IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13-03-2026

CORAM

THE HON'BLE MR.JUSTICE K.KUMARESH BABU

CMA No. 1954 of 2020
and CMP.No.14452 of 2020

The Branch Manager
Reliance General Ins. Co. Ltd., Sakthi Super
Market, 3rd Floor, 408, Perundurai Road, Erode
638001.

..Appellant(s)

Vs

1. M. Shanmugapriya
   W/o. Late Moorthy,

2. Minor Gowsik
   S/o.Late Moorthy,

3. Minor Udaya
   S/o. Late Moorthy,
   (minors Rep By Their Mother N
   F.Shanmugapriya)

4. Mr.S.Kamaraj
   S/o. Subramanian,

5. Saraswathi
   W/o. Late Kandasamy,

..Respondent(s)

PRAYER:- Civil Miscellaneous Appeal has been filed under Section 173 of the Motor Vehicles Act, 1988, to set aside the Decree and Judgment dated 12.03.2020 passed in MCOP No.1942 of 2017, by the Hon'ble Motor Accident Claims Tribunal, Special District Court at Salem.

For Appellant(s): Ms.C.Bhuvanasundari

For Respondent(s) Mr. S.P. Yuaraj
for RR1 To 3

(RR2 And 3 minors Rep By R1)

JUDGMENT

This Civil Miscellaneous Appeal has been filed challenging the Award dated 12.03.2020 passed in MCOP No.1942 of 2017, by the Motor Accident Claims Tribunal, Special District Court at Salem.

2. Heard Ms.C.Bhuvanasundari, learned counsel for the appellant and Mr.S.P.Yuaraj, learned counsel appearing on behalf of the respondents 1 to 3.

3. Ms.C.Bhuvanasundari, learned counsel for the appellant would submit that the respondents 1 to 3 had filed a Claim Petition seeking for compensation which arose out of the death of the first respondents's husband arising out of an accident involving the vehicle of respondents 4 & 5. She would submit that in spite of notice sent to the respondents 4 & 5 for production of driving licence of the driver, they had failed to respond to the said show cause notice and they had also remained ex-parte. She would submit that even in the present Appeal, they had remained ex-parte. As the respondents driver did not have a valid driving license, there is no liability on behalf of the appellant to indemnify them and therefore, the Award should not have been made against the appellant and

should have been made only against the owner of the vehicle. Failing to notice the above, the Tribunal had fixed the liability and directed the appellant to pay the compensation as jointly and severally. She would submit that the Tribunal had erred in fixing the liability on the appellant and therefore, seeks indulgence of this Court.

4. Countering her arguments, Mr.S.P. Yuaraj, learned counsel appearing on behalf of the respondents 1 to 3 would submit that even assuming that there has been no proof that the driver had possessed a valid driving license, it is a case where it is not disputed by the appellant that the vehicle had been insured with them. In that case, the appellant having entered into an agreement with the respondent cannot wriggle out its liability to make good the compensation which arose out of an accident of the insured vehicle with it. Hence, seeks dismissal of the Appeal.

5. I have considered the submissions made by the learned counsels appearing on either side and perused the materials available on record.

6. The respondents 4 & 5 who are the owners of the vehicle, in spite of notice given by the appellant, had failed to produce the driving license and they have also remained ex-parte not only before the Tribunal but also before this Court. It is true that the appellant who is the insurer would be bound by the

terms of the policy, wherein a condition had been imposed that the vehicle should be driven by the persons who is holding a valid driving license. Even though, such a valid driving license had not been produced to absolve the payment under the insurance policy, the appellant had failed to produce any documents that immediately on knowing that there there is a violation of agreement of insurance it had taken any steps to cancel the insurance policy nor it had not produced any documents that for the future it had not renewed the said policy. In such circumstances, even though, there is no liability on part of the respondent, in view of it not resiling from the said agreement of insurance, the appellant can be held to make the payment of compensation determined by the Tribunal but with liberty to recover the same from the owner of the vehicle, but cannot be absolved of its agreement in its entirety.

7. For the aforesaid reasons, the Awards stands modified absolving the appellant of its liability however, with a direction to the appellant to pay the Award and recover the same from the owner of the vehicle which stood insured to it. However, there shall be no order as to costs.

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Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
GBA

K.KUMARESH BABU, J.

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