2026 INSC 996

REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.10706 OF 2026

K RASHIK **APPELLANT**

VERSUS

NATIONAL INSURANCE COMPANY LTD. AND ANOTHER **RESPONDENTS**

J U D G M E N T

ATUL S. CHANDURKAR, J.

A. Facts:

1. The appellant[1] on 25.10.2022 was riding his two-wheeler along with his brother when a mini truck being driven by the second respondent gave their two-wheeler a dash. The accident occurred in District Tirupati, Andhra Pradesh. The appellant filed a claim application under Section 166 of the Motor Vehicles Act, 1988[2] before the Motor Accidents Claims Tribunal, Chennai[3]. The first respondent, National Insurance Company Limited[4] on being served with the claim application raised an objection to the

Signature Not Verified
Digitally signed by ABHINAV KUMAR
Date: 2026.09.16
14:52:05 IST
Reason:

[1] For short, 'the claimant'
[2] For short, 'the Act of 1988'
[3] For short, 'the Tribunal'
[4] For short, 'the insurer'

territorial jurisdiction of the Tribunal at Chennai. According to it, no part of cause of action had arisen within the jurisdiction of the Tribunal at Chennai and in view of Section 166(2) of the Act of 1988, the said Tribunal had no territorial jurisdiction. The learned Member of the Tribunal by his order dated 11.07.2025 did not accept the objection. He held that as the insurer had its business also at Chennai, the Tribunal at Chennai had jurisdiction to entertain the claim application. The insurer being aggrieved by this order filed a Civil Revision Petition under Article 227 of the Constitution of India. A learned Single Judge of the Madras High Court by order dated 16.03.2026 held that since the accident occurred at Chittoor, Andhra Pradesh, the Tribunal at Chittoor had jurisdiction to try the same. The Tribunal at Chennai, therefore, did not have territorial jurisdiction to decide the claim application. The order passed by the learned Member of the Tribunal, Chennai was set aside and the proceedings were transferred to the Tribunal at Chittoor. The claimant being aggrieved by the said order has preferred this appeal.

B. <u>Submissions of Counsel:</u>

2. Mr. A. Sirajudeen, learned Senior Advocate for the claimant referred to various provisions of the Act of 1988 and especially

Sections 166 and 169 thereof. According to him, since the claimant was residing at Chennai and was also working there, the claim petition had been rightly filed at Chennai. In view of the provisions of Section 166(2) of the Act of 1988, the Tribunal at Chennai also had jurisdiction to try the claim application. The Tribunal at Chennai having correctly held that it had territorial jurisdiction, the High Court committed an error in holding otherwise. It was submitted that the Act of 1988 being a beneficial piece of legislation, it ought to be interpreted in a manner that would protect the interests of a claimant. The insurer was not justified in raising a technical objection, more so when it had its office also at Chennai. No prejudice was likely to be caused to it if the claim application was decided at Chennai. To substantiate his contention, the learned Senior Advocate placed reliance on the judgment of the Calcutta High Court in ***National Insurance Co. Ltd. vs Alpana Jana & others***[5]. He, thus, submitted that the impugned order passed by the High Court be set aside and the claim application be directed to be decided by the Tribunal at Chennai.

3. Per contra, Mr. S.L. Gupta, learned counsel appearing for the

---

[5] F.M.A. 1454 of 2013 with C.A.N. 1858 of 2014

insurer supported the impugned order. He submitted that the accident having occurred at Tirupati, Andhra Pradesh, no part of cause of action had arisen at Chennai. Inviting attention to the averments in the claim application filed by the claimant, it was submitted that the address of the claimant indicated that he in fact resided in Chittoor, Andhra Pradesh. The same address was also mentioned in the present proceedings. Since no part of cause of action arose at Chennai, the Tribunal at Chennai had no territorial jurisdiction in view of Section 166(2) of the Act of 1988. The objection raised by the insurer had substance and it could not be treated merely to be a technical objection. The High Court having rightly held that the Tribunal at Chennai had no jurisdiction, the order directing the claim application to be entertained at Chittoor, Andhra Pradesh did not warrant any interference. He submitted that the civil appeal ought to be dismissed.

C. <u>Analysis and consideration:</u>

4. We have heard the learned counsel for the parties at length and with their assistance we have perused the claim application, the objection raised by the insurer as well as the impugned order. We have also considered the relevant provisions of the Act of 1988.

