



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 5TH DAY OF DECEMBER, 2025

BEFORE

THE HON'BLE MR. JUSTICE UMESH M ADIGA

MISCELLANEOUS FIRST APPEAL NO. 4362 OF 2021 (MV-I)

C/W

MISCELLANEOUS FIRST APPEAL NO. 6687 OF 2022 (MV-I)

IN MFA No. 4362/2021

BETWEEN:

THE MANAGER, SHRIRAM GIC LTD.,
THE MANAGER,
NO.5/4, 3RD FLOOR,
S.V. ARCADE, BELEKALHALLI MAIN ROAD,
OPP BANNERGHATTA ROAD,
LIMB POST, BANGALORE - 76.

...APPELLANT

(BY SRI. PRADEEP B, ADVOCATE)

Digitally signed
by
SHARADAVANI
B
Location: High
Court of
Karnataka

AND:

1. RAJESH V
S/O VENKATESH C,
AGED ABOUT 23 YEARS,
R/O CHIKKAHULLUR,
JODIDASARAHALLI,
BANGALORE RURAL DISTRICT - 562 114.
2. VASANTH KUMAR
S/O. CHIKKABAIRAPPA,
CHIKKAHULLURU,



NC: 2025:KHC:51151
MFA No. 4362 of 2021
C/W MFA No. 6687 of 2022

DASARAHALLI POST,
HOSAKOTE TALUK,
BANGALORE RURAL DISTRICT - 562 114.

...RESPONDENTS

(BY SRI. K.T. GURUDEVA PRASAD, ADVOCATE FOR R1;
VIDE ORDER DATED 25.10.2025, NOTICE TO R2 IS HELD
SUFFICIENT)

THIS MFA IS FILED U/S.173(1) OF MV ACT, AGAINST THE
JUDGMENT AND AWARD DT.18.03.2021 PASSED IN MVC
NO.4457/2019 ON THE FILE OF THE XV ADDITIONAL SMALL
CAUSES JUDGE AND XXIII ACMM, MEMBER, MACT,
BENGALURU, (SCCH-19), AWARDING COMPENSATION OF
RS.3,39,000/- WITH INTEREST AT 6 PERCENT P.A. FROM THE
DATE OF PETITION TILL ITS REALIZATION.

IN MFA NO. 6687/2022

BETWEEN:

MR. RAJESH V
S/O VENKATESH C
AGED ABOUT 24 YEARS
R/O CHIKKAHULLUR
JODIDASARAHALLI
BENGALURU RURAL DISTRICT - 562 114

...APPELLANT

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



NC: 2025:KHC:51151
MFA No. 4362 of 2021
C/W MFA No. 6687 of 2022

AND:

1. M/S. SHRIRAM GENERAL INSURANCE
COMPANY LTD., MOTOR CLAIMS HUB
NO.5/4, 3RD FLOOR, S V ARCADE
BILEKAHALLI, IIM POST
BANNERGHATTA ROAD
BENGALURU - 560 076
BY ITS MANAGER.
2. MR. VASANTH KUMAR
S/O CHIKKABAIRAPPA
CHIKKA HULLURU,
DASARAHALLI POST
HOSAKOTE TALUK
BENGALURU RURAL DISTRICT - 562 114.

...RESPONDENTS

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

THIS MFA IS FILED U/S.173(1) OF MV ACT, AGAINST
THE JUDGMENT AND AWARD DATED 18.03.2021 PASSED
IN MVC NO.4457/2019 ON THE FILE OF THE XV
ADDITIONAL SMALL CAUSES JUDGE AND XXIII ACMM,
MEMBER, MACT, BENGALURU, (SCCH-19), PARTLY
ALLOWING THE CLAIM PETITION FOR COMPENSATION AND
SEEKING ENHANCEMENT OF COMPENSATION.



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

CORAM: HON'BLE MR. JUSTICE UMESH M ADIGA

ORAL JUDGMENT

Both the appeals arise out of common judgment and award dated 18.03.2021 passed by the Motor Accidents Claims Tribunal & XV Additional Judge, Court of Small Causes, Mayo Hall Unit, (SCCH-19), Bengaluru (for short 'Tribunal'), in MVC No.-4457/2019, therefore they are taken up together for disposal. MFA.No.4362/2021 is filed by Insurer and MFA.No.6687/2022 is filed by the claimants.

2. For the sake of convenience, the parties are referred to as per their ranking before the Tribunal.

3. Though appeals are slated for admission, with consent of learned advocates appearing for both the sides, they are taken up for final disposal.



4. The brief facts of the case are that, on 07.04.2019, at about 5.30 p.m., the petitioner was traveling in a car bearing registration No.KA-53/MA-9533 and when they reached near Nakkanahalli village, Nandagudi Hobli, Hosakote Taluk, Bangalore Rural District, the driver of the said car drove the same in a rash and negligent manner. At that time, one buffalo suddenly entered the road and as a result, the driver dashed the road side stones. Due to the impact, the petitioner fell down and sustained grievous injuries. He has spent substantial amount towards medical expenses. Due to the injuries sustained in the accident, he has suffered from permanent disability and loss of his earning capacity. With these reasons, the claimant has prayed for awarding of compensation.

5. The respondent No.2 was the owner and respondent No.1 was the insurer of the offending motorcycle. Respondent No.2 remained *ex parte* before the Tribunal. Respondent No.1 filed its written statement



denying the contentions of the claim of the petitioner and also denied its liability to pay the compensation due to breach of terms and conditions of the policy of insurance. With these reasons, it prayed to dismiss the claim petition.

6. From the rival contentions of the parties, the Tribunal framed necessary issues. The Tribunal recorded the evidence of the parties. The claimant to prove his case, examined 4 witnesses as PW-1 to PW-4 and marked 18 documents, as per Exs.P-1 to P-18. The respondent-Insurance Company has examined 2 witnesses as RW-1 and RW-2 and marked Exs.R-1 and R-2.

