



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 30TH DAY OF JUNE, 2026

PRESENT

THE HON'BLE MR. JUSTICE S.G.PANDIT

AND

THE HON'BLE MR. JUSTICE RAJESH RAI K

MISCELLANEOUS FIRST APPEAL NO. 1276 OF 2023 (MV-D)

BETWEEN:

M/S UNITED INDIA INSURANCE CO. LTD
DIVISIONAL OFFICE
NO. 1137/1947, AUB NO.2,
RUB BUILDING
AA CIRCLE, GANDHI BAZAR,
K.R.PURAM, B.H.ROAD,
SHIVAMOGGA – 577 201
REP BY ITS DIVISIONAL MANAGER

...APPELLANT

(BY SRI. SHANKARA REDDY.C, ADVOCATE)

AND:

Digitally signed by
NANJUNDACHARI
Location: High
Court of Karnataka

1. SRI. BASAVARAJU GURUSIDDAPPA
DIDDABASAPPALAVARA
S/O HABIBULLA
AGED 24 YEARS
R/AT LINGADEVARAKOPPA
KUNCHURU POST,
HIREKEREURU TALUK,
HAVERI DSITRICT,
DRIVER CUM R C
OWNER OF THE BIKE BEARING
REG NO KA 27-EJ-4564



2. SRI. REVANAPPA SIDDAPA DODMANI
S/O SIDDAPPA DODMANI
AGED 56 YEARS
3. JAGADISH REVANEPPA DODMANI
S/O REVANAPPA SIDDAPAP DODMANI
AGED 25 YEARS
4. SMT. SUDHA DODMANI
D/O REVANAPPA SIDDAPPA DODMANI
AGED 24 YEARS

RESPONDENT NO.2 TO 5 ARE
R/AT ELAVADAHALLI VILLAGE
HIREKERURU TALUK
HAVERI DISTRICT.

...RESPONDENTS

(BY SRI. LOKESH MALAVALLI, ADVOCATE FOR R1;
SRI. ANANDEESWAR.D.R, ADVOCATE FOR R2-R4)

THIS MFA IS FILED U/S 173(1) OF MV ACT AGAINST THE
JUDGMENT AND AWARD DATED 14.09.2022 PASSED IN MVC
NO.184/2019 ON THE FILE OF THE SENIOR CIVIL JUDGE AND
JMFC, SHIKARIPURA, AWARDDING COMPENSATION OF
RS.18,09,888/- WITH INTEREST AT 6 PERCENT P.A. FROM THE
DATE OF PETITION TILL REALIZATION AND RECOVER THE
SAME FROM THE FIRST RESPONDENT.

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

CORAM: HON'BLE MR. JUSTICE S.G.PANDIT
AND
HON'BLE MR. JUSTICE RAJESH RAI K



ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE RAJESH RAI K)

The insurance company has preferred this appeal against the judgment and award passed in MVC.No.184/2019 dated 14.09.2022 by the Senior Civil Judge and AMACT-15 at Shikaripura (for short, 'the Tribunal').

2. Brief facts which are necessary for disposal of this appeal are that, on 05.10.2018 at about 11.00 a.m., wife of petitioner No.1 was waiting at Yelavadahalli cross for the bus to go Herekeruru hospital, at that time, rider of the motorbike bearing registration No.KA.27-EJ-4564 rode the said motorbike in a rash and negligent manner came from Lingadevarakoppa to Kodada village and dashed against the wife of petitioner No.1 late Nagavva. Due to the said impact, she fell down and she sustained grievous injuries and succumbed to the injuries. Subsequently, the jurisdictional police registered FIR and laid charge sheet against the rider of the motorbike. Later, claim petition



was filed by the legal representatives of the deceased before the Tribunal in MVC.No.184/2019. The Tribunal on assessment of the oral and documentary evidence, partly allowed the claim petition and awarded compensation of Rs.18,09,888/- along with interest at the rate of 6% p.a., from the date of petition till its realization on the following heads:

Sl.No.	PARTICULARS	AMOUNT
1.	Loss of estate	Rs. 10,000/-
2.	Transportation and funeral expenses	Rs. 20,000/-
3.	Loss of love and affection to petitioner Nos.1 to 3	Rs. 30,000/-
4.	Loss of dependency to petitioner Nos.1 and 2	Rs. 17,49,888/-
	TOTAL	Rs.18,09,888/-

However, while awarding the compensation, the Tribunal held that the insurance company initially has to pay the awarded compensation amount and later can recover from the owner of the offending vehicle, since the rider of the motorbike did not possess the driving licence at the time of the accident. Aggrieved by the said award, insurance company has filed this appeal.



