IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 27.02.2026

PRONOUNCED ON : 09.06.2026

CORAM:

THE HONOURABLE MR. JUSTICE **V. LAKSHMINARAYANAN**

W.P.No.14064 of 2020

1.Nashima

2.Syed Rahim

3.Syed Kareem

4.Mahiya ... Petitioners

Vs.

1.The Managing Director,
New India Assurance Company Limited,
New India Assurance Building,
No.87, M.G.Road, Fort,
Mumbai – 400001.

2.The Regional Manager,
New India Assurance Company Limited,
Spencer Towers, IIIrd Floor,
No.770A, Deva Towers,
2nd and 3rd Floor,
Anna Salai, Chennai – 600 002.

3.The Legal Officer,
New India Assurance Company Limited,
Justice Bashir Ahamed Building,
Vth Floor, 45, Moore Street,
Beach Road, Parrys, Chennai – 600 001.

4.The Manager,
The New India Assurance Company Limited,
Vridhachalam Micro Office,
No.77/156, Cuddalore Main Road,
Vridhachalam, Tamil Nadu – 606001.

5.Jai Shankar ... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India seeking issuance of Writ of Mandamus directing the respondents 1 to 4 to pay a sum of Rs.15 lakhs as per motor vehicle policy No.71280531180800007322, dated 20.03.2019 belonged to Vehicle No.T.N.T.N.91S5563 to the petitioners.

For Petitioners	: Mr.A.Gouthaman
For Respondents 1 to 4	: Mr.K.Vinodh
For Respondent 5	: Mr.P.Sethuvarayar
Amicus Curiae	: Mr.N.Vijayaraghavan

ORDER

I heard Mr.A.Gouthaman for the petitioners and Mr.K.Vinodh for the respondents 1 to 4 and Mr.P.Sethuvarayar for the fifth respondent. Considering that the issues raised relate to important questions on Insurance law, this court requested the assistance of Mr.N.Vijayaraghavan, a well known expert, who has been regularly appointed as an Amicus Curiae by the Supreme Court, to assist this court in the matter.

2. The facts leading to the present writ petition are extremely simple. The husband of the first petitioner and the father of the petitioners 2 to 4 was one Syed Moharaj. The said Syed Moharaj had purchased a vehicle bearing registration No.TN91 S 5563 from the fifth respondent on 31.08.2019. The fifth respondent had insured the vehicle with the fourth respondent. The insurance also covered the owner/driver. The Compulsory Personal Accident (hereinafter referred to as 'CPA') cover for owner/driver was issued in favour of the fifth respondent on 20.03.2019. It was valid till 19.03.2020.

3. The fifth respondent had, along with the sale of the vehicle, issued a delivery report on 31.08.2019. Syed Moharaj was also possessed of a valid driving licence issued by the RTO, Chennai (North-East) on 31.01.1985. It was valid till 31.01.2022. While riding the two wheeler, Syed Moharaj met with an accident in front of the Judges entrance of this Court. On account of the accident, he suffered serious injuries all over his body. He was rushed to the Rajiv Gandhi

Government General Hospital. Despite the treatment, Syed Moharaj passed away.

4. Taking note of the incident, a First Information Report was registered in Crime No.138 of 2019 by the Elephant Gate Police Station. Informant to the Police was one Mr.Karamtaj. As the vehicle had CPA cover for the owner, the petitioners made a representation on 17.03.2020 to the respondents 1 to 4 to pay a sum of Rs.15,00,000/-, as per the terms and conditions of the insurance policy. Though representations were served, the respondents 1 to 4 did not evince any interest in the same. Hence, the petitioners are before this Court by way of the present writ petition.

