IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI

MOTOR ACCIDENT CIVIL MISCELLANEOUS APPEAL NOs: 1897 of 2016 & 2930 of 2017

ICICI Lombard General Insurance Company Limited, ...Appellant

Vs.

Vangara Vasudha and Others ...Respondent(s)

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CORAM : THE CHIEF JUSTICE LISA GILL

SRI JUSTICE CHALLA GUNARANJAN

DATE : 7th September 2026

Present:

Advocate for Appellant: S PRANATHI, rep.by G.Jahnavi

Advocate for Respondent: NIMMAGADDA REVATHI

COMMON JUDGMENT: (per Hon'ble Sri Justice Challa Gunaranjan)

Both these appeals preferred under Section 173 of Motor Vehicles Act since arise out of the very same award dated 22.03.2016 in M.V.O.P. No.290 of 2014 passed by learned I Additional District Judge, Ongole, are heard together and disposed by present common judgment.

2. For convenience sake, the parties will hereinafter be referred to as they were arrayed before the Tribunal.

3. (a) Insurer preferred M.A.C.M.A. No.1897 of 2016, whereas claimants preferred M.A.C.M.A. No.2930 of 2017. The deceased was engaged in aqua business. On 25.09.2015, while he was returning to aqua tanks on his motorcycle, was hit from behind by Tata Magic Auto (AP 27TV 1348) driven by its driver. The deceased fell down and, due to injuries, succumbed. Police registered Crime No.72 of 2013 against the driver of Tata Magic Auto and later laid charge sheet for offence under Section 304-A of IPC.

(b) Wife and two minor children along with parents of deceased preferred claim seeking compensation. 1st respondent, driver-cum-owner of Tata Magic Auto, filed written statement denying that he was negligent in driving the auto, that the deceased himself fell down and sustained injuries, at any rate, as the auto was insured with 2nd respondent and had subsisting policy, the claim against him was not maintainable. The 2nd respondent – Insurer filed written statement denying that the driver of auto caused the accident due to rash and negligent driving, further that he did not possess valid and effective driving licence and also that

non-impleadment of owner and insurer of motorcycle was fatal, thus, the claim against it was not maintainable.

(c) Based on the above pleadings, the Tribunal framed following issues:

1. Whether the deceased Vangara Narayana died in a road accident which took place on 25-09-2013 at 12-20 hours due to rash and negligent driving of TATA ACE Magic Auto bearing No. A.P. 27 TV 1348 by its driver?
2. Whether the driver of the TATA ACE Magic Auto bearing No. AP 27TV 1348 is having valid and effective driving license at the time of accident?
3. Whether the petition is bad for non-joinder of necessary parties as prayed for?
4. Whether the petitioners are entitled for compensation? If so, to what amount and against whom?
5. To what relief the petitioners are entitled?

(d) On behalf of claimants, PWs 1 to 3 were examined and Exs.A1 to A31 were marked, whereas insurer examined RWs 1 to 4 and marked Exs.B1 to B6 and Exs.X1 to X3.

(e) On overall appreciation of evidence on record, Tribunal answered first issue in favour of claimants, holding that the accident occurred on account of rash and negligent driving of the auto by 1st respondent. The second issue was also answered in

negative, holding that the insurer failed to establish and prove that the driver of auto did not possess valid and effective driving licence. So also, the third issue was answered in negative. The Tribunal assessed the income of deceased as ₹20,000/- per month, considering his age as 44, applied multiplier of 14 and after deducting 1/4th of the income towards personal and living expenses, determined the loss of earnings. Tribunal also awarded ₹50,000/- towards loss of estate and ₹10,000/- towards funeral expenses, thus, in total awarded ₹25,80,000/- along with interest at the rate of 9% per annum.

(f) Assailing the same, both insurer as well as claimants are in appeal.

4. Heard Ms.G.Jahnavi, learned counsel, representing Mrs.S.Pranathi, learned counsel for Insurer and Mrs.Nimmagadda Revathi, learned counsel for claimants.

5. Learned counsel for insurer fairly submitted that liability of insurer is not under challenge, rather, it is only the quantum of compensation they are aggrieved with. It is contended that the Tribunal assessed the income of deceased at the rate of ₹20,000/- per month, which is without any basis and evidence on record, rather, the Tribunal ought to have assessed the income at the rate

of ₹15,000/- per month, considering the minimum wages payable to unskilled worker at relevant point of time. She further contended that the Tribunal has awarded interest at the rate of 9%, which is far excessive.

6. On the other hand, learned counsel for the claimants contended that though sufficient evidence has been produced under Exs.A18 to A22 and A31 demonstrating that the deceased actively engaged in aqua culture and earning about ₹10,00,000/- per annum, the Tribunal merely assessed the income at the rate of ₹20,000/-, which is clearly unjustified and erroneous. She further contended that the Tribunal has failed to award future prospects and the amounts awarded under conventional heads were not in consonance with the principles laid down by Hon'ble Apex Court in **National Insurance Company Limited v. Pranay Sethi and others**[1], accordingly, urged to determine just and fair compensation by allowing the appeal.

