

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Reserved on : 25.02.2026

Pronounced on : 04.06.2026

WEB COPY

CORAM:

THE HONOURABLE MR.JUSTICE P.VADAMALAI

C.M.A.(MD)No.623 of 2020

and

C.M.P(MD)No.6508 of 2020

Tata AIG Insurance Company Limited,
Through its Divisional Manager,
Chennai.

... Appellant/2nd Respondent

Vs.

1.Thangam,
W/o.Late.Kannan,
Door No.687, North Street,
Arunachalampatti Kadaiyam,
Ambasamudram Taluk,
Tirunelveli District.

2.Minor. Ponsingh,
S/o.Late.Kannan,
Door No.687, North Street,
Arunachalampatti Kadaiyam,
Ambasamudram Taluk,
Tirunelveli District.

3.Minor.Selvin,
S/o.Late.Kannan,
Door No.687, North Street,
Arunachalampatti Kadaiyam,
Ambasamudram Taluk,
Tirunelveli District.



C.M.A.(MD)No.623 of 2020

4.Minor.Sanjay,
S/o.Late.Kannan,
Door No.687, North Street,
Arunachalampatti Kadaiyam,
Ambasamudram Taluk,
Tirunelveli District.

...Respondent Nos.1 to 4/Petitioners

*(Minors R2 to R4 are represented by their mother
and natural guardian, the 1st respondent Thangam)*

5.Poosaidurai,
S/o.Karuelnadar,
Door No.3/260-B,
Kothandaramapuram,
Tenkasi Taluk,
Tirunelveli District.

...5th Respondent/1st Respondent

PRAYER: Civil Miscellaneous Appeal is filed under Section 173 of the Motor Vehicles Act, to set aside the judgment and decree made in M.C.O.P.No.282 of 2014, dated 18.11.2019 on the file of the Motor Accident Claims Tribunal/Additional Subordinate Court, Tenkasi and allow the appeal with costs.

For Appellant : Mr.J.S.Murali
For R1 to R4 : No Appearance
For R5 : Mr.P.Subbiah

JUDGMENT

This Civil Miscellaneous Appeal is filed challenging the judgment and decree, dated 18.11.2019 made in M.C.O.P.No.282 of 2014 by the Motor Accident Claims Tribunal/Additional Subordinate Court, Tenkasi.

2.The 2nd respondent/Insurance Company in M.C.O.P.No.282 of 2014 is the appellant herein.



3.The petitioners/claimants are the dependents of the deceased Kannan, who died in a motor traffic accident.

4.For the sake of convenience, the parties as arrayed in M.C.O.P.No. 282 of 2014 are adopted hereunder.

5.The brief facts of the case:

On 16.04.2013 at about 07.00 p.m., the deceased Kannan was riding his two wheeler bearing registration number TN 72 T 3758 from A.P.Nadanur to his house along the Alangulam – Kadayam road. While he was coming from east to west on South Madathur road, the 1st respondent had ridden his two wheeler bearing registration number TN 76 V 6530 in a rash and negligent manner and dashed against the deceased Kannan. Due to the impact, the deceased Kannan sustained multiple fatal injuries and died in the hospital despite admission. The deceased was aged 39 years and was earning Rs.15,000/- by selling utensils. An F.I.R. in Crime No.125 of 2013 U/s.304(A) of IPC was registered by the Kadayam police against the 1st respondent and a charge sheet was laid against him. The 1st respondent's vehicle was insured with the 2nd respondent. The petitioners, who are the wife and children of the deceased Kannan, filed a claim petition seeking compensation of Rs.25,00,000/-.



WEB COPY



C.M.A.(MD)No.623 of 2020

6.The first respondent objected to the claim petition that the deceased did not have a valid driving license and that he was riding his two wheeler in an intoxicated condition, thereby inviting the accident. Hence, the petitioners are not entitled to any compensation.

7.The 2nd respondent/Insurance Company strongly objected to the claim petition by contending that at the time of the accident, the 1st respondent's vehicle was not insured with the 2nd respondent. The policy number 015234775200 produced by the petitioner for the offending vehicle is a fake policy. In fact, that policy was insured for the vehicle bearing registration number TN 36 M 6466. So, the 2nd respondent is not liable to pay any compensation.

8.Before the Tribunal, on the petitioners' side, the 1st petitioner was examined as P.W.1 and Ex.P.1 to Ex.P.6 were marked. On the respondents' side, two witnesses were examined as R.W.1 and R.W.2 and Ex.R.1 to Ex.R.9 were marked. In addition, Ex.X.1 and Ex.X.2 were also marked.