5. This court entertained the writ petition and issued notice to the respondents on 08.10.2020. Summons were served and the respondents have entered appearance. Mr.Vinodh has also filed a counter on behalf of the respondents. Insofar as the fifth respondent is concerned, Mr.P.Sethuvarayan had entered appearance, but had not filed a counter. Though the matter was adjourned on 25.09.2025, 06.10.2025 and 16.12.2025 to enable Mr.P.Sethuvarayan to file a counter, he has not filed the same. Mr.Sethuvarayan pointed out that

he had also sent a registered notice to the fifth respondent, calling upon him to come over and sign the counter affidavit. Despite being served, the fifth respondent has not responded so far. Hence, this Court is of the view that, since the fifth respondent has not taken efforts to controvert the allegations made in the affidavit, he is deemed to have admitted the same.

6. The stand of the respondents 1 to 4 is that the registered owner, as per the records maintained by the Road Transport Authorities, is Mr.Jai Shankar, the fifth respondent herein. The insurance policy had been issued in his name. A faint plea was taken that the alleged delivery report dated 31.08.2019 is not a genuine one. The legal plea taken by the insurance company is that in terms of Section 2(30) of the Motor Vehicles Act of 1988, “owner” means a person in whose name a motor vehicle stands registered or in case of hire purchase agreement or lease or hypothecation, the person in possession of the vehicle under that agreement. Since the vehicle was not registered in the name of Syed Moharaj, the respondents pleaded that they are not liable to pay any compensation to the petitioners. The further plea is that in terms of Section III of the terms and

conditions of the insurance policy, the insurance cover is subject to three conditions namely:-

(i) the owner/driver is the registered owner of the vehicle;

(ii) the owner/driver is the insured named in the policy; and

(iii) the owner/driver holds an effective driving licence as per Rule 3 of the Central Motor Vehicle Rules of 1989 at the time of accident.

7. After narrating the facts, Mr.A.Gauthaman urged that the petitioner is entitled to compensation, as the facts are not disputed and on the date of accident, the vehicle possessed valid insurance. He relied upon the following judgments:

(i) ***Balwant Singh and sons v. National Insurance Company Ltd and Others, (2019) 6 MLJ 301***;

(ii) ***Firdaus v. Oriental Insurance Co. Ltd and Others, AIR 2017 SC 3572***;

(iii) ***Balamanohari and Others v. Sri Venkateswara College of Engineering and Others, (2018) 3 LW 261***;

(iv) ***S.R.Ramakrishnan v. Deputy Transport Commissioner and Others, AIR 2013 Mad 100***;

(v) ***Lakshmi and Others v. R.Viswanathan and Others, 2018 (3) CTC 20***; and

(vi) ***N.S.Palani v. Sulachana and Others, (2017) 8 MLJ 478***.

8. Mr.K.Vinodh pleads that, as there are disputed questions of fact, the petitioners do not have a remedy by way of a writ petition. According to him, the only remedy is by way of a suit or by approaching the jurisdictional Consumer Disputes Redressal Forum. He argued that the writ petition is not maintainable. Even if this Court was to come to a conclusion that the writ petition is maintainable, the issue has been settled by the judgments of the Supreme Court in the following cases:

(i) ***Complete Insulations (P) Ltd v. New India Assurance Co. Ltd., 1996 ACJ 65***;

(ii) ***Naveen Kumar v. Vijay Kumar and Others, 2018 ACJ 677***; and

(iii) ***Surendra Kumar Bhilawe v. New India Assurance Co. Ltd., 2020 ACJ 1904***.

9. Mr.K.Vinodh also referred to the terms and conditions of the insurance policy and pointed out that as the insurance policy had not

been transferred to the name of the deceased Syed Moharaj within the time stipulated, the petitioners are not entitled to compensation. He urged that as per the terms and conditions of the insurance policy, an insurance company is liable to pay compensation only to the registered owner cum insurer or to his legal heirs. Since the RC book was not changed to the name of the deceased, the writ petition is untenable.

10. Mr.Sethuvarayar pleaded that his instructions were that the vehicle had been transferred in favour of the deceased and he has no further submissions on the merits of the case.

