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APHC010217482012



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI**

MONDAY, THE 28th DAY OF SEPTEMBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE ALAPATI GIRIDHAR

MOTOR ACCIDENT CIVIL MISCELLANEOUS APPEAL NO: 2481 OF 2012

Between:

1. V. Siva Reddy

...Petitioner

AND

1. Koppula Salemma

2. Koppula Pitchi Reddy,

3. The New India Assurance Co Ltd, Rep. by its Divisional Manager, Guntur,

...Respondents

Counsel for the Appellant:

1. G V S MEHAR KUMAR

Counsel for the Respondent(S):

1. GANESH PALADUGU

2. A RAJENDRA BABU

3. KOTA SUBBA RAO

The Court made the following JUDGMENT:

1. This appeal is filed by the Owner against the Award of the Chairman, Motor Vehicle Accidents Claims Tribunal-cum-IX Additional District Judge (FTC), Guntur, dated 11.06.2010 in M.V.O.P.No.1052 of 2002, assailing the fastening of liability on the Owner and exonerating the Insurance Company.

I. CONTENTIONS:

2. The learned counsel for the Owner/Appellant submits that on the date of the accident i.e. on 17.08.2002 at about 1:30 p.m, the Insurance Policy was not in force. However, the premium was paid on the same day of the accident at about 9:00 p.m and the same covers the risk of the accident and prays to allow the appeal.

3. The learned counsel for the Insurance Company submits that after the accident and after closure of business hours, the insurance premium was paid by the Owner by suppressing the accident and the Policy was issued on 19.08.2002 and there was no coverage of the Policy on the date of the accident. Therefore, the Tribunal rightly considered these circumstances and dismissed the claim against the Insurance Company and prays to dismiss the appeal.

II. BRIEF FACTS:

4. The case of the Claimants is that on 17.08.2002 at about 1:30 p.m., K. Ramakrishna Reddy/deceased along with another was proceeding on a cycle from Peddacheruvu of Narsaraopet, near Andhra Bank, a Lorry/AP 7V 1152,

driven by its driver in a rash and negligent manner, hit the cycle from its back, he fell down, left front wheel of the lorry ran over on his head and he died on the spot.

5. The 1st Respondent/Owner pleaded that it was a busy road, when the Driver tried to take a turn, the deceased all of sudden came on to the road with the bicycle in the corner, the other on the bicycle jumped, he lost control over the cycle and he hit the Lorry and fell down under the front wheel, there is no negligence driving by the Lorry Driver. That on 16.08.2002 he paid premium for his three vehicles to Subba Reddy, who was authorised agent of the 2nd Respondent for issuance of cover note, after knowing the accident, issued the cover note on 17.08.2002 by mentioning the timing at 9pm to avoid its liability, there is no mistake on his part and he is not liable to pay compensation.

6. The 2nd Respondent/Insurance Company pleaded that they received premium at 9.00 p.m on 17.08.2002 and they issued the cover note and commencement of the Policy from 19.08.2002 and they are not liable to pay compensation.

7. As the case is not settled, the Tribunal framed the following issues for determination;

- i. *Whether the deceased died in the accident due to rash and negligent driving of the Lorry bearing No.AP 7V 11527 ?*
- ii. *What is the just amount of compensation that the petitioners can be granted?*

iii. *To what relief?*

Additional issue:

iv. *Whether the 1st Respondent's Lorry bearing No.AP 7V 1152 is having valid and effective policy by the time of accident?*

8. The Tribunal recorded the evidence of PW.1 and exhibited A.1 to A.6 on behalf of the Claimants and on behalf of Respondents, examined R.W.1& 2 and exhibited B.1 to B.7.

9. The Tribunal answered the Issue No.1 in favour of the Claimants that the accident resulted in the death of the deceased due to rash and negligent driving of the driver of the offending Lorry.

10. The Tribunal answered the Issue No.2 in favour of the Claimants by awarding compensation and with regard to Additional Issue No.4, the Tribunal opined that as there is no valid policy at the time of the accident, Respondent No.2 is not liable to indemnify Respondent No.1.

11. The Tribunal answered the Issue No.3 in favour of the Claimants by allowing the Claim Petition partly for compensation of Rs.2,60,000/- with interest at 7.5 % p.a and costs, payable by the Respondent No.1 against the claim of Rs.2,50,000/-.