9.After hearing both sides and after considering the evidence, the Tribunal has passed the impugned award by holding that the 1st respondent is responsible for the accident and, as per Ex.R.2, the vehicle was insured with



C.M.A.(MD)No.623 of 2020

the 2nd respondent, the 2nd respondent was liable to pay compensation and awarded a total compensation of Rs.16,82,000/- under various heads with interest.

WEB COPY

10. Aggrieved by the said award, the 2nd respondent/Insurance Company preferred this Civil Miscellaneous Appeal.

11. The learned counsel for the appellant/2nd respondent/Insurance Company vehemently contended that the 2nd respondent/Insurance Company, in its counter, clearly mentioned that the policy produced by the petitioner for the offending vehicle is fake. The Insurance Company has also proved that Ex.P.6 relates to the offending vehicle, which is for the next year, to the accident year. The 1st respondent/owner produced the policy for his offending vehicle as Ex.R.2, which was not issued by the Insurance Company. The policy number bearing the very same policy is issued for the vehicle bearing registration number TN 36 M 6466 of Gobichettipalayam. There is no chance for the insurance company to issue two policies under the same policy number. Moreover, the Insurance Company issued a legal notice to the 1st respondent/owner and also lodged a police complaint. The crime branch police investigated the case and found that the policy produced by the 1st respondent/owner is a fake one and laid a charge sheet against the accused.



The Insurance Company examined R.W.1 and R.W.2 to substantiate their case that the Ex.R.2 is a fake policy. But the Tribunal has not accepted the case of the Insurance Company despite the fact that the claimant failed to produce the original. The Tribunal erred in misunderstanding the evidence of R.W.1 and R.W.2. The fact is that at the time of the accident, the vehicle had no insurance coverage, and the Insurance Company has not received any premium amount. This fact had been overlooked by the Tribunal. Based on the policy entry in the Motor Vehicle Inspector's report, the Tribunal passed an award directing the Insurance Company to pay the compensation. In fact, there was no contract between the owner of the vehicle and the Insurance Company, therefore, the Insurance Company is not liable to pay any compensation to the claimants. Without a proper appreciation of these facts, the tribunal erred in holding the Insurance Company liable to indemnify the vehicle owner.

12.The 1st claimant, representing the other claimants 2 to 4, has not participated in the appeal proceeding despite their names being printed in the cause list.

13.The learned counsel for the 5th respondent/owner herein submitted that he has paid the premium amount and got a policy from the very agent of



C.M.A.(MD)No.623 of 2020

the 2nd respondent/Insurance Company, who has also issued Ex.P.6 - Policy for the next year to the accident year. The 5th respondent/owner has been paying the premium amount regularly. The Insurance Company has to take action against its agent. Eventhough the Insurance Company lodged a police complaint, after investigation, the 5th respondent/owner was exonerated from the charge sheet, but the police laid a charge sheet only against the agent of the insurance company. Therefore, the Insurance Company is liable to indemnify the insured and the claimants, who are third parties. The Insurance Company has to pay the compensation, then it is for the insurer to recover from the vehicle owner or defaulting employee, and in support of his argument, the learned counsel relied on the following rulings:

(i)Order of the Hon'ble Karnataka High Court (Kalaburagi Bench) rendered in Miscellaneous First Appeal No.200863 and 200195 of 2014, dated 24.01.2018 in the case of National Insurance Company /v/ Raju.

(ii)2025 Ker 7904 in the case of the National Insurance Company Ltd., /v/ Imran Umar Muhammed and Others.

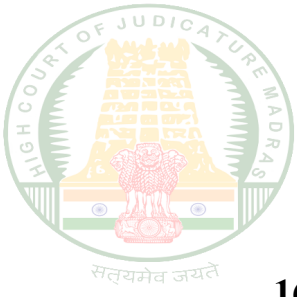
14.Heard both sides and the material records were perused. There is no dispute that the deceased Kannan met with a road traffic accident and died due to fatal injuries. Though the 1st respondent/owner took a plea that the



C.M.A.(MD)No.623 of 2020

deceased had ridden his two wheeler in an intoxicated condition, the Tribunal held that the rider of the 1st respondent's vehicle was responsible for the accident. The 1st respondent/owner has not preferred any appeal against the said finding. Also, there is no dispute regarding the compensation awarded by the Tribunal under various heads.

