



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 23RD DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MRS. JUSTICE P SREE SUDHA

MISCELLANEOUS FIRST APPEAL NO. 2677 OF 2017 (MV-D)

C/W

MISCELLANEOUS FIRST APPEAL NO. 698 OF 2016 (MV-D)

IN MFA No. 2677/2017

BETWEEN:

BASAMMA,
W/O LATE KARADI YANAPPA,
AGED ABOUT 58 YEARS,
R/AT RAYAPURA VILLAGE,
KASABA HOBLI,
MOLAKALMURU TALUK.

...APPELLANT

(BY SRI. RAGHU R ., ADVOCATE)

AND:

1. C. T. SHAMARAJ,
S/O. C S THIPPESWAMY,
MAJOR,
R/A POST OFFICE BADAVANE,
NAYAKANAHATTI,
CHALLAKERE TALUK - 577 522,
CHITRADURGA DISTRICT.
2. G. ASWATHNARAYANA BABU,
MAJOR,
R/A NO.22/222,
'C' STREET FORT,
KALASIPALYA, BANGALORE - 02.





NC: 2026:KHC:11511
MFA No. 2677 of 2017
C/W MFA No. 698 of 2016

3. THE MANAGER,
ICICI LOMBARD GENERAL INSURANCE CO.,
MAJOR,
SVR COMPLEX, 2ND FLOOR,
HOSUR MAIN ROAD, MADIWALA,
BANGALORE - 560 068.

...RESPONDENTS

(BY SRI. B. PRADEEP., ADVOCATE FOR R3;
R1 AND R2-SERVED)

THIS MFA IS FILED U/S 173(1) OF MV ACT AGAINST THE
JUDGMENT AND AWARD DATED 13.11.2015 PASSED IN MVC
NO.71/2014 ON THE FILE OF THE SENIOR CIVIL JUDGE, &
ADDITIONAL MACT, CHALLAKERE, PARTLY ALLOWING THE
CLAIM PETITION FOR COMPENSATION AND SEEKING
ENHANCEMENT OF COMPENSATION.

IN MFA NO. 698/2016

BETWEEN:

C. T. SHAMARAJ,
S/O C S THIPPESWAMY,
OCCUPATION: BUS OWNER,
R/O POST OFFICE BADAVANE,
NAYAKANSAHATTI,
CHALLAKERE TALUK,
CHITRADURGA DISTRICT - 577 501.

...APPELLANT

(BY SRI. ARCHANA MURTHY P AND
RASHMI P. R., ADVOCATE)

AND:

1. G. ASWATHNARAYANA BABU,
INSURER OF THE BUS,
NO.22/222, C STREET FORT,
KALSIPALYAM,



- BANGALORE - 560 002.
2. THE MANAGER,
ICICI LOMBARD GENERAL INSURANCE COMPANY,
SVR COMPLEX, 2ND FLOOR,
HOSUR MAIN ROAD,
MAGADI BANGALORE - 560 002.
3. SMT BASAMMA,
W/O LATE KARADI YANAPPA,
AGED ABOUT 56 YEARS,
OCCUPATION: AGRICULTURE,
R/O RAYAPURA VILLAGE,
KASABA HOBLI,
MOLAKALMURU TALUK - 577 521.

...RESPONDENTS

(BY SRI. RAGHU R., ADVOCATE FOR R3;
SRI. B. PRADEEP., ADVOCATE FOR R2
V/O/D 20.03.2023 (ORDER PASSED IN MFA
NO. 2677/2017);
V/O/D 20.03.2023 NOTICE TO R1 IS H/S)

THIS MFA IS FILED U/S 173(1) OF MV ACT AGAINST
THE JUDGMENT AND AWARD DATED 13.11.2015 PASSED
IN MVC NO.71/2014 ON THE FILE OF THE SENIOR CIVIL
JUDGE, & ADDITIONAL MACT, CHALLAKERE, AWARDING
COMPENSATION OF RS.4,82,000/- WITH INTEREST @ 9%
P.A. FROM THE DATE OF PETITION TILL REALIZATION.

THESE APPEALS, COMING ON FOR HEARING, THIS DAY,
JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MRS. JUSTICE P SREE SUDHA



ORAL JUDGMENT

MFA No.2677/2017 is filed by the claimant for enhancement of compensation and MFA No.698/2016 is filed by the owner of the offending vehicle challenging the judgment and award dated 13.11.2015 passed in MVC No.71 of 2014, by the Senior Civil Judge and Additional MACT, Challakere.