11. Mr.N.Vijayaraghavan, learned Amicus Curiae submitted that this Court can take into consideration the subsequent event of transfer of registration of the vehicle from the name of fifth respondent to the name of one of the writ petitioners, in order to come to a conclusion that the sale was true and genuine. He pointed out the difference between Section 2(19) of the Motor Vehicles Act of 1939 and Section 2(30) of the Motor Vehicles Act of 1988. He added that the statute itself recognises the co-existence of a real owner and an ostensible or registered owner. He referred to General Regulation 17 of

the Indian Motor Tariff and pointed out that registration and insurance can be transferred without any legal fetter. He stated that it is up to the court to decide on that aspect of the case. He pointed out that the personal accident cover was enhanced to Rs.15 lakhs from the paltry sum which existed earlier, only on account of the proactive view that had been taken by this Court in ***Divisional Manager, United India Insurance Company Limited v. R.Rekha and Others in CMA.No.1428 of 2017 dated 26.10.2017***. He also brought to the attention of the Court to the judgment of the Hon'ble Mr.Justice R.Mahadevan (as he then was) in ***Branch Manager, Tata AIG General Insurance Company Limited v. D.P.Allabakash and another in CMA.No.2122 of 2017 dated 18.09.2020***. He urged that, while deciding the issues in the nature as presented in the present writ petition, the Court can utilise the principle of "non-standard settlement" of insurance claims, as applied by the Supreme Court in the following cases:-

(a) ***National Insurance Company Limited v. Nitin Khandelwal, (2008) 11 SCC 259***; and

(b) ***Amalendu Sahoo v. Oriental Insurance Company Limited, (2010) 4 SCC 536***.

12. I have considered the submissions of the counsel and that of the learned Amicus Curiae. I have gone through the records.

13. As the plea of alternate remedy has been raised, I would consider that plea before dealing with other aspects.

14. It is right this Court, in exercise of Article 226 of the Constitution of India, would normally not venture into the discussion on disputed questions of fact. This is because, the nature of enquiry under Article 226 is on the basis of affidavits and counter affidavits. This Court does not record evidence like a Civil Court. However, this principle does not apply across the board. A writ court is entitled to decide issues based on disputed questions, when facts are already on record and the dispute does not require any extensive oral evidence or cross examination. When the core facts are not seriously contested, even if some minor details are technically disputed in the pleadings, this Court is entitled to entertain a writ petition. This is moreso, when this Court has admitted the petition and it has been pending for the past five years and above.

15. The primary question in this writ petition is the application of certain provisions of the Motor Vehicles Act, rather than the determination of the facts themselves. The law and the issues presented can be resolved by reviewing the available documents, without needing any oral testimony. Furthermore, the disputes are not so intricate for this Court to direct the parties to approach a regular civil court. This Court can exercise its discretion to determine the case, as the facts are not so complicated or disputed.

16. The purchase of the vehicle from the fifth respondent is not in dispute. The insurance cover issued by the respondents 1 to 4 is also not in dispute. Though the plea that the transfer deed dated 31.08.2019 is not genuine has been raised, the registration certificate produced by the writ petitioner shows the transfer of the vehicle from the name of the fifth respondent to the name of the second petitioner. This shows that the transfer is true and genuine.

17. At this stage, I should point out that the Supreme Court in ***Rajasthan State Electricity Board v. Union of India and Others, (2008) 5 SCC 632,*** had held that where there is no disputed question of fact, this court has the jurisdiction to entertain a writ petition and

award compensation, if necessary. In matters of insurance too, writ petitions have been held to be maintainable.

18. This Court in ***Jasmine Ebenezer Arthur v. HDFC ERGO General Insurance Company Limited, AIR 2019 MAD 220***, after a survey of the entire law, has held that a writ petition is maintainable even against a private insurance company. Respectfully adopting the reasoning in the aforesaid judgments, I reject the argument of Mr.K.Vinodh that the writ petition is not maintainable.

19. Furthermore, this Court cannot direct the petitioners to approach the Motor Accident Claims Tribunal by filing a claim petition under Section 163A of the Motor Vehicles Act for the claim arising under the Personal Accident Cover, in view of the position of law settled by the Division Bench of this Court in ***Tata AIG General Insurance Company Ltd. vs. Shanmugam, 2024 (2) TN MAC 305*** (DB).