3. Heard learned counsel Sri.Shankara Reddy.C., for appellant/insurance company, learned counsel Sri.Lokesh Malavalli for respondent No.1 and learned counsel Sri.Anandeeswar.D.R., for respondent Nos.2 to 4. Perused the appeal papers.

4. The primary contention of learned counsel for the appellant/insurance company that though the rider of the motorbike had no valid driving licence, the same was lapsed and subsequently, renewed after lapse of 6 days. In that circumstance, the Tribunal ought not to have ordered for pay and recover of the compensation amount by fixing the liability on the insurance company. Further, he has also contended that the Tribunal has awarded exorbitant compensation in all the heads. With these contentions, he prays for allowing the appeal.

5. Per contra, learned counsel Sri.Anandeeswar.D.R., for respondent Nos.2 to 4 supporting the impugned judgment and award submitted



that the Tribunal has rightly awarded just compensation in all the heads and also held that the insurance company has to pay compensation and thereafter recover from the owner of the offending vehicle, in view of the law laid down by the Hon'ble Apex Court and the Full Bench of this Court. As such, he prays to dismiss the appeal.

6. We have given our anxious consideration on the submissions made by the learned counsel appearing for the respective parties and so also perused the documents placed before us including the impugned order.

7. As could be gathered from the records that accident in question and the coverage of the insurance policy of the offending vehicle are not in dispute. The sole contention raised by learned counsel for the appellant/insurance company is that the rider of the offending vehicle had no valid driving licence and the same had lapsed at the time of the accident and subsequently,



renewed after lapse of 6 days. The said aspect is not disputed by the learned counsel for claimants.

8. A Co-ordinate Bench of this Court in the case of **NAGAPPA @ NAGARAJA AND OTHERS VS. RAVI KUPALURU AND OTHERS, (M.F.A.No.103680/2015 AND CONNECTED MATTER)**, has held that expiry of driving licence and mere failure to renew the same as on the date of the accident would not amount to a fundamental breach of the policy and that liability would still be on the insurance company to satisfy the claim. Relevant paragraphs of the said judgment reads as under:

"23. Clause 6 of the summation is relevant. It states that even where the insurer is able to prove breach on the part of the insured concerning the policy condition regarding holding of a valid licence by the driver or his qualification to drive during the relevant period, the insurer would not be allowed to avoid its liability towards insured unless the said breach or breaches on the condition of driving licence is/are so fundamental as are found to have contributed to the cause of the accident. The Tribunals in interpreting the policy conditions



should apply "the rule of main purpose" and the concept of "fundamental breach" to allow defences available to the insured under Section 149(2) of the Act. A reading of the same would imply that every breach of the policy condition regarding licence would not ipso facto, be so fundamental so as to enable the Insurance Company to avoid its liability. The breach with regard to the condition of possessing a driving licence must be so fundamental so as to have contributed to the cause of accident. Thus, there must be a nexus between the absence of a valid and effective driving license by the driver of the offending vehicle and the accident. The same would imply that the driver of the offending vehicle is not duly licenced to drive the vehicle and in absence of possessing the skill to drive a vehicle has driven the same in a rash and negligent manner. It could also be a case where the driver is disqualified for holding or obtaining a driving licence and during the period of disqualification, has driven the vehicle in a rash and negligent manner and caused the accident. Therefore, the aforesaid interpretation of the Hon'ble Supreme Court is in the context of the expression used in Section 149(2)(a)(ii) of the Act.