2. Heard the arguments of both the learned counsel.

3. Brief facts of the case are that, one Karadi Yanappa S/o Yanappa died in a road traffic accident on 10.03.2014. His wife filed claim application claiming compensation of Rs.10,75,000/-. The Tribunal considering the entire oral and documentary evidence on record granted an amount of Rs.4,82,000/- with interest at the rate of 9% per annum from the date of petition till the date of realization. Being aggrieved by the said order, the claimant and owner of the offending vehicle have preferred these appeals.



IN MFA NO.2677/2017

4. It is stated that Karadi Yanappa S/o Yanappa was aged about 60 years and was working as an agriculturist, earning Rs.10,000/- per month. But the Tribunal erred in taking his income at only Rs.5,000/- per month. The Tribunal further erred in fixing the liability on the owner of the offending vehicle by holding that, as on the date of the accident, the vehicle did not have a valid permit. This finding was recorded without any supporting evidence on record. The appellant/claimant relied upon the judgment in ***Rani and Others Vs. National Insurance Company Limited and Others¹***, wherein it was held as follows:

"7. The principal issue raised by the insurance company was that the Tribunal could not have fastened the liability on the insurer as the offending vehicle did not possess a valid permit to operate in the state of Karnataka in view of Section

¹ (2018) 8 SCC 492



149(2)(a)(i)(a) of the Motor Vehicles Act, 1988. For the permit was limited to the state of Maharashtra.

17. Insurance Company to first pay the compensation amount to the respective claimants as determined by the High Court and Tribunal as the case may be, with liberty to recover the same from the owner of the offending vehicle."

Thus, request for modification of the order.

5. Learned counsel for the appellant/claimant contended that in the case of **Rani** (supra), it was clearly held that even in cases of permit violation, the insurer is liable to pay the compensation to the claimant and thereafter, recover the same from the owner of the vehicle.

6. Though it is stated that the deceased was working and earning Rs.10,000/- per month, he has not filed any income proof. The accident occurred in the year 2014. Therefore, the notional income of the deceased is taken at Rs.8,500/- per month, as per the chart prepared by the Karnataka State Legal Services Authority. The



deceased was aged 60 years and he is entitled for addition of 10% towards future prospects and the applicable multiplier is '9'. $\frac{1}{3}^{\text{rd}}$ of the income is to be deducted towards personal expenses. Accordingly, the loss of dependency comes to **Rs.6,73,200/-** $[(8,500 + 10\%) \times 12 \times 9 - \frac{1}{3}]$. The petitioner is the wife of the deceased, is entitled to **Rs.40,000/-** towards spousal consortium and **Rs.30,000/-** under conventional heads.

7. Thus in all, compensation awarded by this Court is as below:

Sl.Nos.	Particulars	Amount in Rs.
1	Towards loss of dependency	6,73,200/-
2	Towards spousal consortium	40,000/-
3	Towards conventional heads	30,000/-
	Total	7,43,200/-

8. Hence, the appellant-claimant is entitled for a total compensation of Rs.7,43,200/- along with interest at the rate of 6% p.a.



IN MFA NO.698/2016

9. The owner of the offending vehicle preferred MFA No.698/2016 and also filed I.A.No.1/2023 for permission to produce additional documents. Learned counsel for the appellant has produced a copy of the permit and stated that the vehicle had a valid permit as on the date of the accident. But the insurance company has raised an objection that the vehicle was not operated on the route for which the permit had been issued. Therefore, there is a clear violation of the terms and conditions of the policy and as such, the owner is liable to pay the compensation. However, in view of the judgment relied upon by the claimant in the above paragraph, this Court finds it reasonable to invoke the concept of "pay and recovery".

10. In the result, the following order is passed:

ORDER

i. MFA No.2677/2017 is ***allowed*** in part.



- ii. MFA No.698/2016 is ***dismissed.***
- iii. The judgment and award dated 13.11.2015 passed in MVC No.71/2014 on the file of the Senior Civil Judge and Additional MACT, Challakere, is modified.
- iv. The claimants are entitled to a sum of **Rs.7,43,200/-** along with interest at 6% p.a., from the date of petition till the date of realization, instead of Rs.4,82,000/- granted by the Tribunal.
- v. It is brought to the notice of this Court that they have deposited only statutory amount. Respondent No.3/Insurance Company is directed to deposit the compensation of **Rs.7,43,200/-** along with the interest at the rate of 6% within one month from the date of this order.
- vi. On such deposit, petitioner/claimant-wife of the deceased is permitted to withdraw the



entire amount along with interest accrued
on the same.

- vii. The insurance company is at liberty to
recover the same from the owner of the
vehicle by due process of law.
- viii. The statutory amount deposited before this
Court is to be transferred to MACT.

Sd/-
(P SREE SUDHA)
JUDGE

AMA
List No.: 1 Sl No.: 97