20. Since the petitioners cannot approach the Motor Accident Claims Tribunal for any relief, I cannot hold that the petitioners have an effective alternate remedy. Furthermore, the Consumer Disputes

Redressal Forums are in addition to the existing forums and do not supplant the same. Hence, the plea of Mr.K.Vinodh on the availability of alternative remedy, too stands rejected. As already pointed out, as no complicated issues or facts are involved, this Court will go into the merits of the case.

21. Two issues that arise for consideration in this writ petition are as follows:

(i) Whether the sale made by the fifth respondent in favour of Syed Moharaj is valid; and

(ii) Whether the petitioners are entitled to any payment under the personal accidents cover on account of the death of Syed Moharaj.

22. It is the plea of the insurance company that as Syed Moharaj had not mutated the registration certificate in his favour, the sale from the fifth respondent to him is not valid.

23. As pointed out supra, the typed set of papers reveals that the fifth respondent had sold the vehicle to Syed Moharaj. Motor vehicle is a movable property. The sale of a motor vehicle is, therefore, governed by the Sale of Goods Act, 1930. The commercial aspects of a sale are

not governed by the Motor Vehicles Act. The procedures like registration, regulation and usage of the vehicle post the sale alone are governed by the said legislation.

24. The ownership of a vehicle passes from the seller to the buyer, when the parties intend it to so pass. This happens regardless of the status of the registration. It typically occurs on payment of the agreed price and on delivery of possession of the vehicle.

25. A perusal of Section 50 of the Motor Vehicles Act shows that it deals with the procedural process of mutating the name in the registration certificate from the vendor to the purchaser. It is a procedure in exercise of an administrative power. By the very nature of things, registration operates posterior to the transfer of ownership, which is governed by the Sale of Goods Act.

26. Section 2(30), which has been stoutly relied upon by Mr.K.Vinodh, merely defines as to who is an owner for the purpose of Motor Vehicles Act. It has been so defined for the purpose of fixing liability in case of accidents. Section 2(30) is a deeming provision by which a registered owner is held liable for third party damages or

other legal consequences, even after selling the vehicle and delivering possession of the same, in case, the registration has not been officially done. Section 2(30) cannot be read so widely to interpret that the sale occurs only after the registration of the vehicle with the registered authorities. Hence, the plea of Mr.K.Vinodh that as the vehicle has not been transferred in the registration book, Syed Moharaj cannot be considered as an owner even for a moment, is untenable.

27. I should point out that the Ministry of Road Transport and Highways has taken cognizance of the incongruity and has notified the Central Motor Vehicles (Twenty-Sixth Amendment) Rules of 2022 dated 22.12.2022. Prior to this amendment, on account of Section 2(30) of the Motor Vehicles Act, even after a vehicle is sold to an authorised dealer, the original owner of the vehicle continued to face legal liability for any accident or incident that might occur while the vehicle is in the dealer's custody. Hence, the rules were amended and have come into force from 01.04.2023. In terms of these rules, authorised dealers of pre-owned vehicles are now considered as deemed owners of the vehicles in their possession, until the vehicles are sold to a new owner. This shows that the intention of legislature was not to peg a sale to the registration of a vehicle with the concerned

authorities, but rather to ensure that, in case of an accident, a third party is not left remediless.

28. The issue on this aspect has been settled by two judgments of the Supreme Court in ***Panna Lal v. Shri Chand Mal and Others, (1980) 2 SCC 314*** and ***Karikho Kri v. Nuney Tayang and Another, (2024) 15 SCC 112***.

29. ***Panna Lal***'s case arose out of a suit for recovery of money filed by Panna Lal against Chand Mal and others. The Supreme Court had to deal with the validity of the sale of lorry and its route permit, when the transfer of registration had not been completed by the purchaser. The facts of ***Panna Lal***'s case are as hereunder:

Manak Chand was the original owner of the lorry and its route permit. He sold the same to Lalchand and Tarachand, who in turn, sold the lorry to Panna Lal. During both the sales, the lorry as well as the registration papers were delivered to the purchasers.