24. Applying the aforesaid decision to the instant case, it is noted that the driver of the



offending vehicle had the licence to drive a non transport vehicle for the period from 24.07.1998 to 23.07.2018. He also had the authorization to drive a transport vehicle for the period from 03.02.2009 up to 02.02.2012. The licence to drive a non-transport vehicle was renewed on 02.06.2012. It is in the interregnum i.e., on 05.04.2012 the accident occurred. Could it be inferred that the breach in the policy condition was so fundamental so as to have resulted in the driver of the offending vehicle causing the accident? We do not think so. This is not a case where the driver of the of fending vehicle did not possess any licence at all to drive any vehicle; neither is it a case where the driver of the offending vehicle did not possess an authorization (transport endorsement) to drive a heavy goods vehicle at all (which is the of fending lorry in the instant case). This is a case where the authorization to drive such a transport vehicle had expired on 02.02.2012 and it was subsequently renewed on 02.06.2012 i.e., four months later. But on the date of the accident that is on 05.04.2012, he had not got his licence renewed. This is a case of a non-renewal of a license and not a case of not possessing a license to drive a heavy goods vehicle. A non-renewal of the licence is totally different from the case of non-possession of the licence or driving a vehicle on being disqualified. In the latter two



cases, the Insurance Company may have to be exonerated of its liability if the aforesaid reasons had a nexus with the occurrence of the accident as that is precisely what has been stated in the defences of the insurer under Section 149(2) of the Act. But insofar as non-renewal of a licence is concerned or absence of a transport endorsement to drive a particular transport vehicle but otherwise having a license to drive such a vehicle i.e., a non transport vehicle, it cannot be equated to a case of non-possession of a licence or a case where a driver who was disqualified from driving the vehicle drove the same. It is only in the latter two cases where the insurer can avoid its liability.

*27. The Co-Ordinate Bench has held after referring to various judgments that even if there is no renewal endorsement, it cannot be said that the person driving the vehicle was not a licensed driver. It is not a case where the insured entrusted the vehicle to a person who does not hold a driving licence rather admittedly the driver to whom the vehicle was entrusted by the insured was having a valid driving licence duly granted by transport authority. **Merely because of expiry of the period of licence and the omission of the driver to get the licence renewed, it cannot be said by any stretch of imagination that there***



is breach of condition of policy for which insurance company can be exonerated from the liability. The driver was authorised to drive a transport vehicle and the vehicle was entrusted by the insured to the licensed driver and, therefore, the insurance company cannot absolve itself from the liability. Therefore, it is clear that mere fact that the driver of the vehicle had not got his driving licence renewed on the date of the accident and got it renewed subsequently would not amount to breach of condition of the policy as it cannot be said that there was violation of the condition of the policy. ***Further, in view of the above findings, the Division Bench also held that the question of ordering any recovery of the amount by the insurance company from the insurer did not arise."***

(emphasis supplied)

9. In the present case as well, the driving licence of the driver of the motorbike had expired as on the date of the accident. However, the same was renewed subsequently. Thus, it cannot be stated that there was a fundamental breach of the policy. Thus, we are of the opinion that the Tribunal erred in holding that the insurance company shall pay and subsequently recover the



award amount from the owner of the offending motorbike. However, it is noticed that the instant appeal has been filed by the insurance company and not by the owner of the offending motorbike. In such circumstances, it may not be appropriate for this Court to interfere with the findings of the Tribunal, as doing so would render the appellant/insurance company in a worse position than they were at the time of filing the appeal and also because the owner of the offending motorbike has neither filed an appeal nor raised any contention about the same during the course of hearing, and thus accepted the findings of the Tribunal.

10. As per the other contentions raised by learned counsel for the appellant/insurance company that the Tribunal has awarded exorbitant compensation in all the heads cannot be accepted for the reason that on careful examination of the impugned judgment and award, the Tribunal upon consideration of the law laid down by the Hon'ble Apex Court and this Court, awarded the



compensation in all the heads i.e., loss of dependency, consortium and loss of estate by considering the age and avocation of the deceased. In such circumstances, the same need not be interfered with.

11. For the reasons recorded above, appeal stands dismissed.

Sd/-
(S.G.PANDIT)
JUDGE

Sd/-
(RAJESH RAI K)
JUDGE

NC
List No.: 1 Sl No.: 40