7. We have considered the submissions of learned counsel and perused the record.

8. As there is no challenge to the aspect of liability, the only question that arises for our consideration is whether the

[1] (2017) 16 SCC 680

compensation determined by Tribunal is just, fair and reasonable and if not, what would be appropriate compensation to be paid?

9. It is the case of claimants that the deceased was engaged in aquaculture and earning about ₹10,00,000/- per annum as on the date of accident. To support the same, claimants examined PW3 and marked Exs.A17 to A26 and A31. Further, claimants also marked Exs.A6 to A16, which are cash bills issued by M/s.Kalyani Aqua Agencies. The Exhibits under A17 to A26 are essentially licenses granted by Assistant Director, Fisheries Department, for undertaking aquaculture activity in an extent of about 1.62 hectares of land and the certificates issued by Coastal Aquaculture Authority granting approval for the same. Exhibit A31 is the certificate issued by Assistant Director, Fisheries, giving an estimate of income that one would earn on account of cultivation of L-Vannamei Shrimp per hectare.

10. Learned counsel while taking this Court through aforesaid evidence tried to persuade us that the evidence on record indicate that the deceased had relevant licenses and permissions for undertaking aquaculture activity and the certificate issued under Ex.A31 would indicate the cultivation of L.Vannamei Shrimp would

earn at least ₹14,00,000/- per hectare, therefore, the income assessed by Tribunal is meagre.

11. We have gone through the Exhibits referred to above, as well as evidence of PW3 and RW4 - partner of M/s.Kalyani Aqua Agencies. RW4 denied that they issued Exs.A6 to A16. Insofar as the licenses and permissions placed on record are concerned, the same though indicate deceased was in the activity of aquaculture, however, the same would not suggest the income he was earning. The estimated income as certified under Ex.A31 cannot be relied in coming to conclusion that the deceased was cultivating the same variety of Shrimp with the same count as mentioned therein for fetching similar profits. None of aforementioned evidence even remotely mention the earnings of income of deceased.

12. The Tribunal, on overall appreciation of evidence, assessed the income of the deceased at the rate of ₹20,000/- per month. Though learned counsel for insurer tried to contend that the income ought to have been taken treating the deceased as skilled worker, on the face of the evidence on record, we are of the view that the approach of Tribunal is perfectly justified, thus, we sustain the income of deceased at the rate of ₹20,000/- per month. There is no quarrel about the age of deceased, multiplier and deduction

applied by the Tribunal. The claimants are entitled for future prospects and the components under conventional heads also required to be awarded in tune with the principles laid down in **Pranay Sethi's case**[1]. The interest awarded at the rate of 9% per annum is on higher side, thus, we revised it to 7.5%.

13. Accordingly, the compensation is revised in following terms.

Compensation Heads	**Amount Awarded**	**In accordance with**
Monthly Income	₹20,000/-	
Yearly Income	₹2,40,000/-	
Future Prospects (Age being 44 years)	25% of ₹2,40,000/- = ₹60,000/-	**National Insurance Co. Ltd v. Pranay Sethi** (2017) 16 SCC 680 Paras 37, 39, 41, 42 and 59.4
Deduction (1/4)	₹3,00,000/- - ₹75,000/- = ₹2,25,000/-	
Multiplier (14)	₹2,25,000/- x 14 = ₹31,50,000/-	
Loss of Income of the deceased	**₹31,50,000/-**	
Loss of Estate	**₹18,150/-** (with 10% increase every 3 years from 2017)	**National Insurance Co. Ltd v. Pranay Sethi** (2017) 16 SCC 680 Paras 37, 39, 41, 42 and 59.4
Loss of Funeral Expenses	**₹18,150/-** (with 10% increase every 3 years from 2017)	
Loss of Consortium	₹48,400/- x 5 = **₹2,42,000/-** (with 10% increase every 3 years from 2017)	**United Insurance Co.Ltd. v. Satinder Kaur** (2021) 11 SCC 780 Para 37.12 **Rajwati alias Rajjo and Ors v. United India Insurance Company**

		Ltd. And Ors. 2022 SCC OnLine SC 1699 Para 34 **Sadhana Tomar & Ors. Ashok Khushwaha & Ors.** 2025 SCC OnLine SC 554 Para 17
Total	**₹34,28,300/-**	

14. In the result, both appeals preferred by Insurer and claimants are disposed of in the following terms:

i) The claimants are granted revised compensation of **₹34,28,300/-** as just and fair, with interest @ 7.5% per annum thereon from the date of claim petition till realization;

ii) Out of the revised compensation amount, 1st claimant - wife of the deceased is entitled for ₹18,28,300/- and claimants 2 to 5 are entitled for ₹4,00,000/- each.

iii) The Insurer is directed to deposit the amount as aforesaid with interest and costs, adjusting the amount already deposited/paid, if any, before the Tribunal within one month.

iv) On such deposit being made, the claimants are entitled to withdraw their respective shares as per the apportionment made above. There shall be no order as to costs.

As a sequel, miscellaneous petitions pending in this case, if any, shall stand closed.

LISA GILL, CJ **CHALLA GUNARANJAN, J**

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