30. Panna Lal did not apply to the Registering Authority to have the registration changed in his name. Hence, in the official records, the owner of the vehicle continued to be Manak Chand. After issuance

of notice, as Panna Lal did not get any response, he presented a suit for recovery of purchase price and damages. He argued that the sale was not valid as the registration had not been transferred. Both the courts below held against him. Hence, he appealed to the Supreme Court.

31. The Supreme Court, while dismissing the appeal, held that the sale was valid and complete upon delivery of the lorry and its registration papers. It pointed out that under Section 31 of the Motor Vehicles Act, 1939, it was the purchaser who had to report the transfer to the Registering Authority and get the registration transferred in his name. The Court found that the plaintiff, Panna Lal, on account of failure to satisfy his statutory duty to register the vehicle in his name, cannot claim the sale is invalid. The ratio that flows out of this judgment is that title to a motor vehicle passes based on common law principle of sale and delivery, and the requirements of the Motor Vehicles Act with respect to registration are mere regulatory in nature.

32. ***Karikho Kri***'s case arose under a different circumstance. The appellants before the Supreme Court was elected from Tezu (ST)

to the Arunachal Pradesh Legislative Assembly. This election was challenged by way of an Election Petition before the Itanagar Bench of the Guwahati High Court. The High Court set aside the Election Petition holding *inter alia*, that Karikho Kri did not disclose all his assets and hence, the election is not valid. Aggrieved by the order, an appeal was preferred to the Supreme Court.

33. One of the issues presented to the Supreme Court was whether non-disclosure of three motor vehicles, whose registration certificate stood in the name of Karikho Kri's wife and son, constitutes a "corrupt practice" within the meaning of Section 100(1)(b) of the Representation of the People Act, 1951. It was argued before the Supreme Court, relying upon the judgment of the Supreme Court in ***Naveen Kumar v. Vijay Kumar, (2018) 3 SCC 1***, that the person in whose name the vehicle stood registered would be treated as the owner thereof. Rejecting this argument, the Supreme Court held that a mere failure to get registration transferred in the name of the new owner of an already registered vehicles does not mean that the sale/gift transaction would stand invalidated and such a vehicle, despite being physically handed over to the new owner, cannot, by any stretch of imagination, be treated as still being in the possession and

control of the former owner. That being so, I have to point out that in the present case, the registration certificate for the vehicle stands in the name of the second petitioner as on today. This points out that the sale had been properly made in favour of Syed Moharaj and on the date of accident, he was the owner thereof. In addition, the original owner, the fifth respondent, has not disputed the sale and transfer of possession of the vehicle to Late Syed Moharaj. Thus, the first issue is answered in favour of the petitioners.

34. The answer to the second issue becomes easier now. CPA cover for vehicle owner-driver was introduced by the Insurance Regulatory and Development Authority of India (hereinafter referred to as the 'IRDAI'). It has been made compulsory with effect from 20.09.2018. The sum insured under the CPA cover was initially Rs.1,00,000/-. It was later enhanced to Rs.15,00,000/- pursuant to the direction of this Court in ***Divisional Manager, M/s.United India Insurance Co. Ltd., v. R.Rekha, C.M.A.No.1428 of 2017 dated 26.10.2017***. By virtue of this judgment, IRDAI moved the tariff to provide a meaningful and realistic cover for owner-driver. The judgment in ***Rekha***'s case is a classic case, which distinguishes between the Act Policy and the Comprehensive/Package Policy. The

Act Policy refers to the basic insurance cover mandated by law. It primarily focuses on third-party liability. The Comprehensive/Package Policy offers a broader coverage, including personal accident benefits also.

35. Unlike the Act Policy, for a Comprehensive or Package Policy, the insured is called to pay extra premium. While partly allowing the appeal, the Division Bench in ***Rekha***'s case suggested that IRDAI should revisit and revise the Compulsory Personal Accident coverage to better align with the contemporary needs. It was thereafter that the CPA cover was enhanced to Rs.15,00,000/-. This shows that the purpose of enhancement was to provide relief to the owner cum driver, in case of accident and to their families, in case, the accident resulted in fatality, as they would not be covered under Section 147 of the Motor Vehicles Act.

