



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

R

DATED THIS THE 10TH DAY OF MARCH, 2026

PRESENT

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

AND

THE HON'BLE MR. JUSTICE K. V. ARAVIND

MISCELLANEOUS FIRST APPEAL No. 1479 OF 2025 (MV-D)

C/W

MISCELLANEOUS FIRST APPEAL No. 4534 OF 2025 (MV-D)

MFA CROSS OBJECTION No. 79 OF 2025 (MV-D)

IN MFA No. 1479/2025

BETWEEN:

1. SRI SUNIL KUMAR V.,
S/O VIJAY RAJ,
AGED ABOUT 40 YEARS,
SUWIL BANKERS,
OLD AIRPORT ROAD,
MARATHALLI,
BENGALURU -560 037.

ALSO AT 6TH CROSS,
TULASI THEATER ROAD,
MARTHALLI, BENGALURU -560 037.

...APPELLANT

(BY SMT. S. NAGANANDINI, ADVOCATE)

AND:

1. G. BHUVANESHWARI,
W/O. LATE Y.HANUMANTHA





@ HANUMANTHU. Y.,
AGED ABOUT 42 YEARS

2. KUMARI SIRI H.,
D/O. LATE Y.HANUMANTHA
@ HANUMANTHU. Y.,
AGED ABOUT 13 YEARS,
3. KUM. DIVYASHREE
D/O. LATE Y.HANUMANTHA
@ HANUMANTHU. Y.,
AGED ABOUT 9 YEARS,

SINCE RESPONDENT No.2 AND 3 ARE
MINORS REPRESENTED BY THEIR
NATURAL GUARDIAN THE MOTHER
RESPONDENT No.1.

4. SMT. MANGAMMA
W/O LATE YELLAPPA
AGED ABOUT 74 YEARS,

RESPONDENT No.1 TO 4 WERE
RESIDING AT AVATHI VILLAGE,
DEVANAHALLI TALUK,
BENGALURU RURAL DISTRICT -562164.

5. MR. SHABREZ,
S/O LATE SHAIK SHABEER,
MAJOR,
No.568, 5TH CROSS,
1ST MAIN, ISLAMPUR,
BENGALURU-560017.

...RESPONDENTS

(BY SRI. G.N. SUBRAMANI, ADVOCATE FOR R1 TO R4;
(R2 & R3 ARE MINORS REPRESENTED BY R1);
SRI K.V. GIRISH, ADVOCATE FOR R5)



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MFA No. 1479 of 2025
C/W MFA No. 4534 of 2025
MFA.CROB No. 79 of 2025**

THIS MFA IS FILED UNDER SECTION 173(1) OF MV ACT, AGAINST THE JUDGMENT AND AWARD DATED 31.12.2024 PASSED IN MVC No.4214/2020 ON THE FILE OF THE CHIEF JUDGE, COURT OF SMALL CAUSES, MEMBER, PRL. MACT, BENGALURU, AWARDED COMPENSATION OF RS.33,07,940/- WITH CURRENT AND FUTURE INTEREST AT 6 PERCENT P.A. FROM THE DATE OF PETITION TILL REALIZATION.

IN MFA No. 4534/2025

BETWEEN:

1. SMT. G. BHUVANESHWARI,
W/O. LATE Y.HANUMANATHA
@ HANUMANTHU. Y.,
AGED ABOUT 43 YEARS
2. KUM. SIRI H.,
D/O. LATE Y.HANUMANATHA
@ HANUMANTHU. Y.,
AGED ABOUT 14 YEARS,
3. KUM. DIVYASHREE
D/O. LATE Y.HANUMANATHA
@ HANUMANTHU. Y.,
AGED ABOUT 10 YEARS,

SINCE 2ND AND 3RD APPELLANTS ARE MINOR, REPRESENTED BY THEIR NATURAL GUARDIAN AND MOTHER 1ST APPELLANT.

4. SMT. MANGAMMA
W/O LATE YELLAPPA
AGED ABOUT 75 YEARS,



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ALL ARE RESIDING AT
AVATHI VILLAGE,
DEVANAHALLI TALUK,
BENGALURU RURAL DISTRICT -562164.

