IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16-07-2026

CORAM

THE HON'BLE MR JUSTICE N. SATHISH KUMAR

AND

THE HON'BLE MR.JUSTICE M.JOTHIRAMAN

CMA No.2218 of 2026
and CMP No.16969 of 2026

Iffco Tokio General Insurance Co. Ltd.,
No.195, WTV Swamy Road, RS Puram,
Coimbatore – 641 002.

..Appellant(s)

Vs

1. R.Lalitha, aged 34 years,
W/o. Late. Ramesh

2.Minor R.Harshini, aged 12 years,
D/o. Late Ramesh

3.Minor R.Rithika, aged 10 years,
D/o. Late Ramesh

4.Minor R.Rakshan, aged 7 years,
D/o. Late Ramesh

..Respondent(s)

(Minors represented by their Next Friend and Guardian mother Lalitha)

5.R.Karnan, aged 30 years,
S/o. Rangasamy

6.Kaneeswari,
W/o. Raman

7.Manthral, aged 63 years,
W.o. Late Rangan

Prayer: To set aside the award dated 23.07.2025 made in M.C.O.P.No.596 of 2023, on the file of the Motor Accidents Claims Tribunal, V Additional District Judge, Coimbatore.

For Appellant(s): Mr.Siva Kollapan B

For Respondent(s): Mr.M.Lokesh,
Counsel for R1 to R4

Judgment

(Judgment of the Court was delivered by M.Jothiraman J.)

Unsuccessful Insurance Company has preferred this Civil Miscellaneous Appeal, challenging the quantum of compensation awarded by the Tribunal dated 23.07.2025 made in M.C.O.P.No.596 of 2023 passed by the learned Motor Accidents Claim Tribunal V, Additional District Judge, Coimbatore.

2. 1st respondent / 1st claimant is the wife of the deceased Ramesh. Respondents 2 and 3 / 2nd and 3rd claimants are the daughters of the deceased. 4th respondent/ 4th claimant is the son of the deceased. According to the claimants, on 12.03.2023, the deceased Ramesh was driving the two wheeler which belonged to his friend bearing Reg.No.TN 99 H 6928, wearing helmet from Valukkuparai to Nachpalayam and when the deceased crossed Valukkuparai Athumedu from South to North direction, at that time the driver of the Bajaj CT 125 motorcycle bearing Reg.No.TN 99 Y 1568 came from North to South direction in a rash and negligent manner, hit on the deceased. The deceased Ramesh fell on the road and died on the spot. The first

respondent therein failed to exercise reasonable due care and caution while driving and out of his rash and negligent driving, the accident occurred. At the time of accident, the deceased was aged about 38 years and was doing centring masonry work at several place at Madukkarai and earned Rs.25,000/- per month till his death.

3. The appellant Insurance Company / 3rd respondent in the claim petition, has filed a counter statement wherein it has been stated that the 2nd respondent therein namely R.Kanneswari has taken a two wheeler package policy for the period 18.01.2023 to 17.01.2028, which is subject to terms and conditions. The investigation conducted by police reveals that on the date of the alleged accident on 12.03.2023, the 1st respondent therein did not hold an effective and valid driving licence to drive the two wheeler Bajaj CT 125 bearing Reg.No.TN 99 Y 1568. Section 3 of the Motor Vehicles Act, 1988 prohibits driving of a motor vehicle in any public place unless the driver has an effective driving licence. It is also stated that as per amended Motor Vehicles Act, since on the date of the accident, as the driver did not possess a valid and effective licence to drive IV vehicle, the liability of the Insurer / appellant stands exonerated and that the insured alone is liable to compensate the claimants. The alleged accident on 12.03.2023 occurred not only due to the rash and negligent driving of the 1st respondent therein as alleged, who in fact was driving at a slow and steady manner from North to South direction besides was observing all traffic rules and

regulations, wherein the deceased as alleged rider on the same road and in opposite direction from South to North in a rash and negligent manner in a zig zag manner, lost control and without noticing the oncoming IV vehicle, dashed with the IV vehicle and thus but for the sole negligent act of the deceased, the alleged accident would not have occurred. It is further stated that in the event of any compensation being decided in their favour, the same to be apportioned equally on account of significant and apparent contributory negligence.

