.30 p.m., when he was going from the Service Main Road in Kilvelur, a cow had crossed the road and he had applied sudden brakes and therefore fell down and sustained grievous injuries and though he was admitted at Thiruvavarur Medical



College Hospital, he unfortunately died. A criminal case in FIR was registered in Crime No.215 of 2013 for offence under Sections 279, 304(A) of IPC by the Kilvelur Police Station.

19. This Court had directed the records to be forwarded from the Chief Judicial Magistrate Court, Tiruvarur.

20. Ex.P1 was the xerox copy of the First Information Report. The informant was the first respondent/father of the deceased Venkatesan. Since the accident had been caused by the driver of the motor-cycle/Venkatesan/his own son, naturally no name was shown as the accused. The cause for the accident had been Venkatesan himself.

21. In the First Information Report, it had been stated that an electric pole had fallen on the road and that Venkatesan had fell down and suffered head injuries. The said information, which is quite contradictory to the facts stated in the claim petition actually is of no advantage to the claimant/first respondent.

22. Ex.P2 was the copy of the Postmortem Report. It is seen that Venkatesan had suffered head injuries and had died owing to such injuries which had occurred in a road accident. Ex.P7 was the copy of the Insurance Policy of the vehicle.

23. During the trial, the first claimant/Jothi was examined as P.W.1 and an independent witness was examined as P.W.2. On the side of the respondents, one witness was examined as D.W.1. Exs.R1 and R2 were marked. Ex.R1 was the copy of the Investigation Report.

24. Even in the Investigation Report, it had been stated that the accident had occurred owing to the collision with an electric pole and that the driver Venkatesan has fallen down and had sustained injuries.

25. The contention raised by the learned counsel for the appellant is regards the determination of the liability of the Insurance Company to pay compensation under Section 163 A of the Motor Vehicles Act, when the deceased had borrowed a vehicle of his own father and had sustained injuries leading to his death while driving the said vehicle.

26. In this connection, the learned counsel for the appellant placed reliance on the judgment reported in 2020 (2) CTC 703 [National Insurance Company Limited, Puducherry vs. Rani and 5 others] wherein, a learned Single Judge had examined an appeal filed by the Insurance Company raising the very same issue of an accident occurring owing to driving the vehicle



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CTC 443 (SC) : 2020 (1) TN MAC 1 (SC), elaborately discussed the scope of Claim petition under Section 163-A of the Motor Vehicles Act. Undoubtedly, the Special provision is to be read conjointly and in consonance with the object, purpose as well as the intention of the Legislature.

10. In the event of interpreting any Special provision in isolation to the other provisions of the Statute, then the very object would be defeated and therefore, the Courts cannot make an interpretation of a Special Provision, which is otherwise intended to grant certain benefits in respect of grant of Compensation in the event of not establishing negligence. Thus, this Court is of the considered opinion that, even the Personal Accident Coverage cannot be considered in certain cases, where the victim is not the registered Owner of the vehicle. Three conditions are required even under Personal Accident Policy (which is not a Statutory coverage in terms of Section 147 of the Act). The said three conditions are mandatory, so as to avail Compensation under the Personal Accident Policy (not a Statutory coverage in terms of Section 147 of the Act). The conditions are:

- (a) the Owner-Driver is the registered Owner of the Vehicle insured;
- (b) the Owner-Driver is the insured named in the policy;
- (c) the Owner-Driver holds an effective Driving License, in accordance with the provisions of Law.

11. With reference to Section 163-A of the Motor Vehicles Act, 1988, the Hon'ble Supreme Court has taken a view that if a borrower of the Vehicle met with an accident while riding the Vehicle, he cannot claim Compensation under Section 163-A of the Act. The reason being in the event of granting Compensation without adjudication of negligence, then the same would result in defeating the very object of the Act, under Sections 147 & 166 of the Motor Vehicles Act. When Section 147 categorically enumerates requirements of policies, limits and liabilities, the same cannot be whittled down, while dealing with the Claim Petitions under



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Section 163-A of the Act. All these provisions are to be read conjointly for the purpose of granting the benefit of Special provision enacted under Section 163-A of the Act, for payment of Compensation on structured formula basis. When the Special Provision is specifically provided for a Structured Formula basis, it cannot be read in isolation with reference to the nature of the contracted policy and the requirement of Policy and limited liabilities Clauses, which all are well enumerated under the Provisions of the Act. Thus, this Court is of the considered opinion that a person, who borrowed a Vehicle from the registered Owner and while driving the same met with an accident sustained injuries or dead, then he is not entitled for claiming Personal Accident Policy (not a statutory coverage in terms of Section 147 of the Act), he is bound to establish the three Mandatory conditions and in the absence of compliance with the said three conditions, he is not entitled for Compensation.