15.The only dispute is that there is no contract between the 2nd respondent/Insurance Company and the owner of the offending vehicle. It is the specific case of the 2nd respondent/Insurance Company that the policy under Ex.R.2 issued for the offending vehicle is a fake one and the original policy under Ex.R.1 was issued for the vehicle bearing registration number TN 36 M 6466. On perusal of the records, the petitioner produced the policy for the offending vehicle as Ex.P.6, which is issued for the period from 04.03.2014 to 03.03.2015. During cross examination by petitioner/claimant, R.W.2 clearly deposed that “ம.சா.ஆ.6 விபத்து ஏற்பட்ட ஆண்டிற்கு அடுத்த ஆண்டிற்குரிய பாலிசியாகும்...”. Moreover, the 1st claimant/P.W.1 has categorically admitted that “உம் எதிர்மனுதாரர் வழங்கிய காப்பீடு சான்றிதழை நான் தாக்கல் செய்யவில்லை. என்னுடைய மனுவில் பாலிசி எடுக்கப்பட்ட கால விபரங்கள் சொல்லப்படவில்லை...”.



WEB COPY

16.From perusal of material records, it is clear that the 2nd respondent/Insurance Company has lodged police complaint regarding the fake policy. The Sub Inspector of District Crime Branch, Tirunelveli has been examined as R.W1. A perusal of the evidence of R.W.1, he has clearly deposed that “அந்த புகார் மனுவின் ஜெராக்ஸ் நகல் எக்ஸ்.1 அதன் அடிப்படையில் பதிவு செய்யப்பட்ட முதல் தகவல் அறிக்கை ஜெராக்ஸ் நகல் எக்ஸ்.2. மேற்படி வழக்கின் அடிப்படையில் நடைபெற்ற விசாரணையில் பூசைத்துரை கடையநல்லூர் சூர்யா இன்கூரன்ஸ் ஏஜென்சி உரிமையாளர் ஜோசப் என்பவர் மூலம் தான் போலியான இன்கூரன்ஸ் பாலிசி பெற்றுள்ளார் என்று தெரிய வந்தது. எனவே ஜோசப் என்பவரை மேற்படி வழக்கில் எதிரியாக சேர்த்து கடந்த 12.10.17ம் தேதியன்று.... புலன் விசாரணையில் ஜோசப் என்பவர் பூசைத்துரைக்கு கொடுத்த பாலிசி போலியானது என்பது தெரியவந்தது.... ஜோசப் என்பவர் 2ம் எதிர்மனுதாரர் காப்பீட்டு நிறுவனத்தின் அங்கீகரிக்கப்பட்ட முகவர் அல்ல...”.

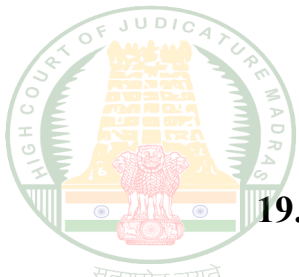
17.The insurance company has also examined its legal manager as R.W.2. He has clearly deposed that “எ.ம.சா.அ.2 பாலிசி எங்கள் சென்னை கிளையில் வழங்கியதாக துலங்கும் என்று சொன்னால் அது எங்கள் நிறுவனம் வழங்கியது அல்ல. பொதுவாக எங்கள் கம்பெனி வழங்கும் பாலிசி நகலில் எந்த கிளையில் அது வழங்கப்பட்டது என்ற விபரம் வராது.” It is pertinent to note



here that the R.W.2 has not been cross examined by the 1st respondent/owner side.

18.The Hon'ble Supreme Court has recently observed in its order passed in **SPL(Civil)No.1003 of 2022** in the case of **National Insurance Company vs. K.Saravanan, dated 02.04.2026**, the insurance company shall lodge police complaint to prove the fact of fraud upon policy. The Hon'ble Supreme Court has observed in paragraph No.5 as follows:

“5.Once it comes to its knowledge, and it is satisfied, that a policy is forged/fabricated and cannot be acted upon to fasten liability upon it, it is incumbent upon the Insurance Company to inform the appropriate authorities, namely, the police, as the creation and use of such documents constitute an offence. The failure to do so may also give rise to an inference of possible connivance between the parties. Be that as it may, we are of the considered view that the time has come for this Court to adopt stringent measures to ensure that Insurance Companies discharge their obligations with due vigilance, particularly as they deal with public funds contributed by policyholders at large.”