4. On behalf of the claimants, the 1st claimant / wife of the deceased Lalitha was examined as PW1. One Kodiyarasu, an eye witness was examined as PW2 and Exs.P1 to P15 were marked. On behalf of the respondents, one Ayyasamy was examined as RW1 and Exs.R1 to R4 were marked. Upon appreciation of evidence adduced on either side, the Tribunal finds that as per the evidence of PW2, who is an eye witness to the occurrence reveals that due to the rash and negligent driving of the 1st respondent therein alone, the accident had occurred. Considering that the age of the deceased was 38 years at the time of accident, the Tribunal has fixed the monthly income of the deceased at Rs.15,000/- per month [Rs.600 per day for 25 days], adding 40 % for Future Prospects and deducting 1/4th for personal expenses and by applying the Multiplier “15” by following the ratio laid down by the Hon’ble Supreme Court in ***Sarla Verma and Ors. v. Delhi Transport Corporation and Ors. [2009 (2) TNMAC 1]*** and ***National Insurance Co., Ltd., v. Pranay Sethi and others***

[2017 (2) TNMAC 609 (SC)] has awarded total compensation in a sum of Rs.31,59,000/- under the following heads:

Head of Compensation	Amount Awarded by the Tribunal (in Rs.)
Loss of Income Rs.21,000 (15,000 + 6000) x 12 x 15 x ¾	28,35,000
Loss of Estate	18,000
Loss of Love and Affection (5 x 48,000)	2,40,000
Funeral Expenses	18,000
Loss of Consortium	48,000
Total	**31,59,000**

The Tribunal also found that as per Ex.R2 – Motor Vehicle Inspection Report reveals that at the time of the accident, the 5th respondent herein did not possess valid driving licence and ordered the Insurance Company to pay compensation amount and thereafter, recover the same from the owner of the vehicle. Aggrieved over the same, the 3rd respondent therein / appellant Insurance Company has preferred the present appeal.

5. The learned counsel appearing for the appellant would submit that the Tribunal erred in holding that the appellant Insurance Company is liable to pay compensation to the claimants and recover it from the owner without looking into the fact that the alleged accident occurred on 12.03.2023, which is after the Motor Vehicles (Amendment) Act, 2019 coming into force on 01.04.2022. In view of the above amendment, the Tribunal ought to have exonerated the

Insurance Company on the ground that the alleged accident took place on 12.03.2023, which is after the amendment came into force. The learned counsel for the appellant further would submit that when the admitted fact that the 1st respondent therein vehicle rider was not holding any driving licence at the relevant time of accident, but for the purpose of granting compensation to the petitioner, the Tribunal has erroneously ordered compensation to the petitioner, which requires interference. The Tribunal has also failed to appreciate the evidence of RW1, the RTO official who has deposed about the non-possession of Driving Licence by the 1st respondent therein. The Tribunal has erroneously awarded Rs.31,59,000/- when the claim amount of the claimant itself is restricted to Rs.30,00,000/- which requires interference by this Court.

6. *Per contra*, learned counsel appearing for the respondents / claimants would submit that the eye witness to the accident namely PW2 has categorically deposed that due to the rash and negligent driving of the 1st respondent therein, the accident had occurred. The Tribunal has taken the income of the deceased at Rs.15,000/- and as per the ratio laid down in ***Smt.Sarla Verma and Others v. Delhi Transport Corporation and another [2009 (2) TNMAC 1 (SC)] and National Insurance Co., Ltd., v. Pranay Sethi and others [2017 (2) TNMAC 609 (SC)]***, applied the correct Multiplier and Future Prospectus, has awarded the compensation, which need not be interfered with.

