



CNR: KAHC010387572016

NC: 2026:KHC:43001
MFA No. 5909 of 2016

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 12TH DAY OF AUGUST, 2026

BEFORE

THE HON'BLE MRS. JUSTICE P SREE SUDHA

MISCELLANEOUS FIRST APPEAL NO. 5909 OF 2016 (MV-I)

BETWEEN:

RAGHAVENDRA ACHARYA
AGED ABOUT 39 YEARS,
S/O LATE KRISHNA ACHARYA,
R/O ANUGRAHA NILAYA,
TOWDINAKLU SHIRIYARA VILLAGE,
SAIBRKATTE POST,
UDUPI TALUK-576 201.

...APPELLANT

(BY SRI. PAVANA CHANDRA SHETTY H., ADVOCATE)

AND:

1. CHANDRASHEKAR ACHARYA
AGE: MAJOR,
S/O LATE KRISHNAYYA ACHAR,
R/O SAIBRAKATTE POST,
SHIRIYARA VILLAGE,
UDUPI TALUK AND DISTRICT-576 201.
2. THE NATIONAL INSURANCE CO. LTD.,
DIVISION OFFICE: SHANKAR BUILDING,
MOSQUE ROAD, UDUPI-576 201
REP. BY ITS BRANCH MANAGER.
3. MANJUNATH NAIK
AGE: MAJOR,
MOODUBETTU HOUSE,
CHANTHAR VILLAGE AND POST,
BRHMAVAR, UDUPI TALUK-576 201.

...RESPONDENTS

Digitally signed
by
PADMA SHREE
SHEKHAR
DESAI

Location: High
Court of
Karnataka



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(BY SMT. GEETHA RAJ., ADVOCATE FOR R2,
V/O DTD:21.11.2017 NOTICE TO R1 AND R3 IS D/W)

THIS MFA IS FILED U/S 173(1) OF MV ACT AGAINST THE JUDGMENT AND AWARD DATED: 18.1.2016 PASSED IN MVC NO.1196/2005 ON THE FILE OF THE ADDITIONAL DISTRICT & SESSIONS JUDGE, UDUPI, (SITTING AT KUNDAPURA), KUNDAPURA, PARTLY ALLOWING THE CLAIM PETITION FOR COMPENSATION AND SEEKING ENHANCEMENT OF COMPENSATION.

THIS APPEAL HAVING BEEN HEARD AND RESERVED ON 04.08.2026 COMING ON FOR PRONOUNCEMENT OF JUDGMENT THIS DAY, **P SREE SUDHA J.**, DELIVERED THE FOLLOWING:
CORAM: HON'BLE MRS. JUSTICE P SREE SUDHA

CAV JUDGMENT

This appeal is filed against the judgment and award dated 18.01.2016 passed by the Additional District & Sessions Judge and Addl. M.A.C.T., Udupi (Sitting at Kundapura) Kundapura in MVC No.1196 of 2005.

2. Injured claimant met with an accident on 12.11.2005 and filed claim petition claiming compensation of Rs.5,00,000/-. The Tribunal considering the entire evidence on record, granted an amount of Rs.1,59,000/- with interest @ 11% p.a. from the date of petition till realisation.



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3. Being aggrieved by the same, the claimant has filed this appeal mainly contending that he was admitted to the hospital as in patient for 11 days from 12.11.2005 to 23.11.2005 and also has an outpatient for more than 7 times, but the Tribunal granted meagre amounts. He was working as a Mason and earning Rs.6,000/- per month. But the Tribunal has erroneously taken his income as Rs.4,000/- per month and therefore, requested for enhancement of the compensation.

4. Heard the arguments of learned counsel for both sides.

5. It is stated that petitioner was a pillion rider along with rider/his brother. They met with an accident due to the negligence of the rider of the vehicle. Insurance company in their written statement at the earliest point of time stated that first respondent and petitioner are brothers and they are owners of the vehicle and he is not a third party and there is no contract between him and the insurer regarding the coverage to the vehicle. Moreover, the policy issued is liability only policy and does not cover the pillion rider or inmates of the vehicle.



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They have given personal accident coverage to two unnamed passengers by collecting Rs.70/- from the injured and it covers the risk of Rs.50,000/- per person. The Tribunal held that the defence taken by the insurance company is not sustainable and it was taken for name sake though the claim petition is filed about 10 years back. Respondent No.2 admitted the insurance policy as such and held that respondent Nos.1 and 2 are jointly and severally liable to pay the compensation and directed the insurance company to deposit the amount.