36. In terms of General Regulation 17 of the Indian Motor Tariff (hereinafter referred to as "GR17"), there is an automatic transfer of liability cover on and from the date of transfer. GR17 requires an action from the transferee. The new owner must formally apply in writing to the insurer, who originally insured the vehicle, within 14

days from the date of transfer. Unlike the Motor Vehicles Act of 1939, after the new regime had come into force from 1988, upon receipt of an application, the insurer is mandated to make changes in its records and issue a fresh certificate of insurance in the name of the new owner. At the time of transfer, the insurer is also entitled to transfer any “No Claim Bonus” adjustments upon payment of relevant fees and premium differences, if any. Under GR17, the new owner is also given an option to cancel the existing third-party liability cover and obtain a new policy from a different insurer, provided he shows a proof of the new insurance cover to the previous insurer. This Regulation has been brought into force to ensure seamless transaction of insurance coverage and proper documentation.

37. The question that arises is whether, on account of the error in not transferring the vehicle as required under Section 50 of the Motor Vehicles Act or GR17 of the Indian Motor Tariff, the petitioners should be denied of their relief, especially when Syed Moharaj has been found to be the owner of the vehicle.

38. It is here that I have to take note of the authorities cited by Mr.N.Vijayaraghavan, the Amicus Curiae. He referred to ***B.V.Nagaraju***

v. Oriental Insurance Company Limited, (1996) 4 SCC 647. This case has established an important principle in the Indian Insurance Law. The principle being minor breaches of an insurance policy condition that are not fundamental to the cause of the accident, cannot be used by the insurer to entirely deny the claim.

39. Mr.B.V.Nagaraju was the owner of a Tata Goods Truck. He insured the vehicle with Oriental Insurance Company Limited. The insurance policy stipulated a condition that the vehicle must be used solely for carrying goods and permitted a maximum of six workmen, excluding the driver to travel in it. While the vehicle was being used, it was involved in a head-on collusion with an oncoming gas tanker. At the time of accident, it was carrying 9 persons, in addition to the driver i.e., three persons more than the permitted six.

40. Mr.B.V.Nagaraju filed a claim for repairs. The insurer denied the same. The stand of Oriental Insurance Company Limited was that as the vehicle was carrying more passengers than permitted, it was a fundamental breach of the policy condition. Mr.B.V.Nagaraju filed a claim petition before the State Commission. It found in his favour. The insurance company preferred an appeal to the National Commission.

The National Commission allowed the appeal and dismissed the claim. It was in those circumstances, the matter came up before the Supreme Court.

41. The Supreme Court applied the "main purpose rule” of contractual interpretation. It held that wide exclusion clauses should be read down, if they are inconsistent with the primary purpose or object of the contract, which is to indemnify the insured against losses. It also held that merely carrying a few extra persons, without the owner’s knowledge, was an irregular use of the vehicle but not a fundamental breach, that would completely absolve the insurer of its liability.

42. This case conclusively establishes that an insurer cannot use minor, non-contributing policy violations as a ground for total repudiation of the claims. The Court held that insurance contracts must be interpreted so as to promote a more equitable interpretation. This laid down the foundation of granting claims on "*non standard*" basis, entitling the insured to a significant percentage of an admissible claim amount, rather than full payments.

43. Applying the principles followed in ***B.V.Nagaraju***'s case to the facts of the present case, it becomes clear that, if the writ petition is dismissed, it would defeat the purpose for which CPA coverage policy was issued and thereby, taking of the very cover as illusionary.

