



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 25TH DAY OF MARCH, 2026

BEFORE

THE HON'BLE MRS. JUSTICE P SREE SUDHA

MISCELLANEOUS FIRST APPEAL NO. 364 OF 2024 (ECA)

BETWEEN:

1. SMT. JYOTHI
W/O LATE GURURAJ
AGED ABOUT 35 YEARS
2. MASTER YASHASH G
S/O LATE K GURURAJ
AGED 12 YEARS
3. MASTER CHIRAYU G
S/O LATE K. GURURAJ
AGED ABOUT 07 YEARS

APPELLANT NOS. 2 AND 3
ARE MINORS REPRESENTED
THROUGH NATURAL GUARDIAN
1ST APPELLANT MOTHER
SMT. JYOTHI.

Digitally signed
by

PADMASHREE
SHEKHAR
DESAI

Location: High
Court of
Karnataka

4. MR. KARISHETTY
S/O PUTTASHETTY
AGED ABOUT 72 YEARS

ALL ARE RESIDING AT
NO. 78, 2ND MAIN 2ND CROSS,
DATTATREYANAGAR, HOSAKEREHALLI
BANASHANKARI 3RD STAGE,



BENGALURU - 560 085.

...APPELLANTS

(BY SRI. GURUDEV PRASAD K.T, ADVOCATE)

AND:

1. THE NEW INDIA ASSURANCE CO. LTD.,
BY ITS MANAGER,
T.P. CLAIMS HUB,
MAHALAKSHMI CHAMBERS
2ND FLOOR. M.G. ROAD
BENGALURU - 560 001.
2. SRI. VIJAYA KUMAR C.N
S/O C.H. NANJAPPA
R/AT NO. 834, VINAYAKA LAYOUT
NAGARBHAVI 2ND STAGE,
BENGALURU - 560 072.
3. MR. S.V. VINODA
S/O VENKATESHAPPA
R/AT NO. 108, 1ST MAIN ROAD
4TH BLOCK, BSK 3RD STAGE,
BENGALURU - 560 085.

...RESPONDENTS

(BY SMT. HARINI SHIVANANDA, ADVOCATE FOR R1;
SRI. ABDUL RAHIMAN, ADVOCATE FOR R2;
SRI. SHRIPAD V. SHASTRI, ADVOCATE FOR R3)

THIS MFA IS FILED U/S 30(1) OF EMPLOYEE
COMPENSATION ACT, AGAINST THE JUDGMENT AND AWARD
DATED 23.09.2023 PASSED IN ECA NO.88/2022 ON THE FILE
OF THE XVII ADDITIONAL JUDGE, COURT OF SMALL CAUSES,
MEMBER, MACT, BENGALURU SCCH-21 PARTLY ALLOWING THE



CLAIM PETITION FOR COMPENSATION AND SEEKING
ENHANCEMENT OF COMPENSATION.

THIS APPEAL, COMING ON FOR ADMISSION, THIS DAY,
JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MRS. JUSTICE P SREE SUDHA

ORAL JUDGMENT

This appeal is filed by the appellants/claimants under Section 30(1) of Employee Compensation Act, challenging the judgment and award dated 23.09.2023 passed in ECA No.88/2022 on the file of the XVII Additional Judge, Court of Small Causes & Member, MACT, Bengaluru (SCCH-21), for enhancing the compensation.

2. Heard the arguments of learned counsel for the appellants and learned counsel for the respondents. The ranks of the parties are retained as per tribunal for the sake of convenience.

3. Brief facts of the case are that, one K. Gururaj, met with an accident on 25.06.2022 and subsequently succumbed to the injuries. Her wife, father and children



filed claim petition claiming compensation of Rs.50,00,000/-. The Tribunal considering the entire oral and documentary evidence on record granted an amount of Rs.7,68,560/- with interest at the rate of 7% per annum, payable after one month from the date of accident till realisation of the award amount. It is further directed that respondent Nos.2 and 3 are jointly and severally liable to pay the compensation and the insurance company is exonerated. Being aggrieved by the said order, claimants have preferred this appeal and mainly contended that respondent No.2 was the previous owner of the vehicle and he had sold the vehicle in favour of respondent No.3 and the registration certificate (RC) was also transferred to the name of respondent No.3 by the Regional Transport Office. As the vehicle is transferred in the name of respondent No.3, the liability of the insurance company also shifts and the insurance company is liable to indemnify the same in terms of Section 157 of the Motor Vehicles Act. But the Tribunal has erroneously exonerated



the insurance company and directed only respondent No.3 to deposit the compensation amount. It is further contended that the interest is to be awarded at the rate of 12% per annum instead of 7% per annum, under the Employees' Compensation Act. Accordingly, the following substantial questions of law are framed:

"(1) Whether the learned Judge was justified in recording the finding that when the relationship of employer and employee existed and in view of Sec. 157 of the motor vehicles act exonerate the liability on the Insurance Company?"

(2) Whether the learned judge is justified in holding that Insurance Company is not liable to make good the Loss though the RC also transferred to the owner of the vehicle?

(3) Whether the learned judge is justified in not awarding 12% interest per annum as the claim is under the employees compensation act?"

Section 157 of Motor Vehicle Act reads as follows.

"157. Transfer of certificate of insurance.- (1) Where a person, in whose favour the certificate of insurance



has been issued in accordance with the provisions of this Chapter, transfers to another person the ownership of the motor vehicle in respect of which such insurance was taken together with the policy of insurance relating thereto, the certificate of insurance and the policy described in the certificate shall be deemed to have been transferred in favour of the person to whom the motor vehicle is transferred with effect from the date of its transfer."

4. There is no dispute with regard to the fact that the vehicle was transferred by the previous owner/respondent No.2, to the present owner/respondent No.3. Once the vehicle is transferred, the insurance policy in force is also transferred to the name of respondent No.3. As such, the insurance company is liable to indemnify respondent No.3. But the Tribunal has erred in exonerating the insurance company and fixing the liability on respondent Nos.2 and 3, and directing them to deposit the compensation amount. Therefore, this Court finds it just and reasonable to direct the insurance company i.e., respondent No.1, to deposit a sum of **Rs.7,68,560/-** with interest at the rate of 12% per annum, after one month



from the date of the accident till realisation of the award amount, within one month from the date of this order.

On such deposit, the claimants are permitted to withdraw the amount as per the apportionment of the Tribunal.

Accordingly, the appeal is ***allowed in part.***

**Sd/-
(P SREE SUDHA)
JUDGE**

AMA
List No.: 1 SI No.: 45