12. This Court is of the considered opinion that the Insurance Company as well as the Policy holders are bound by the terms and conditions of the Contract agreed between the parties. In the event of superseding the terms of Contract, then the very legality of the Law of Contract is sacrificed under the provisions of the Indian Contract Act, which is unacceptable and therefore, in respect of the Contract, Courts are bound to consider the terms and conditions and the binding Clauses between the parties.

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14. Perusal of the Judgment, it is crystal clear that the scope of Section 163-A of the Act cannot be expanded, so as to cover borrower of the Vehicle, who stepped into the shoes of the registered Owner and file Claim Petition under Section 163-A of the Act. In the event of entertaining such Claim Petition, undoubtedly, the other provisions namely, Section 147 and other related provisions would get defeated and the object sought to be reached through Special provision under Section 163-A of the Act, would also be defeated. Thus the fact remains that in all such cases, where a vehicle was borrowed from the Registered Owner by any person and such



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the Act is maintainable against the Insurance Company of the motorcycle when the deceased, who borrowed the vehicle was responsible for the accident and when he was the tort-feasor and when Respondents 1 to 4 claim that the deceased was earning more than Rs.40,000/- per annum.

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16.As per this Section, the Owner and Insurer are liable to pay Compensation as per II Schedule of the Act. As per Section 163-A (2) of the Act, the Claimant is not required to plead and establish any wrongful act or negligence or default of the Owner of the vehicle or vehicle concerned or any other person. The issue whether the Owner and Driver of the vehicle, who is the tort-feasor can claim Compensation from the Owner and Insurer was considered by the Hon'ble Apex Court in number of cases, wherein the Hon'ble Apex Court held that Owner and Driver of the vehicle, who was a tort-feasor can not claim Compensation from the Insurance Company.

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21.The issue of maintainability of the Claim Petition by Owner or rider under Section 163-A of the Act is again considered by the Hon'ble Apex Court in the Judgment reported in Ramkhiladi and another v. United India Insurance Co. ltd., and another, 2020 (1) TN MAC 1 (SC) cited supra, wherein it has been held that Claim petition filed under Section 163-A of the Act by Owner or Borrower of vehicle is not maintainable as borrower steps into the shoes of the Owner.

22.I had an occasion to consider this issue in C.M.A.No.3414 of 2019. Considering the Judgment of the Hon'ble Apex Court, by the Judgment, dated 28.05.2020, in C.M.A.No.3414 of 2019, I held that the Claimant is not entitled to claim Compensation from the Insurer of the vehicle in which he was riding, when another vehicle viz., Mahendra Maximo Van driven in a rash and negligent manner dashed against the Motorcycle driven by him. The relevant paragraphs are as follows:

"19.The Judgment reported in Ramkhiladi and another v. United India Insurance Co., Ltd., and another, 2020 (1) TN MAC 1 (SC):2020 (1)



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24. The learned counsel appearing for the Appellant further contended that the deceased was working as Maistry in Brick Manufacturing Unit under 5th Respondent and was earning a sum of Rs.180/- per day, which exceeds the maximum income as mentioned in the II Schedule of the Act. A claimant or Legal Representatives of the deceased can maintain the Claim petition under Section 163-A of the Act if the Annual Income does not exceed Rs.40,000/- and Courts can grant Compensation as per this Structural Formula in the II Schedule. The Hon'ble Apex Court in the Judgment reported in Deepal Girishbhai Soni and others v. United India Insurance Co., Ltd., Baroda 2004 (1) TN MAC (SC) 193, held that the proceedings under Section 163-A of the Act being a social security provision, providing for a distinct scheme, only those persons whose annual income is up to Rs.40,000/- can take the benefit, invoking the provisions of Section 163-A of the Act. When the Annual Income exceeds Rs.40,000/-, the Claim Petition under Section 163-A of the Act is not maintainable. The Tribunal fixed the monthly income of the deceased at Rs.4,500/- and taking age of the deceased, granted Compensation. The income fixed by the Tribunal exceeds annual income of Rs.40,000/- as mentioned in II Schedule of the Act. Further, the Tribunal without following the Structural Formula in II Schedule of the Act, awarded Compensation under various heads, contrary to the Judgments of the Hon'ble Apex Court reported in Deepal Girishbhai Soni and others v. United India Insurance Co., Ltd., Baroda, 2004 (1) TN MAC (SC) 193, referred to above. For the above reason, the Award of the Tribunal is liable to be set aside and is hereby set aside."

