



W.P.(MD) No.22813 of 2025

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: **20.08.2025**

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.(MD) No.22813 of 2025

and

W.M.P(MD)No.17896 of 2025

Chola Ms General Insurance Company Limited,
N.No.2, O.No.234,
2nd Floor, Dare House,
NSC Bose Road, Parrys,
Chennai-600001.
Rep by its Branch Manager

.. Petitioner

Vs

1. Eshwari
2. Minor Lakshita
3. Minor Yazhinibala
4. Parvathi
5. Rajamanickkam

.. Respondents

[Minor respondents 1 to 3 are represented by their next friend/guardian mother 1st respondent herein]



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PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of Writ of Certiorari, calling for the records relating to the impugned order passed in Lok Adalat Case No.24 of 2025 on the legal services Committee, Periyakulam, in M.C.O.P.No.54 of 2024 on the file of the Additional District Judge, Periyakulam dated 14.06.2025 and quash the same as illegal.

For Petitioner : Mr.S.Srinivasaragavan
for Ms.K.R.Shivashankari

ORDER

The petitioner has challenged the impugned award passed by the Lok Adalat under Chapter VI and Section 21 of the Legal Services Authorities Act, 1987. By the impugned award, the petitioner had agreed to settle the dispute with the claimant for a sum of Rs.25,00,000/-(Rupees Twenty Five Lakhs only). The award reads as under:

“ Both parties agreed for settlement of Rs.25,00,000/- (Rupees Twenty Five Lakhs only) in full quit. The respondent has agreed to deposit the amount through NEFT/RTGS in to the Court account within four weeks from the date of receipt of the copy of the order, failing which interest of 7.5% is also payable



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in addition to the agreed amount.

On such deposit made, the entire amount shall be disbursed to the NEFT/RTGS to the bank account of the petitioner the details of which shall be submitted to the Court by the petitioner. If the petitioner is a minor the apportionment to minor petitioner is kept the fixed deposit till he/she attains majority.

The Court fee paid shall be refunded to the parties in the manner provided under the Amended Section 69(A) of the Court Fees Act, 1955.

The original of the award shall be placed in the Court records and copy of the award shall be kept with Taluk Legal Services Committee and one copy each is furnished to both parties free of cost.

In agreement of the above, both parties and their counsel have affixed their signatures/Thumb impressions in present of the Lok Adalat Bench admitting in terms and conditions and accordingly, the award is passed.”

2. It is a specific case of the petitioner that in the exercises of power conferred under Section 176 of the Motor Vehicles Act, 1988 r/w Section 2(11) of the said Act, the Government of Tamilnadu had issued Tamilnadu Motor Vehicles Accidents Claims Tribunal Rules, 1989. Specifically the learned counsel for the petitioner would submit that the impugned award has been passed ignoring Rule 20(8), 20(9) and 20(10) of the aforesaid Rules which reads as under:



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Rule 20(8)	Rule 20(9)	Rule 20(10)
The Claims Tribunal shall, in the case of illiterate claimants, order that the amount of compensation awarded, be invested in fixed deposits for a minimum period of three years, but of any amount is required for effecting purchase of any movable or immovable property for improving the income of the claimant, the Claims Tribunal may consider such a request after being satisfied that the amount would be actually spent for the purpose and the demand is not a ruse to withdraw money.	The Claims Tribunal shall, in the case of semi-literate person, resort to the procedure for the deposit of award amounts set out in sub-rule (8) unless it is satisfied, for reasons to be recorded in writing that the whole or part of the amount is required for the expansion of any existing business or for the purchase of some property as specified and mentioned in sub-rule (8) in which case the Claims Tribunal shall ensure that the amount is invested for the purpose for which it is prayed for and paid.	The Claims Tribunal may, in the case of literate persons, also resort to the procedure for deposit of award amounts specified in sub-rule (8) subject to the relaxation specified in sub-rules (8) and (9) if having regard to the age, fiscal background and state of society to which the claimant belongs and such other consideration, the Claims Tribunal in the larger interest of the claimant and with a view to ensuring the safety of the compensation awarded, thinks it necessary to order.



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3. It is submitted that direct transfer of the amount to the claimants pursuant to the aforesaid award dated 14.06.2025 in respect of M.C.O.P.No. 54/2024 which was earlier pending on the file of the Additional District Court at Periyakulam, directing the entire amount to be disbursed through NEFT/RTGS to the bank account of the petitioner. The details of which were to be submitted by the petitioner therein was contrary to the aforesaid rules and therefore, the award to that extent is liable to be interfered with.

4. I have considered the arguments advanced by the learned counsel for the petitioner and the learned counsel for the respondents.

5. In my view, the present writ petition is not maintainable. However, it is open to the petitioner to revisit the issue and advise its staffs who appears before the Lok Adalat to not to agree for direct payment to NEFT/RTGS directly although it appears to be a more safer mode of disbursal of the amount directly to the beneficiary, if any misuse is observed. In fact, this procedure has been followed pursuant to the judgment of the Division Bench of this Court in C.M.A.No.428 of 2016 dated 11.03.2016.



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6. Therefore, this Writ Petition stands dismissed with the above liberty.

No Costs. Consequently, connected miscellaneous petition is closed.

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Index : Yes / No
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C.SARAVANAN, J.

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