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C.M.A.No.2683 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.12.2024

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

C.M.A.No.2683 of 2021

1.R.Sujana Shanmuganathan

2.Niranjana S.Amarnath

3.Nirupama Bharathi

... Appellants

Vs.

1.J.Prabakaran

2.National Insurance Co. Ltd.,
751, Anna Salai,
Chennai – 600 002.

3.Manikandan

(Amendment carried out as per the
order in MP.No.1937/19 dated 7.8.2019)

... Respondents

Prayer:

Civil Miscellaneous Appeal filed under Section 173 of the Motor Vehicles Act, 1988, to allow this appeal by set aside the judgment and decree passed by the Motor Accidents Claims Tribunal Chief Judge, Small Causes Court, Chennai, in M.C.O.P.No.3494 of 2015 dated 22.12.2020 and allow the appeal with cost through out.

For Appellants : Mr.S.Udhayakumar

For Respondents : R1 and R3 – No Appearance
Mrs.R.Sreevidhya for R2



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J U D G M E N T

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This appeal has been filed by the appellants/ claimants challenging the judgment and decree passed in M.C.O.P.No.3494 of 2015 dated 22.12.2020 on the file of the Motor Accidents Claims Tribunal, Chief Judge, Small Causes Court, Chennai.

2.The learned counsel appearing for the appellants submitted that the appellants are the legal heirs of the deceased Shanmuganathan. On 17.01.2013 at about 9.00 a.m., the deceased was proceeding in the Car bearing Registration No.TN 02 AL 0335 from Chennai to Pondy via, ECR Road near Marakkanam. At that time, a Scooty bearing Registration No.TN 04 AD 6485 suddenly crossed from the side Road ECR Salai and inorder to avoid collision, the Car was dashed against a tamarind tree, due to which, the deceased lost his life.

3.The learned counsel appearing for the appellants further submitted that thereafter dependants of the deceased filed claim petition before the Tribunal claiming compensation of Rs.25 Lakhs, however, the Tribunal dismissed the claim petition on the ground that the deceased himself is a tort feaser; the deceased is not the owner of



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the vehicle; he borrowed the vehicle from the first respondent and he drove the vehicle in a rash and negligent manner and hit the Scooty and thereafter dashed against the tree. The learned counsel prayed this Court to extend the benefit of personal accident coverage to the claimants.

4.The learned counsel appearing for the second respondent submitted that the issue involved in this case is no longer *res integra* and the same has already been considered by this Court in the decision reported in **2020 (1) TN MAC 593 [National Insurance Company Limited Vs. Rani and others]**, wherein, it is held 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 and prayed for dismissal of the appeal.

5.Heard the learned counsel appearing for the appellant as well as the learned counsel appearing for the second respondent and perused the materials available on record.

6.The issued involved in the present case is covered by the



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decision of this Court reported in **2020 (1) TN MAC 593 [National Insurance Company Limited Vs. Rani and others]**, the relevant portion of the same reads as follows:

"9. The recent Judgment of Hon'ble Supreme Court in the case of **Ramkhiladi and Another Vs. United India Insurance Co. Ltd and Another** [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 cannot be read in isolation and the Apex Court considered **Sections 147, 166 and 163-A** of the Motor Vehicles Act. Thus 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



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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



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negligence, then the same would result in defeating the very object of the Act, under [Sections 147](#) and [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 [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 to claim any compensation under [Section 163-A](#) of the Act and even 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.

13. The Hon'ble Supreme Court in the judgment, cited supra, in unequivocal terms held that in a claim under [Section 163-A](#) of the Act, there is no need for the claimants to plead or establish the negligence and/or that the death in respect of which the claim petition is sought to be established was due to wrongful act, neglect or default of the owner of the vehicle concerned. It is also true that the claim petition under [Section 163-A](#) of the Act is based on the Principle of 'No Fault Liability'.



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However, at the same time, the deceased has to be a third party and cannot maintain a claim under [Section 163-A](#) of the Act, against the owner/Insurer of the vehicle, which is borrowed by him as he will be in the shoes of the owner and he cannot maintain a claim under [Section 163-A](#) of the Act, against the owner and Insurer of the vehicle. In the case before the Hon'ble Supreme Court, the finding was that the parties are governed by the contract of Insurance and under the contract of Insurance, the liability of the Insurance Company would be qua third party only. Thus the deceased cannot be said to be a third party with respect to the insured vehicle. There cannot be any dispute that the liability of the Insurance Company would be as per the terms and conditions of the Contract of Insurance. The insurance policy covers the liability incurred by the insured in respect of death or bodily injury to any person (including an owner of the goods or his authorized representative) carried in the vehicle or damage to any property of a third party caused by or arising out of the use of the vehicle. Thus [Section 147](#) does not require an Insurance Company to assume risk for death or bodily injury to the owner of the vehicle.



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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 vehicle met with an accident and the rider of the vehicle sustained injury or it resulted in death, then no claim petition is entertained under [Section 163- A](#) of the Act and even in cases of claim of Personal Accident Policy (not a statutory coverage in terms of [Section 147](#) of the Act), then also the mandatory conditions under the Personal Accident Policy are to be established by the claimant. This being the principles to be followed, this Court is of the considered opinion that in the present case, the claim petition is unsustainable and not



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entertainable and liable to be rejected."

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7.Perusal of the decision cited supra makes it 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 present case, the deceased is the borrower of the vehicle and he is not the owner of the vehicle and the insurance policy does not stand in the name of the deceased. Hence, the impugned judgment warrants no interference.

8.The civil miscellaneous appeal is dismissed. The judgment and decree passed in M.C.O.P.No.3494 of 2015 dated 22.12.2020 on the file of the Motor Accidents Claims Tribunal, Chief Judge, Small Causes Court, Chennai, is confirmed. No costs.

06.12.2024

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Index: Yes/ No
Speaking Order: Yes/ No
NCC: Yes/ No
To

1.The Motor Accidents Claims Tribunal
Chief Judge, Small Causes Court, Chennai.

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