



CNR: KAHC010320402020

NC: 2026:KHC:54408
MFA No. 4611 of 2020

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 30TH DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE S RACHAIAH

MISCELLANEOUS FIRST APPEAL NO. 4611 OF 2020

(MV-DM)

BETWEEN:

1. M/S. UNITED INDIA
INSURANCE CO. LTD.,
REGIONAL OFFICE,
OD SERVICE HUB,
5TH FLOOR, KRISHI BHAVAN,
HUDSON CORCLE,
BAGNALROE – 560 001.
REP. BY ITS MANAGER.
POLICY NO.240402/31/11/02/00002467

...APPELLANT

(BY SRI. MOHAN KUMAR T., ADVOCATE)

AND:

1. DIVISIONAL CONTROLLER,
KARNATAKA STATE ROAD
TRANSPORT CORPORATION,
BENGALURU CENTRAL DIVSIION,
K. H. ROAD, SHANTHINAGAR,
BENGALURU – 560 027.

Digitally
signed by
SUSHMA
LAKSHMI
B S
Location:
High Court
of
Karnataka



NC: 2026:KHC:54408
MFA No. 4611 of 2020

CNR: KAHC010320402020

2. SRI. KANAPPA,
S/O LOKANATHA MUDALIYAR,
AGED MAJOR,
GOVERNMENT HOSPITAL ROAD,
OLD TOWN, BHADRAVATHI,
SHIMOGA DISTRICT – 577 301.
OWNER OF (HCV) LORRY BEARING
REGN. NO.KA-14-9333.

...RESPONDENTS

(BY SRI. V. Y. BHANUPRAKASH., ADVOCATE FOR R1;
R2 IS SERVED)

THIS MFA IS FILED U/S 173(1) OF MV ACT AGAINST THE
JUDGMENT AND AWARD DATED 28.01.2020, PASSED IN
MVC.NO.652/2014, ON THE FILE OF THE X ADDITIONAL
JUDGE, COURT OF SMALL CAUSES AND M.A.C.T. AT
BENGALURU (SCCH-16), PARTLY ALLOWING THE CLAIM
PETITION FOR COMPENSATION AND SEEKING ENHANCEMENT
OF COMPENSATION.

THIS APPEAL HAVING BEEN HEARD AND RESERVED ON
24.09.2026, COMING ON FOR PRONOUNCEMENT OF
JUDGMENT, THIS DAY, THE COURT MADE THE FOLLOWING:-

CORAM: HON'BLE MR. JUSTICE S RACHAIAH



CNR: KAHC010320402020

NC: 2026:KHC:54408
MFA No. 4611 of 2020

CAV JUDGMENT

1. This appeal is filed by the Insurance Company being aggrieved by the judgment and award dated 28.01.2020 passed in MVC No.652/2014 on the file of the Court of Small Causes and MACT, Bangalore (SCH-16).

Factual matrix of the case:

2. On 14.03.2012, KSRTC bus bearing KA-40-F-434 was coming to Bangalore from Shivamogga near Karehalli Village. The driver of the Heavy Goods Vehicle bearing registration No.KA-14-9333 lost his control and hit the KSRTC Bust from the opposite direction while attempting to overtake the parked lorry. Due to the said impact the KSRTC bus was badly damaged. Subsequently, the driver of the KSRTC bus lodged a complaint against the driver of the offending vehicle. After registering the case, the bus was kept idle in the Police Station premises for the purpose of investigation. Thereafter, the bus was taken to the workshop to carry out the repairs of the damages. Therefore, a claim petition was filed by the Divisional Controller both on repair charges and also loss of



CNR: KAHC010320402020

revenue for 25 days. The Tribunal awarded Rs.4,14,500/- along with the interest at the rate of 9% per annum from the date of petition, till its realization.

3. Heard learned counsel for the respective parties.

4. Learned counsel for the appellant submits that the award of compensation towards loss of revenue by considering Rs.12,000/- per day for 27 days is without any valid reason and also the evidence. In fact, the evidence of the witnesses would indicate that alternative vehicle was plying in the said route and loss has not been evidenced. Therefore, award passed by the Tribunal towards loss of revenue for 27 days has to be modified. Making such submissions learned counsel for the appellant prays to pass suitable order.

5. *Per Contra*, learned counsel for the respondent submits that the Tribunal has justified in passing the award on appreciating both oral and documentary evidence on record. Therefore, it is not necessary to interfere with the said findings. As such, he prays to dismiss the appeal.



CNR: KAHC010320402020

6. Having heard learned counsel for the respective parties and also on perusal of the findings of the Trial Court, the learned counsel for the appellant has drawn my attention to the judgment of the Co-ordinate Bench of this Court passed in MFA.No.22143/2009, dated 10.01.2014, wherein the Co-ordinate Bench referred Section 72(2) of Motor Vehicles Act which reads as under:

(2) The Regional Transport Authority, if it decides to grant a stage carriage permit, may grant the permit for a stage carriage of a specified description and may, subject to any rules that may be made under this Act, attach to the permit any one or more of the following conditions, namely:—

(i) that the vehicles shall be used only in a specified area, or on a specified route or routes;

(ii) that the operation of the stage carriage shall be commenced with effect from a specified date;

(iii) the minimum and maximum number of daily trips to be provided in relation to any route or area generally or on specified days and occasions;

(iv) that copies of the time-table of the stage carriage approved by the Regional Transport Authority shall be exhibited on the vehicles and at specified stands and halts on the route or within the area;

(v) that the stage carriage shall be operated within such margins of deviation from the approved time-table as the Regional Transport Authority may from time to time specify;

(vi) that within municipal limits and such other areas and places as may be prescribed, passengers or goods shall not be taken up or set down except at specified points.