III.ANALYSIS:

12. In the arguments, there is no dispute on the accident, involvement of the offending Lorry/AP 7V 1152 and death of Ramakrishna Reddy in the

accident. The only point is whether the offending Lorry has insurance coverage on the date of the accident?

13. The Tribunal relied on the evidence of RW.1/Insurance Company, the Cover Note/Ex.B7 dated 17.08.2002, time 9.00 p.m, and Policy was issued on 19.08.2002 and recorded that the date of the accident is much prior to the accident.

14. The material on record reveals that the Owner/RW.2 pleaded in his Counter and stated in his evidence that on 16.08.2002 he handed over the required amount for three vehicles in the Office of the 2nd Respondent at 10am to the Authorized Agent Sri Subba Reddy and he promised that he would bring the cover notes. That unfortunately one of the three vehicles i.e., the Lorry/AP7V 1152 is involved in the Accident. That the Insurance Company having knowledge of the accident, issued cover note mentioning date 17.08.2002, time 9.00pm. That the other two vehicles are 1) his Bajaj Kawasaki 4S and 2) his brother's Kinetic Challenger. He/RW.2 also got marked cover note/Ex.B6 of the offending Lorry, on perusal of the Cover Note/Ex.B6, it shows the insurance coverage is from 30.07.2001 to 29.07.2002. Thus this cover note shows that there is no insurance coverage for the offending Lorry from 30.07.2002 to 16.08.2002 for about 17 days even as per the case of the Owner/RW.2. This circumstance is also strengthening the case of the Insurance Company that he did not insure the offending Lorry, after lapse of the earlier Policy and after the

accident, he got cover note suppressing the accident, trying to project as if he paid the premium and there is insurance coverage for the offending Lorry.

15. Whereas the Proposal Form/Ex.B3 for the offending Lorry is dated 17.08.2002 and signed by the Owner, he/Owner did not dispute his signature on Ex.B.3.

16. The Tribunal also recorded that the Owner/RW.2 did not examine the Agent. If really the Owner has paid premium for the three vehicles on the 16.08.2002, he has to say what is the premium he paid the said Subba Reddy, he has to examine the said Subba Reddy to prove his case, but he did not take any steps in this regard. Further he got marked the cover note dated 17.08.2002 time 7.10 p.m as Ex.B5, which is of his Bajaj Kawasaki/AP 7B 6214, which is strengthening the case of the Insurance Company that after the accident he got insured. The Owner also did not file cover note or Policy of the third vehicle i.e his bother's Kinetic Challenger.

17. The Owner cross-examined RW.1 but could not elicit any material to show that he paid the premium on 16.08.2002.

18. All these clearly show that the offending Lorry is without insurance coverage on the date of the accident, the Owner miserably failed to prove that he paid the premium on 16.08.2002, whereas the Insurance Company could prove that the owner paid the premium after the accident, it issued the cover note on 17.08.2002 at 9.00 pm and the Policy was issued on 19.08.2002.

19. The learned counsel for the Appellant also submitted in the arguments as stated supra that on the date of the accident i.e. on 17.08.2002 at about 1:30 p.m, the Insurance Policy was not in force.

20. The Court perused the awarded compensation. As per the Inquest Report/Ex.A.4 and the evidence of PW.1, the age of the deceased would be 18 years at the time of accident. The Tribunal taken notional income of Rs.2,000/- per month while assessing loss of earnings and taken the age of the mother of the deceased for applying the multiplier.

21. Even in the absence of Appeal or Cross Objections, this Court may invoke Order 41 Rule 33 of CPC to award just compensation (see ***Surekha & others Vs Santosh & others***, (2021) 16 SCC 467). This case warrants invoking the power of the Court to award just compensation and to follow the law laid down in **Hon'ble Constitutional Bench of Hon'ble Supreme Court of India** in ***"National Insurance Company Vs. Pranay Sethi"***¹

22. The deceased is studying B.Sc., first year at the time of accident. Considering the notional income of the deceased at Rs.2,000/- per month, who was B.Sc., student and will have future opportunity of job and income, thus, he is entitled for future prospects as per law in ***Pranay Sethi*** (*supra*). Thus, requires adding of 40% future prospectus (Rs.800), which comes to Rs.2,800/-, deducting 50% towards personal and living expenses, comes to