Having given our due consideration to the entire material on record, we are of the view that the objection to the territorial jurisdiction of the Tribunal at Chennai to entertain the claim application is well founded and it was, thus, rightly upheld by the High Court.

D. <u>Averments in the claim application:</u>

5. In the claim application filed by the claimant under Section 166(1) of the Act of 1988, it has been pleaded that he met with an accident on 25.10.2022 when he was riding his two-wheeler with his brother as a pillion rider. When the two-wheeler was at Thatimaakulapalli Cross Road on the Nerabaillu to Yerravaripalem road, Y.V. Palem Mandal, District Tirupati, a mini truck driven by the second respondent gave it a dash. The claimant underwent treatment as an in-patient at a hospital in Tirupati, Andhra Pradesh. His brother lodged a First Information Report on 28.10.2022 at Yerravaripalem Police Station, District Tirupati. The address of the claimant as mentioned in the claim application reads thus :

> "No. 1-374, Sandu Street, Damalcheruvu Post, Pakala Mandal, Chittoor District, Andhra Pradesh- 517 152."

In the entire claim application, there is no pleading to indicate the manner in which some part of cause of action arose within the territorial limits of the Tribunal at Chennai. The insurer on 11.03.2025 raised an objection to the territorial jurisdiction of the Tribunal at Chennai by stating that no part of the cause of action had arisen there. In his counter affidavit, the claimant stated that he was residing at a distance of one hundred and fifty kilometers from the Tribunal at Chennai and, therefore, the Tribunal had jurisdiction. He further stated that the head office of the insurer was at Chennai.

E. <u>Right of insurer to raise an objection to the territorial jurisdiction of the Tribunal:</u>

6. At the outset, it would be necessary to consider the claimant's contention that the insurer had no legal basis to raise an objection based on territorial jurisdiction. It was urged that as the insurer also had an office at the place where the claim application was filed, no prejudice was caused to it on this count.

This contention cannot be accepted. In a claim application filed under Section 166(1) of the Act of 1988, it is not mandatory for a claimant to implead an insurer as a defendant. The claimant has a choice in that regard. However, if the claimant impleads the insurer as a party to the claim application, the insurer would be free to contest the proceedings on all permissible grounds, without any restriction. This position is clear in view of the decision of the three Judge Bench in ***United India Insurance Co. Ltd. vs. Shila Datta & Others***[6]. In paragraphs 8, 9 and 11 of the decision, it has been held as under:

> "8. When an insurer is impleaded as a party – respondent to the claim petition, as contrasted from merely being a noticee under section 149(2) of the Act, its rights are significantly different. If the insurer is only a noticee, it can only raise such of those grounds as are permissible in law under section 149(2). But if he is a party-respondent, it can raise, not only those grounds which are available under section 149(2), but also all other grounds that are available to a person against whom a claim is made. It therefore follows that if a claimant impleads the insurer as a party-respondent, for whatever reason, then as such respondent, the insurer will be entitled to urge all contentions and grounds which may be available to it.
>
> 9. The Act does not require the claimants to implead the insurer as a party respondent. But if the claimants choose to implead the insurer as a party, not being a noticee under section 149(2), the insurer can urge all grounds and not necessarily the limited grounds mentioned in section 149(2) of the Act. If the insurer is already a respondent (having been impleaded as a party respondent), it need not seek the permission of the Tribunal under section 170 of the Act to raise grounds other than those mentioned in section 149(2) of the Act. The entire scheme and structure of Chapters XI and XII is that the claimant files a claim petition only against the owner and driver and the tribunal issues notice to the insurer under section 149(2) so that it can be made liable to pay the amount awarded against the insurer and if necessary, deny liability under the policy of insurance, on any of the grounds mentioned in section 149(2). If an insurer is only a noticee and not a party respondent, having regard to the decision in Nicolletta Rohtagi, it can defend the claim only on the grounds mentioned in section 149(2) and not any of the other grounds relating to merits available to the insured-respondent. This is the position even where the claim proceedings are initiated suo moto under sections 149(7) and 158(6) of the Act, without any formal application by the claimants, as the insurer is only a noticee under section 149(2) of the Act.
>
> 11. Therefore, where the insurer is a party-respondent, either on account of being impleaded as a party by the tribunal under section 170 or being impleaded as a party-respondent by the claimants in the claim petition voluntarily, it will be entitled to contest the matter by raising all grounds, without being restricted to the grounds available under section 149(2) of the Act. The claim petition is maintainable against the owner and driver without impleading the