CNR: KAHC010320402020

NC: 2026:KHC:54408
MFA No. 4611 of 2020

(vii) the maximum number of passengers and the maximum weight of luggage that may be carried on the stage carriage, either generally or on specified occasions or at specified times and seasons;

(viii) the weight and nature of passengers, luggage that shall be carried free of charge, the total weight of luggage that may be carried in relation to each passenger, and the arrangements that shall be made for the carriage of luggage without causing inconvenience to passengers;

(ix) the rate of charge that may be levied for passengers' luggage in excess of the free allowance;

(x) that vehicles of a specified type fitted with body conforming to approved specifications shall be used:

Provided that the attachment of this condition to a permit shall not prevent the continued use, for a period of two years from the date of publication of the approved specifications, of any vehicle operating on that date.

(xi) that specified standards of comfort and cleanliness shall be maintained in the vehicles;

(xii) the conditions subject to which goods may be carried in the stage carriage in addition to or to

the exclusion of passengers;

(xiii) that fares shall be charged in accordance with the approved fare table;

(xiv) that a copy of, or extract from, the fare table approved by the Regional Transport Authority and particulars of any special fares or rates of fares so approved for particular occasions shall be exhibited on the stage carriage and at specified stands and halts;

(xv) that tickets bearing specified particulars shall be issued to passengers and shall show the fares actually charged and that records of tickets issued shall be kept in a specified manner;

(xvi) that mails shall be carried on the vehicle subject to such conditions (including conditions as to the time in which mails



CNR: KAHC010320402020

are to be carried and the charges which may be levied) as may be specified;

(xvii) the vehicles to be kept as reserve by the holder of the permit to maintain the operation and to provide for special occasions;

(xviii) the conditions subject to which vehicle may be used as a contract carriage;

(xix) that specified arrangements shall be made for the housing, maintenance and repair of vehicle;

(xx) that any specified bus station or shelter maintained by Government or a local authority shall be used and that any specified rent or fee shall be paid for such use;

(xxi) that the conditions of the permit shall not be departed from, save with the approval of the Regional Transport Authority;

(xxii) that the Regional Transport Authority may, after giving notice of not less than one month,—

(a) vary the conditions of the permit;

(b) attach to the permit further conditions:

Provided that the conditions specified in pursuance of clause (i) shall not be varied so as to alter the distance covered by the original route by more than 24 kilometers, and any variation within such limits shall be made only after the Regional Transport Authority is satisfied that such variation will serve the convenience of the public and that it is not expedient to grant a separate permit in respect of the original route as so varied or any part thereof;

(xxiii) that the holder of a permit shall furnish to the Regional Transport Authority such periodical returns, statistics and other information as the State Government may from time to time prescribe;

(xxiv) any other conditions which may be prescribed:



CNR: KAHC010320402020

NC: 2026:KHC:54408
MFA No. 4611 of 2020

[Provided that the Regional Transport Authority may waive any such condition for a stage carriage permit operating in a rural area, as it deems fit.]

7. In addition to that Rule 69A of the Karnataka Motor Vehicles Rules, 1989, reads as under:

*69-A, **Maintenance of reserve vehicles**-The conditions regarding maintenance of reserve vehicles specified in clause (xvii) of sub-section (2) of Section 72 of the Act, shall be incorporated in every permit granted to a person and the maximum number of reserve vehicles to be maintained with valid permits for such use shall be as specified in the table below:*

<i>No. of permits</i>	<i>Maximum number of reserve vehicles that can be maintained</i>
<i>Upto 4</i>	<i>1</i>
<i>" 5 to 10</i>	<i>2</i>
<i>" 11 to 20</i>	<i>3</i>
<i>" 21 to 30</i>	<i>4</i>
<i>" 31 to 40</i>	<i>5</i>
<i>" 41 to 50</i>	<i>6</i>
<i>"51 and above</i>	<i>Not less than 10% of the fleet strength.</i>

8. Having regard to the said provisions, it makes clear that the authority or institution has to keep the reserve vehicles to ply as per the permit rules in the said route without causing



any inconvenience to the public. Such being the fact, claiming loss of revenue to the particular vehicle logically is not tenable. However, it is an admitted fact that the vehicle which sustained damage has to be kept under idle for more than 27 days cannot be construed as the vehicle did not ply due to any mechanical defects. Therefore, I beg to defer the ratio laid down by the Co-ordinate Bench of this Court in not awarding the compensation for loss of revenue.

9. It is also necessary to take a note of the fact that the Division Bench of this Court in MFA.No.4377/2001, dated 20.07.2006 held that The Tribunal did not award compensation solely on the ground that in place of the damaged bus, some other KSRTC bus was plying on the same route was erroneous, the very fact that the bus was damaged and it was kept idle for 05 months 23 days that itself is the proof for the loss of earning from that very bus.

10. Having considered the submission of the learned counsel for the respondent and also the judgment of the Division Bench of this Court, I am of the considered opinion



NC: 2026:KHC:54408
MFA No. 4611 of 2020

CNR: KAHC010320402020

that the award passed by the Tribunal towards loss of revenue is appropriate and proper. There is no justification to interfere with the said findings.

11. Hence, I proceed to pass the following:

ORDER

This appeal stands ***dismissed***.

Sd/-
(S RACHAIAH)
JUDGE

NM/-
List No.: 1 Sl No.: 53