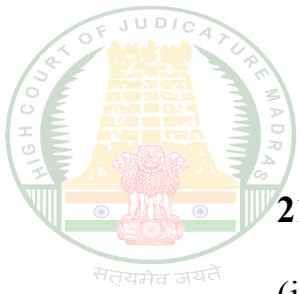
WEB COPY

19. In this case on hand, it is very clear that the 2nd respondent/Insurance Company has lodged a police complaint regarding the fake policy (Ex.R.2) alleged to have been issued for the offending vehicle and the police did investigation and found that the Ex.R.2 policy is a fake one and accordingly laid a charge sheet. Therefore, this Court is of the considered view that the Insurance Company clearly proved that Ex.R.2 - Policy is a fake one and that the Tribunal has not properly appreciated the evidence adduced in this case in respect of Ex.R.2 - Policy. This Court has also clearly held in several cases that the Insurance Company cannot be held liable to pay compensation to the claimant, as there is no valid contract with the owner of the offending vehicle on and at the time of the accident. It is unfortunate that the tribunal, without considering the evidence which palpably proves that the offending vehicle was not under insurance with the appellant company at the time of the accident and the policy under Ex.R.2 is a fake document. The petitioner has only produced Ex.P.6 - Policy, which is related to the succeeding year to the year of the accident. It is also pertinent to note that the owner of the offending vehicle (1st respondent before the Tribunal) has not produced any material to show that he made a payment to the 2nd respondent/Insurance Company towards a policy covering the accident date.



WEB COPY

20. During the course of the argument, the learned counsel relied on the rulings and argued that the Insurance Company is first to pay the compensation to the claimants and then be at liberty to recover the same from the owner. A perusal of those citations shows that since the Insurance Company therein had not taken criminal action against erring persons, the liability on the Insurance Company was fixed. But, in this case on hand, the appellant/Insurance Company has lodged a complaint regarding the fake policy and the police did investigation and filed a charge sheet. So, the citations relied on by learned counsel for the 1st respondent/owner of the offending vehicle are not applicable to the facts of this case. When it is proved that the policy is a fake one, then the Insurance Company is not liable to pay any compensation. Therefore, there is no hesitation that the Insurance Company is to be exonerated from the liability to compensate the claimant and that the owner of the offending vehicle alone is responsible to pay the compensation to the claimant and the Insurance Company is under no legal or contractual obligation to indemnify him. However, the petitioners are entitled to claim compensation from the 1st respondent/owner of the offending vehicle. Thus, the Tribunal has miserably failed to properly appreciate the evidence adduced in this case and therefore, the award passed by the Tribunal warrants interference and the Civil Miscellaneous Appeal has to be allowed.



21. In the result,

(i) The Civil Miscellaneous Appeal is allowed. No costs.

(ii) The judgment and decree, dated 18.11.2019 made in M.C.O.P.No.282 of 2014 by the Motor Accident Claims Tribunal/Additional Subordinate Court, Tenkasi is set aside as against the appellant/2nd respondent/Insurance Company and it is exonerated from all liability. However, the award of the Tribunal as against the 1st respondent in the claim petition, who is the owner of the offending vehicle, is hereby confirmed. The apportionment of the award amount to the claimants is also confirmed.

(iii) If any amount has been deposited by the appellant/2nd respondent/Insurance Company in this case either before the Tribunal or before this Court, the same shall be ordered to be withdrawn by the appellant/2nd respondent/Insurance Company on an appropriate application.

(iv) If any amount, from the amount deposited by the appellant/2nd respondent/Insurance Company, is withdrawn by the respondents/claimants, the respondents/claimants shall refund the same to the Insurance Company.

(v) The 5th respondent/1st respondent/owner of the offending vehicle TN 76 V 6530 is directed to deposit the entire compensation amount of Rs.16,82,000/- (Rupees Sixteen Lakhs Eighty two thousand only) together with interest at the rate of 7.5% per annum from the date of claim petition till



C.M.A.(MD)No.623 of 2020

the date of deposit to the credit of M.C.O.P.No.282 of 2014 on the file of the Motor Accident Claims Tribunal/Additional Subordinate Court, Tenkasi within a period of six weeks from the date of receipt of a copy of this order.

(vi) On such deposit being made by the 5th respondent/ 1st respondent/owner of offending vehicle, the claimants/petitioners are permitted to withdraw their respective share amount as apportioned by the Tribunal with proportionate interest and cost by filing an appropriate application before the Tribunal.

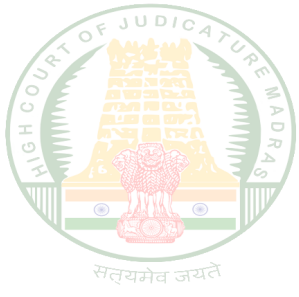
(vii) Consequently, the connected Civil Miscellaneous Petition is closed.

04.06.2026

NCC : Yes / No
Index : Yes / No
Internet : Yes / No
VSD

To

- 1.The Motor Accident Claims Tribunal/
Additional Subordinate Court,
Tenkasi.
- 2.The Record Keeper,
Vernacular Section,
Madurai Bench of Madras High Court,
Madurai.



WEB COPY



C.M.A.(MD)No.623 of 2020

P.VADAMALAI, J.

VSD

Pre - Delivery Judgment made in
C.M.A.(MD)No.623 of 2020
and
C.M.P(MD)No.6508 of 2020

04.06.2026