---

[6] 2011 INSC 759

> insurer as a party. When a statutory notice is issued under section 149(2) by the tribunal, it is clear that such notice is issued not to implead the insurer as a party-respondent but merely to put it on notice that a claim has been made in regard to a policy issued by it and that it will have to bear the liability as and when an award is made in regard to such claim. Therefore, it cannot, as of right, require that it should be impleaded as a party-respondent. But it can however be made a party-respondent either by the claimants voluntarily in the claim petition or by the direction of the Tribunal under section 170 of the Act. Whatever be the reason or ground for the insurer being impleaded as a party, once it is a party-respondent, it can raise all contentions that are available to resist the claim."

Thus, on being impleaded as a defendant in a claim application, the insurer can, in the facts of the case, raise an objection to the territorial jurisdiction of the Tribunal to entertain the claim application. In that view of the matter, as the insurer was impleaded as a defendant by the claimant herein, the insurer could object to the territorial jurisdiction of the Tribunal.

F. <u>Section 166 of the Act of 1988:</u>

7. The aspect of territorial jurisdiction for filing a claim application under Section 166(1) of the Act of 1988 is governed by Section 166(2). Section 166(2) reads thus:

> "166 (2): Every application under sub-section (1) shall be made, at the option of the claimant, either to the Claims Tribunal having jurisdiction over the area in which the accident occurred or to the Claims Tribunal within the local limits of whose jurisdiction the claimant resides or carries on business or within the local limits of whose jurisdiction the defendant resides, and shall be in such form and contain such particulars as may be prescribed:"

The aforesaid provision indicates that a claimant has an option to file a claim application either before the Tribunal having jurisdiction over the area in which the accident occurred or the Tribunal within the local limits of whose jurisdiction the claimant resides or carries on business or within the local limits of whose jurisdiction the defendant resides.

8. A claimant, thus, has three choices as regards the place where an application for compensation under Section 166(1) of the Act of 1988 could be filed. These are (a) at the place where he resides or (b) the area where the accident occurred or (c) the claimant carries on business. Besides these three options, a fourth option is also available to a claimant inasmuch as a claim application can also be filed within the local limits of the Tribunal where the defendant resides. It is pertinent to note that the words used are 'within the local limits of whose jurisdiction the defendant resides'. What has been prescribed is the residence of the defendant and not the place where 'the defendant carries on business'. Notably, in Section 166(2) itself the expression used with reference to a claimant is 'or to the Claims Tribunal within the local limits of whose jurisdiction the claimant resides or carries on business', while the expression used with reference to a defendant is 'the defendant resides' for the purposes of conferring territorial jurisdiction. Thus, different expressions have been used qua a claimant and a defendant in Section 166(2) itself in the matter of conferring territorial jurisdiction for the making of a claim application. The legislative intent is, thus, clear. While a claimant can file a claim application also at the place where he carries on business, he may also choose to file it at the place where the defendant resides. The place where the defendant carries on business has been specifically omitted while specifying territorial jurisdiction of a Tribunal. Section 166(2) is distinctly worded from Section 20 of the Code of Civil Procedure, 1908[7] as regards the criteria for invoking territorial jurisdiction of the Tribunal. Under Section 20 of the Code, the Court within whose jurisdiction the defendant carries on business also has territorial jurisdiction to try a suit, which stipulation is not found in Section 166(2) of the Act of 1988.

G. Insurer, whether a defendant in context of Section 166(2):

9. As regards use of the expression 'within the local limits of whose jurisdiction the defendant resides' in Section 166(2) is concerned, it is clear that the same does not intend to refer to an insurer as a defendant. This is in view of the fact that impleadment of an insurer as a defendant in a claim petition is not mandatory

---

[7] For short, 'the Code'

but is optional at the choice of a claimant as laid down in ***Shila Datta and Others*** *(supra)*. The contesting defendant in a claim application would principally be the owner and/or driver of the offending vehicle, amongst others. The claimant has an option to file a claim application even where 'the defendant resides'. In view of use of this expression in Section 166(2) of the Act of 1988, it is indicative of the position that the word 'defendant' used therein does not include an insurer. This aspect is further clear in view of Section 168(1) of the Act of 1988, which requires the Tribunal to give notice of an application filed under Section 166 to the insurer. Where an insurer is not impleaded as a party, the Tribunal has to give notice of the application to an insurer. Irrespective of its impleadment, an insurer gets knowledge of proceedings filed under Section 166(1) from the Tribunal. This is perhaps one of the reasons for not using the expression 'or carries on business' in Section 166(2) of the Act of 1988, as an insurer is not always expected to be arrayed as a defendant.