7. We have carefully considered the submissions made on either side and perused the entire materials on record.

8. It is seen from the records, on appreciation of evidence adduced on either side, the Tribunal has found that the rider of the 5th respondent's vehicle bearing Reg.No.TN-99 H 6928 was not holding any driving licence at the relevant point of time of accident. However, the Tribunal holding that the appellant / Insurance Company is liable to pay compensation to the claimants and then recover it from the owner. According to the appellant, the Tribunal without looking into the fact that the alleged accident occurred on 12.03.2023, which is after the Motor Vehicles (Amendment) Act, 2019 coming into force on 01.04.2022. Therefore, the Tribunal has exonerated the appellant on the ground that the accident took place on 12.03.2023 which is after the Amendment Act came into force. It is also seen from the records that as per Ex.R2- Motor Vehicle Inspection Report- Online Report, which shows that the 5th respondent herein / 1st respondent therein was not holding valid driving licence at the time of the alleged accident. As per the evidence of RW1 / RTO official, who has deposed about the non-possession of driving licence by the 5th respondent herein.

9. It is pertinent to note that the Hon'ble Supreme Court in the case of ***Sudhir Kumar Rana v. Surinder Singh & Ors. Reported in 2008 (12) SCC***

436, has held that non possession of driving licence alone cannot attribute contributory negligence. By applying the above ratio, in the case on hand, non-possession of driving licence, cannot impose contributory negligence.

10. It is relevant to mention that with regard to the issue of pay and recovery, the Hon'ble Division Bench of this Court in ***The Branch Manager, ICICI Lombard, Thanjavur v. Mariyapushpam and Others [01.06.2026 in CMA(MD) Nos.517 of 2025],*** in the penultimate paragraph has observed as under:

> *"74.We are fortified in taking this view since even under the unamended Form 51, Serial Nos 10 and 11 stated that the policy does not cover use for -- (a) organized racing, or (b) speed testing and (c) use for hire or reward which were all permissible defences under Section 149(2) (a)(i)(a) and 149(2)(a)(i)(b). However, even under the regime which existed prior to the Motor Vehicles (Amendment) Act, 2019 in all such cases also the insurer was first bound to satisfy the claim of the third party under the award and then proceed to recover the same from the insurer. Consequently, this contention also fails.*
>
> ***CONCLUSION***
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> *75.For the reasons stated above, we hold and declare that:*
>
> *a. The deletion of the proviso to Section 149(4) and Section 149(5) in the Motor Vehicles Act, 1988, as it stood prior to the amendment by the Motor Vehicles (Amendment) Act, 2019 (Act 32 of 2019), does not have the effect of obliterating the statutory duty of the insurer to pay the claims made under an award or decree in respect of liability covered under a policy of insurance.*
>
> *b. The duty vis-à-vis a third party is statutory in character and flows from Section 150(1) of the Motor Vehicles Act, 1988, as amended by Act 32 of 2019, and remains unhindered by the fact that the insurance company has succeeded in establishing a contractual defense permitted under Section 150(2).*
>
> *c.* ***In the event the insurance company succeeds in establishing a defense under Section 150(2), the insurer will***

stand absolved from its contractual liability vis-à-vis the insured. Consequently, the insurer, after satisfying its statutory liability under Section 150(1) can proceed to recover the sum so paid from the insured. The insurance company can proceed to recover the same in terms of the directions contained in paragraph 110 (x) of the decision of the Supreme Court in National Insurance Co. Ltd v Swaran Singh, (2004) 3 SCC 297.

d. Conversely, if the insurance company does not succeed in establishing a defense under Section 150(2) the burden to meet the entire claim will fall on the insurer by virtue of Section 147(2) as amended by Act 32 of 2019, and Rule 2 of the Third-Party Insurance (Base Premium and Liability) Rules, 2022 which provides for unlimited liability in respect of third party insurance under Chapter XI of the Act."

By applying the ratio laid down in the above decision, and considering the facts and circumstances of the case, the order passed by the Tribunal for pay and recovery cannot be found fault with. Insofar as the quantum of compensation fixed by the Tribunal, we have gone through the compensation awarded under various heads and finds that the compensation awarded by the Tribunal, is just and proper.

11. Accordingly, this Civil Miscellaneous Appeal stands dismissed, confirming the award dated 23.07.2025 passed in MCOP.No.596/2023 on the file of Motor Accidents Claims Tribunal, V Additional District Judge, Coimbatore. No costs. Consequently, connected miscellaneous petition is also dismissed.

(N.S.K.,J.) (M.J.R.,J.)
16-07-2026

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

N.SATHISH KUMAR J.
AND
M.JOTHIRAMAN J.

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To
Motor Accidents Claims Tribunal,
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