¹(2017) 16 SCC 680

Rs.1,400/- x 12 : Rs.16,800/-. The Tribunal has taken the age of the mother of the deceased but as per law in ***Pranay Sethi*** (supra), multiplier '18' be applied, which comes to Rs.3,02,400/- (Rs.16,800/- x 18)

23. As per law in ***Pranay Sethi*** (supra), for the Loss of Estate, Loss of Consortium and Funeral Expenses should be Rs.15,000/-, Rs.40,000/- and Rs.15,000/- respectively. The aforesaid amounts should be enhanced at the rate of 10% for every three years.

24. The **Hon'ble Supreme Court of India** in ***United India Insurance Company Limited Vs. Satinder Kaur and others***², held that the parents are also entitled to Consortium.

25. Thus, the Claimants/Mother and Father of the deceased are entitled to Rs.48,000/- each towards Loss of Consortium, Rs.18,000/- towards Loss of Estate and Rs.18,000/- towards Funeral expenses respectively.

26. It is needless to mention that the law in ***Pranay Sethi*** supra, including on Future Prospects, deduction for personal and living expenses, multiplier, Loss of Consortium, Loss of Estate and Funeral Expenses etc., has been applied retrospectively (see ***Rojalini Nayak & Others Vs Ajit Sahoo & Others***³)

²(2020) SCC Online SC 410

³ 2024 INSC 584

27. The compensation awarded by the Tribunal under different heads and the compensation enhanced by this Court are as follows:

S.No	Head of the claim	Compensation awarded by the Tribunal (Rs.)	Compensation enhanced by this Court (Rs.)	Remarks
1.	Loss of Earnings & Future prospects	2,56,000/-	3,02,400/-	Income Rs.2,000/- + 40% FP = Rs.2,800/- p.m., Less 50% = Rs.1,400/- p.m., Annual Rs.16,800/- x 18 as per PranaySethi case.
2.	Loss of Consortium	Not awarded	96,000/-	Rs.48,000/- each for the two Petitioners as per PranaySethi and Satinder Kaur cases
3.	Loss of Estate	Not awarded	18,000/-	As per PranaySethi case
3.	Funeral expenses & Transportation Charges	4000	18,000/- 2,000/-	As per PranaySethi case
	Total	2,60,000/-	4,36,400/-	

28. Thus, the Claimants are entitled to Rs.4,36,400/-, but the claim is filed for Rs.2,50,000/-, thus the Court Fee is to be paid for the compensation awarded over and above the claim of Rs.2,50,000/-. The compensation of Rs.4,36,400/- shall be apportioned in the same ratio of apportionment as ordered by the

Tribunal for Rs.2,60,000/- between the Claimants. The interest of 7.5% pa ordered by the Tribunal shall be maintained under the circumstances of the case.

29. Thus, the Award of the Tribunal is enhanced on quantum of compensation to the extent as indicated above table.

III. CONCLUSION:

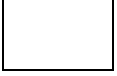
30. In view of the aforesaid discussion, the Appellant/Owner could not demonstrate that the offending Lorry has insurance coverage on the date of the accident or any material irregularity in the award of the Tribunal warranting interference by this court. Thus the Appeal is liable to be dismissed with costs.

31. In the result, the Motor Accident Civil Miscellaneous Appeal is dismissed with costs of Rs.20,000/- payable by the Appellant/Owner to the Claimants in the circumstances of the case, while enhancing the compensation from Rs.2,60,000/- to Rs.4,36,400/- as stated in the Table with interest at 7.5% p.a from the date of filing of the Petition till the date of realization subject to payment of additional Court Fee by the Claimants within 30 days from the date of receipt of this Judgment. The compensation amount shall be apportioned among the Claimants in the same manner and ratio as ordered by the Tribunal.

As a sequel, miscellaneous applications pending, if any, shall also stand closed.

JUSTICE ALAPATI GIRIDHAR, J

Dt: 28.09.2026
JKS



THE HONOURABLE SRI JUSTICE ALAPATI GIRIDHAR

M.A.C.M.A.No.2481 of 2012

28.09.2026

JKS