44. When this aspect was pointed out, Mr.K.Vinodh brought the attention of this Court to ***Complete Insulations Private Limited v. New India Assurance Company Limited, (1996) 1 SCC 221***. He urged that in terms of Section 157 of the Motor Vehicles Act, automatic transfer is contemplated only for third-party risk and cannot be extended to contractual claims. I should point out that ***Complete Insulation Private Limited Company***'s case case arose under the provisions of Motor Vehicles Act of 1939, which was governed under a different regime. This very judgment was the subject matter of interpretation in ***Surendra Kumar Bhilawe v. New India Assurance Company Limited, 2020 INSC 434***. The Hon'ble Ms.Justice Indira Banerjee held that the judgment in ***Complete Insulations Private Limited***'s case cannot be applied for cases under the Motor Vehicle Act of 1988, since it interpreted Section 103A of the Motor Vehicles Act of 1939. She pointed out that the provision that

had been relied by the judges in ***Complete Insulation Private Limited***'s case had been repealed and replaced by the new Act.

45. The judgment closer to the view taken by me has been rendered by the Hon'ble Mr.Justice R.Mahadevan (as his Lordship then was), in the ***Branch Manager, TATA AIG General Insurance Company Limited v. D.P.Allabakash, CMA 2122 of 2017 dated 18.09.2020.*** The learned Judge upheld the contractual claim under a policy, despite the absence of transfer of registration. His Lordship held that procedural lapses cannot defeat the substantive contractual entitlements, when the claim is otherwise bonafide.

46. At this stage, I should also refer to the judgment of the Supreme Court in ***Ramkhiladi and another v. United India Insurance Company and another, (2020) 2 SCC 550***. The issue presented to the Supreme Court was whether the legal heirs of a person, who died in a Motor Vehicle accident while driving a vehicle they owned, are entitled to claim compensation from the insurance company of their own vehicle under Section 163A of the Motor Vehicles Act. The Supreme Court, speaking through Mr.Justice M.R.Shah, held that the owner cum driver cannot be considered as a

third-party for the purpose of mandatory Act Policy under Section 147 of the Motor Vehicles Act. Yet, the Court acknowledged that, when compensation is not payable under Section 163A, the claimants will be entitled to a limited amount, if the insurance policy included a specific CPA coverage for the owner cum driver. This judgment shows that the principle of stepping into the shoes of the owner is permissible.

47. I am taking note of the aforesaid verdicts, for the purpose of showing that this Court and the Supreme Court have granted relief, taking a compassionate view, as the Motor Vehicles Act, while dealing with compensatory aspects, is a welfare legislation.

48. From the light of the above discussions, it becomes clear that this Court can grant a non standard settlement for matters arising out of insurance contracts. The suggestion made by the Amicus Curiae that this Court may fix a settlement at 75% of the sum insured is appealing. Accordingly, this writ petition is ordered on the following terms:

(i) The respondents 1 to 4 shall pay the petitioners a sum of Rs.11,25,000/- on the non-standard basis, being 75% of the sum insured at Rs.15,00,000/- under the Personal Accident Cover, as it would be balancing the rights of the insurance company as well as the claims of the writ petitioners.

(ii) The said amount shall be transferred by direct bank transfer through NEFT or RTGS, to the account of the first petitioner within 45 days from today. The counsel for the petitioners shall furnish the necessary details to the counsel for the respondents 1 to 4 forthwith.

(iii) On payment of the aforesaid amount by the respondents, it shall constitute full satisfaction of the claims.

(iv) In case of default of payment, the sum of Rs.11,25,000/- shall carry an interest of 7.5% per annum from the date of death of the deceased (29.10.2019) till the date of realisation. No costs.

49. This Court places on record its appreciation to Mr.N.Vijayaraghavan for his immediate assistance in the matter. His illuminating arguments enabled this court to reach a conclusion.

09.06.2026

nl/Lm

Neutral Citation : Yes/No

To

1.The Managing Director,
New India Assurance Company Limited,
New India Assurance Building,
No.87, M.G.Road, Fort,
Mumbai – 400001.

2.The Regional Manager,
New India Assurance Company Limited,
Spencer Towers, IIIrd Floor,
No.770A, Deva Towers,
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Anna Salai, Chennai – 600 002.

3.The Legal Officer,
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Tamil Nadu – 606001.

V. LAKSHMINARAYANAN. J.

nl/Lm

W.P.No.14064 of 2020

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