29. The provisions which emanate from the aforementioned judgments is that if the injured or deceased had borrowed a vehicle then he steps into shoes of the owner of the vehicle and if he suffers injuries or dies owing to the accident then the Insurance Company cannot be made liable for any compensation sought for himself, or for his legal representatives. Moreover, the annual income of the deceased should be less than Rs.40,000/- to maintain a claim under Section 163 A of the Motor Vehicles Act, 1988. In this case both the conditions are not satisfied.



30. Mr.K.Varadha Kamaraj, learned counsel for the respondent placed reliance on the Judgment of the Hon'ble Supreme Court reported in 2018 (2) TN MAC 149 (SC) [Shivaji and another vs. Divisional Manager, United India Insurance Co., Ltd., and others]. That case was also a claim under Section 163 A of the Motor Vehicles Act, 1988. The deceased was the driver of a car bearing registration No. MH 06 W 604. He had met with an accident on 15.06.2010 when the car dashed against another Truck bearing registration No.KA 25 B 5363 resulting in his death and also the death of two other persons and injuries to two more persons who were travelling in the car.

31.The Hon'ble Supreme Court had held as follows:

"5.The issue which arises before us is no longer res integra and is covered by a recent Judgment of Three-Judges of this Court in United India Insurance Co., Ltd., v. Sunil Kumar and another, 2017 (2) TN MAC 753 (SC) : AIR 2017 SC 5710, wherein it was held that to permit a defence of negligence of the claimant by the Insurer and/or to understand Section 163-A of the Act as contemplating such a situation, would be inconsistent with the legislative object behind introduction of this provision, which is "final compensation within a limited time frame on the basis of the Structured Formula to overcome situations where the claims of Compensation on the basis of fault liability was taking an unduly long time". The Court observed that if an Insurer was permitted to raise a defence of negligence under Section 163-A of the Act, it would "bring a proceeding under Section 163-A of the Act at par with the proceeding under Section 166 of the Act which would not only be self-contradictory but also defeat the very legislative intention:. Consequently, it was held that in a proceeding under Section 163-A of the Act, the Insurer cannot raise any defence of negligence on the part of the victim to counter a claim for Compensation".

32. In that case, the Hon'ble Supreme Court was examining the issue of negligence and had stated that the issue of negligence need not be established in a Claim Petition filed under Section 163 A of the Motor Vehicles Act. The facts of that case are distinguishable and the ratio laid down therein is not applicable to the instant case.

33. In the instant case, the deceased Venkatesan had borrowed the vehicle of his own father and had met with an



accident. In the Claim Petition, it had been stated that the deceased Venkatesan had applied brakes when a cow had crossed the road. In the First Information Report/Ex.P1 and the Investigation Report/Ex.R1 it had been stated that the deceased dashed against an electric pole and had sustained the injuries leading to his death. However, by his own act of rashness and negligence, he cannot claim any amount from the insurer.

34. The ratio of the Judgments reported in 2020 (2) CTC 703 (Rani and 5 others) and 2021 (1) TN MAC 746 (Venilla and 4 others) both referred supra directly apply to the facts of this case.

35. In view of the above discussion, I hold that the Judgment and Decree passed by the Motor Accidents Claims Tribunal/ Chief Judicial Magistrate, Tiruvarur in M.C.O.P.No.253 of 2015, dated 02.06.2016, has to be set aside. It is set aside.

36. In the result, the present Civil Miscellaneous Appeal is allowed. No order as to costs. Consequently, the connected miscellaneous petition stands closed.

Sd/-

Assistant Registrar (CS-VI)

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Sub Assistant Registrar

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To

1.The Chief Judicial Magistrate,
Motor Accidents Claims Tribunal,
Tiruvarur.

2.The Section Officer,
VR Section,
High Court, Madras.

+1cc to Mrs.Elveera Ravindran, Advocate SR. No. 28526
+1cc to Mr.K.Varadha Kamaraj, Advocate SR. No. 28531

C.M.A.No.3053 of 2017

SV (CO)
PR (18/05/2022)