H. <u>Section 166(2) and Section 21 of the Code:</u>

10. While considering an objection raised to the territorial jurisdiction of a Tribunal, the factors material at the original stage of the proceedings and those material at subsequent stages of the proceedings are also relevant. Under Section 169 of the Act of 1988, the Tribunal is required to follow a summary procedure as it thinks fit while deciding proceedings before it. The Tribunal has been granted powers of a Civil Court for the purpose of taking evidence on oath and other ancillary matters. The general principles flowing from the Code have to be kept in mind while adjudicating an objection to territorial jurisdiction. In original proceedings of a claim application before the Tribunal, Section 166(2) of the Act of 1988 provides for various options to a claimant to make an application for compensation under Section 166(1). The requirements prescribed in the matter of territorial jurisdiction would, therefore, have to be satisfied. However, when an objection to territorial jurisdiction of the Tribunal is pursued at an appellate stage or at any later stage after the award is passed, the requirements prescribed under Section 21(1) of the Code have to be satisfied. Besides showing that an objection to the competence of the Tribunal based on territorial jurisdiction was raised before it, the adjudication undertaken by the Tribunal despite absence of territorial jurisdiction has resulted in failure of justice is also required to be shown. In other words, unless a party raising an objection to the territorial jurisdiction at an appellate stage shows that for want of territorial jurisdiction of the Tribunal which considered the original proceedings, there has been a failure of justice, such objection cannot be entertained at that stage. The stage at which an objection based on lack of territorial jurisdiction is being considered is, therefore, relevant. If the same is raised before the Tribunal at an initial stage of the proceedings, as in the present case, the provisions of Section 166(2) of the Act of 1988 would guide the Tribunal in the matter. If such objection is considered post award at an appellate stage, the threshold required would be to demonstrate failure of justice by virtue of the Tribunal exercising jurisdiction despite absence of territorial authority to do so.

11. We may in this context refer to a few decisions of this Court considering an objection to territorial jurisdiction of the Tribunal vis-à-vis Section 21 of the Code. In ***Mantoo Sarkar vs. Oriental Insurance Co. Ltd. and Others***[8], a claim application seeking compensation came to be filed before the Tribunal at Nainital. The claimant was working as a migrant seasonal agricultural labourer and extracting sand gravel from a river in District Nainital. The Tribunal entertained the claim application and held it had

---

[8] 2008 INSC 1453

territorial jurisdiction to decide the claim application as the insurer had a branch office at Nainital. It, accordingly, determined the amount of compensation and passed an award in favour of the claimant. In an appeal preferred by the insurer, the High Court held that the Tribunal at Nainital did not have jurisdiction as the claimant was not residing in District Nainital when the claim application was filed and, hence, set aside the award. This Court in the appeal preferred by the claimant held that a claimant had a wide option to file a claim application and residence of a claimant would also determine the jurisdiction of a Tribunal. The aspect of residence would, however, depend upon the facts of each case. It observed that the claimant was a migrant labourer and had been working in District Nainital when the accident took place. This fact was neither denied nor disputed. It was also observed that the Tribunal ought to exercise jurisdiction having regard to the ingredients laid down under Section 166(2) of the Act of 1988. After referring to Section 21(1) of the Code, it was held that the insurer in its appeal had failed to point out any prejudice caused to it with the claim application being entertained at Nainital. In absence of any prejudice being pointed out, this Court exercised jurisdiction under Article 142 of the Constitution of India and restored the award of the Tribunal. It may be noted that the issue of lack of territorial jurisdiction was raised at the appellate stage and, hence, the provisions of Section 21(1) of the Code were attracted.