7. After hearing the arguments, appreciating the pleadings and evidence on record, Tribunal by its impugned judgment and award held that accident occurred due to rash and negligent driving of the car by its driver and Tribunal has awarded the following compensation:



Particulars	Amount in Rs.
Pain and sufferings	40,000/-
Medical expenses	44,590/-
Transportation, Nourishment Conveyance, attendant charges	8,000/-
Towards loss of future income due to permanent disability	2,16,000/-
Towards future medical expenses	20,000/-
Towards loss of amenities of life	10,000/-
Total	3,38,590/-

8. The insurer challenges the said judgment on the ground that it was not liable to pay the compensation since there was violation of terms and conditions of policy. Claimant challenges on the ground of inadequate compensation awarded by the Tribunal.

9. Heard the arguments of the learned counsel appearing for the claimant as well as the insurer.

10. The main contention of the insurer is that it was a private vehicle and in the cross examination of PW-1, he



has admitted that he had paid and hired the said vehicle. Therefore, it is a violation of terms and conditions of policy condition.

11. The learned counsel for the appellant contends that such a stray admission cannot be considered for denying the rights of the claimant. In the alternative, he also contends that admittedly the said vehicle was insured with respondent No.1 and it was a package policy. Even if there is a violation of the terms and conditions of the policy, the insurer remains liable to pay compensation to third parties. It may, however, be at liberty to recover the amount from the owner of the vehicle, but it cannot be exonerated from its obligation to pay compensation to the third party.

12. PW-1 - claimant in his cross examination has stated that said vehicle belongs to one Vasanth Kumar and the inmates of the said car had taken the said car on hire. The hire charge was paid by one Shivaraj, who was the



inmate of the vehicle. The evidence given by the claimant supports the respondent's contention that the vehicle was taken by the inmates on hire and reward, it was not a stray admission. Therefore, the respondent-insurer has been able to establish that there was a violation of the terms and conditions of the policy of insurance.

13. Fact of the accident is not in dispute. The injury sustained by the claimant and other particular such as age of the claimant, multiplier applicable to the facts of the case and disability are not seriously disputed. Therefore, there is no need to re-appreciate it. The contention of the claimant is that the income taken by the Tribunal is on the lower side. According to the contention of the claimant, he was earning Rs.20,000/- per month, but the Tribunal has taken notional income at Rs.10,000/-, which is on lower side. On reconsideration of the materials said submission is true. The claimant contended that he was earning Rs.20,000/- per month, but he was unable to prove the same. The notional income taken by the



Tribunal is on lower side comparing to notional income chart and hence following the notional income chart prepared by the Karnataka State Legal Services Authority, the income of the claimant is taken as Rs.14,000/- per month.

14. The age of the claimant at the time of the accident was 21 years. The multiplier applicable in this case is '18' as per the judgment of the Hon'ble Apex Court in the case of ***Sarla Verma -vs- Delhi Transport Corporation and others, reported in (2009) 6 SCC 121***. On the basis of the same, loss of future earning capacity due to permanent disability is to be assessed.

15. For the aforesaid discussions, the claimant is entitled to following amount of compensation :

Particulars	Amount in Rs.
Pain and suffering	40,000/-
Medical expenses	44,590/-
Attendant expenses, special diet	25,000/-



and conveyance charges	
Loss of income during laid up period (Rs.14,000/- x 3 months)	42,000/-
Loss of income due to permanent disability (Rs.14,000/- x 12 x 18 x 10%)	3,02,400/-
Loss of amenities	40,000/-
Future medical expenses	30,000/-
<i>Total</i>	<i>5,23,990/-</i>
<i>Amount awarded by the Tribunal</i>	<i>3,38,590/-</i>
<i>Enhancement-</i>	<i>1,85,400/-</i>
<i>Rounded off -</i>	<i>1,85,000/-</i>

The claimant is entitled to interest at the rate of 6% p.a. from the date of petition till the date of realisation.

16. In the case of **New India Assurance Co. Ltd., Vs. Yellavva and Another reported in 2020 ACJ 2560** (full bench of this Court) has held that in case of violation of any of the terms and conditions of policy of insurance, the insurer is liable to pay the compensation third party and it is a liberty to recover it from the owner



of the vehicle. As discussed in the above paragraph, the owner of the vehicle to gave the car on hire basis. Though it is not a fundamental breach of conditions of policy, but it is violation of policy condition and hence, insurer is liable to pay the compensation to third party and it is at liberty to recover it from owner of the vehicle.

17. In the result, I proceed to pass the following:

ORDER

- i) The Appeal are ***allowed in part.***
- ii) The judgment and award dated 18.03.2021, passed by the Motor Accidents Claims Tribunal & XV Additional Judge, Court of Small Causes, Mayo Hall Unit, (SCCH-19), Bengaluru in MVC No.- 4457/2019, stands modified.
- iii) The claimant is entitled to enhanced compensation of Rs.1,85,000/-, with interest at the rate of 6% p.a., from the date of petition till its realization and future medical expenses of Rs.30,000/- does not carry any interest.



- iv) The respondent No-1 - Insurance Company shall deposit the amount within a period of six weeks from the date of award and it is at liberty to recover the entire amount of compensation awarded by this Court as well as the Tribunal from the owner of the vehicle in an appropriate proceedings initiated on the basis of this award.
- v) Whatever the amount deposited by the insurer shall be transmitted to the Tribunal for disbursement.
- vi) Draw award accordingly.

Registry is directed to send back the records along with a copy of this judgment to the concerned Tribunal.

Sd/-
(UMESH M ADIGA)
JUDGE