6. MFA No.2404 of 2016 is filed by the Insurance Company against the same award was already disposed on 26.02.2018 and it was contended by Insurance Company, that insurance company is arrayed as second respondent. They filed written statement stating that claim petition is not maintainable as the policy issued in favour of motorcycle was liability only policy and does not cover the risk of the pillion rider or inmates of the vehicle. Claimant is brother of the injured and he would step into the shoes of injured who is not a third party, whose risk is not covered by the policy. As such, they are not liable to pay the compensation. It is contended that first respondent



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before the Tribunal, in spite of notice, did not appear and was set ex-parte. Third respondent is RC owner. He was impleaded during the course of trial. But he has not filed any written statement and not contested the claim petition. The Tribunal failed to appreciate that the policy issued under Exhibit R3 is only liability policy and not extended to the pillion rider unless requisite amount of premium is paid covering his or her risk. The legal obligation arising under Section 147 of the MV Act cannot be extended to an injured or death of the owner of a vehicle or pillion rider, and pillion rider is not to be treated as a third party. Accident occurred due to negligence of driver of the scooter and not due to negligence of the driver of another vehicle. Insurance company can pay an amount under PA coverage to the unnamed two passengers for an accident of Rs.50,000/- per person. Premium collected under PA coverage would cover the risk of person other than owner and same is subject to the endorsement in the policy as per IMT.16. But, it was ignored by the Tribunal. Policy indemnifies injury against third party, body injury, death and property damage. Therefore, requested to set aside the order.



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7. In the said judgment, it was observed that, petitioner paid additional premium of Rs. 70/- on the said policy. As such, they will cover only the risk to an extent of Rs. 50,000/- per person. Therefore, the liability of insurance company is limited to an extent of Rs. 50,000/- and the balance amount is to be paid by owner of the vehicle., i.e. respondent No.1 who is the owner of the vehicle. But he sold the vehicle to respondent No.3. It was observed that the contract of insurance will run with the vehicle the moment premium is collected by the company. As such, the new purchaser respondent No.3 is not stranger to the contract of insurance. But held only respondent Nos.1 and 2 are jointly and severally liable to pay the compensation. It is not stated anywhere in whose name the vehicle was registered. Therefore, respondent No.1 and respondent No.3 who are the previous and subsequent owners of the vehicle are directed to pay the compensation amount of Rs. 1,34,000 with interest at the rate at 9% per annum from the date of the petition till realisation. With this observation, the appeal was disposed.



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8. In the present case, though it is stated that petitioner was aged 28 years doing self employment earning Rs.6,000/- per month, he has not filed any income proof. As he met with an accident in the year 2005, his notional income is to be taken as 3,500/- per month. As he was aged 28 years, the relevant multiplier is 17.

Petitioner sustained the following injuries:

- "1. Right leg was deformed. There is painful abnormal mobility at distal 1/3 of leg
2. There was bone deep abrasion 6 X 2 c.m. over the medial malleolus
3. There was superficial abrasion 6 X 2 c.m. over the right knee
4. There was superficial abrasion 2 X 1 c.m. over right hand
5. There was superficial abrasion 2 X 1 c.m. over left hand"

9. Out of the said injuries, first injury is grievous in nature. The other injuries are simple in nature. He was admitted in the hospital for a period of 11 days as an inpatient. The petitioner has not examined the doctor. Considering the nature of injuries, the period of hospitalised and the other relevant factors, this court finds that it is just and reasonable to grant an amount of Rs.50,000/- for pain and suffering,



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Rs.30,000/- for loss of amenities, and Rs.30,000/- for transportation, extra nourishment and attendant charges. Petitioner might not have done any other work at least for a period of 4 months. Therefore, Rs.14,000/- (3,500 x4) is granted towards loss of income during laid up period. The petitioner also spent an amount of Rs.35,000/- towards medical expenses and the Tribunal already granted said amount and it is confirmed. Thus, total compensation comes to Rs.1,59,000/-. The Tribunal has already granted said amount, though there was variation of amounts granted under each head. Therefore, this Court finds no reason to interfere with the said order.

10. In the result, MFA No.5909 of 2016 is dismissed confirming the award of the Tribunal. The Claimant is entitled for the total compensation of Rs.1,59,000/-with interest at 6% per annum from the date of petition till realisation.

Insurance company is directed to deposit the amount of Rs.50,000/- since their liability is only limited to 50,000/-. If at all insurance company has deposited excess amount, they are entitled for the refund of balance amount.



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The owner of the vehicles, i.e. respondent Nos.1 and 3 are directed to pay the balance amount with interest at 6% p.a., equally within four weeks from today.

On such deposit, the petitioner is permitted to withdraw the entire amount along with interest accrued on it.

Sd/-
(P SREE SUDHA)
JUDGE

CS
CT:NR
List No.: 1 Sl No.: 74