12. In ***Malati Sardar vs. National Insurance Company Limited and Others***[9], a claim application was filed seeking compensation before the Tribunal at Kolkata. The Tribunal entertained the said claim application and determined the amount of compensation. In the appeal preferred by the insurer, an objection on the ground of absence of territorial jurisdiction of the Tribunal was raised. The High Court upheld the insurer's objection and directed the claimant to refund the amount of compensation received by him. This Court relied on the decision in ***Mantoo Sarkar*** *(supra)* and held that in view of Section 21 of the Code, an objection based on lack of territorial jurisdiction could not have been entertained in absence of any prejudice being shown. It was no doubt observed that there was no bar to a claim application being filed at a place where the insurer, being the main contesting party, had its business. However, in absence of any prejudice being shown by the insurer and there being no failure of justice, the judgment of the High Court was set aside and the award of the

[9] 2016 INSC 12

Tribunal was restored.

13. In ***Balveer Batra vs. The New India Assurance Company and Another***[10], a claim application was filed at the Tribunal in District Nainital. The accident had occurred in the neighbouring district of Udham Singh Nagar. In the written statement filed by the defendant as well as the insurer, an objection to the territorial jurisdiction of the Tribunal was raised. The Tribunal framed various issues including the issue with regard to lack of territorial jurisdiction. The parties led evidence on all issues. The Tribunal held that, the claimant resided at Haldwani, District Nainital, when the accident had occurred, but he was not residing there when he filed the claim application. Though the Tribunal held that it had no territorial jurisdiction, it, however, proceeded to decide all other issues against the claimant. The claim application was ultimately dismissed for want of territorial jurisdiction. The finding of the Tribunal was confirmed by the High Court and the claimant's appeal was dismissed. This Court, in the appeal preferred by the claimant, referred to the decisions in ***Mantoo Sarkar*** and ***Malti Sarkar*** *(supra)* and held that after coming to the conclusion that the Tribunal had no territorial jurisdiction, no

[10] 2024 INSC 361

finding on the other issues ought to have been given by the Tribunal. It also referred to Section 21 of the Code and found that there was no failure of justice insofar as the defendants were concerned as they had contested the proceedings on merit. This Court set aside the judgment of the High Court as well as the award passed by the Tribunal. It restored the proceedings before the Tribunal and directed adjudication of the proceedings on merits within a specified time.

14. In all the above cases, the objection based on territorial jurisdiction was considered at the appellate stage, thus, attracting the rigors of Section 21(1) of the Code that requires a party raising such objection to also demonstrate failure of justice being caused due to exercise of jurisdiction by a Tribunal having no territorial jurisdiction.

In the present case, the claimant himself impleaded the insurer as a party to the claim application and it raised an objection to territorial jurisdiction before the Tribunal itself. As the claim application of the claimant awaits adjudication by the Tribunal on merits, the requirements of Section 166(2) of the Act of 1988 have to be satisfied and Section 21(1) of the Code is not attracted.

I. <u>Consideration of the impugned order:</u>

15. When the averments made in the claim application are examined in this backdrop, it becomes clear that the claimant resides at Chittoor, Andhra Pradesh, as pleaded. The accident occurred in District Tirupati. There is no averment in the claim application stating that the claimant carries on business elsewhere. Even the driver of the offending vehicle is stated to reside in District Chittoor. It is, thus, clear that no part of cause of action had arisen within the local limits of District Chennai so as to clothe the Tribunal there with territorial jurisdiction. The error committed by the Tribunal at Chennai in holding that it had territorial jurisdiction was rightly corrected by the High Court by setting aside that order. It is true that the Act of 1988 is a piece of legislation intended at redressing the hardships flowing from a motor vehicle accident, amongst other objects. It must be interpreted keeping these objectives in mind. However, an interpretation which does not flow from the plain reading of the statutory provisions despite a purposive interpretation cannot be commended. An interpretation that does not find any statutory support cannot be accepted and an interpretation that is in tune with the plain language of the statute ought to be preferred.

16. For the aforesaid reasons, the order dated 16.03.2026 passed by the learned Single Judge of the Madras High Court is upheld. The direction to transmit the entire proceedings from the Tribunal at Chennai to the Tribunal at Chittoor has been correctly issued. The claim application preferred by the claimant shall be tried by the Tribunal at Chittoor in accordance with law expeditiously. The Civil Appeal is, accordingly, dismissed with no orders as to cost. Pending Interlocutory Application is also disposed of.

……………………………J.
[UJJAL BHUYAN]

……………………………J.
[ATUL S. CHANDURKAR]

NEW DELHI,
SEPTEMBER 16, 2026.