...APPELLANTS

(BY SRI SUBRAMANI G. N., ADVOCATE)

AND:

1. SRI SUNIL KUMAR V.,
S/O VIJAY RAJ SUWIL BANKERS,
AGED ABOUT 40 YEARS,
OLD AIRPORT ROAD,
MARATHALLI,
BENGALURU -560 037.
ALSO AT 6TH CROSS,
TULASI THEATER ROAD,
MARATHALLI, BENGALURU -560 037.
2. MR. SHABREZ,
S/O LATE SHAIK SHABEER,
MAJOR,
No.568, 5TH CROSS,
1ST MAIN, ISLAMPUR,
BENGALURU-560017.

...RESPONDENTS

(BY SMT. S. NAGANANDINI, ADVOCATE FOR R1)

THIS MFA IS FILED UNDER SECTION 173(1) OF MV ACT AGAINST THE JUDGMENT AND AWARD DATED 31.12.2024 PASSED IN MVC No.4214/2020 ON THE FILE OF THE CHIEF JUDGE, COURT OF SMALL CAUSES, MEMBER, PRINCIPAL MOTOR ACCIDENT CLAIMS TRIBUNAL, BENGALURU, PARTLY ALLOWING THE CLAIM PETITION FOR COMPENSATION AND SEEKING ENHANCEMENT OF COMPENSATION.



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IN MFA CROB. No. 79/2025

BETWEEN:

1. SHABREZ,
S/O LATE SHAIK SHABEER,
AGED ABOUT 41 YEARS,
No.568, 5TH CROSS,
1ST MAIN, ISLAMPUR,
BENGALURU-560017.

...CROSS OBJECTOR

(BY SRI B.C. SHIVANNE GOWDA, ADVOCATE)

AND:

1. G. BHUVANESHWARI,
W/O. LATE Y.HANUMANTHA
@ HANUMANTHU. Y.,
AGED ABOUT 42 YEARS
2. KUMARI SIRI H.,
D/O. LATE Y.HANUMANTHA
@ HANUMANTHU. Y.,
AGED ABOUT 13 YEARS,
3. KUM. DIVYASHREE
D/O. LATE Y.HANUMANTHA
@ HANUMANTHU. Y.,
AGED ABOUT 9 YEARS,

SINCE RESPONDENT No.2 AND 3 ARE
MINORS REPRESENTED BY THEIR
NATURAL GUARDIAN THE MOTHER
RESPONDENT No.1.

4. SMT. MANGAMMA
W/O LATE YELLAPPA
AGED ABOUT 74 YEARS,

RESPONDENT No.1 TO 4 WERE
RESIDING AT AVATHI VILLAGE,



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DEVANAHALLI TALUK,
BENGALURU RURAL DISTRICT -562164.

5. SUNIL KUMAR V.,
S/O VIJAY RAVI,
AGED MAJOR,
SUWIL BANKERS,
OLD AIRPORT ROAD,
MARATHALLI,
BENGALURU -560 037.

ALSO AT 6TH CROSS,
TULASI THEATER ROAD,
MARTHALLI,
BENGALURU -560 037.

...RESPONDENTS

(BY SRI. G.N. SUBRAMANI, ADVOCATE FOR R1 TO R4;
(SMT. S. NANANDINI, ADVOCATE FOR R5;

THIS MFA CROB. IS FILED UNDER ORDER 41 RULE 22 R/W
SECTION 173(1) OF MV ACT, AGAINST THE JUDGMENT AND
AWARD DATED 31.12.2024 PASSED IN MVC No.4214/2020 ON
THE FILE OF THE CHIEF JUDGE, COURT OF SMALL CAUSES,
MEMBER, PRL. MACT, BENGALURU, AWARDING COMPENSATION
OF Rs.33,07,940/- WITH CURRENT AND FUTURE INTEREST AT 6
PERCENT P.A. TO PETITIONERS TOWARDS COMPENSATION.

THESE APPEALS COMING ON FOR ORDERS THIS DAY,
JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S.G.PANDIT
and
HON'BLE MR. JUSTICE K. V. ARAVIND



ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE K.V. ARAVIND)

Heard Smt. S. Naganandini, learned counsel for RC owner of the offending vehicle, Sri. G. N. Subramani, learned counsel for claimants and Sri. K.V. Girish, learned counsel for custodian of the offending vehicle.

2. Both the appeals and the cross-objection question the judgment and award dated 31.12.2024 passed in MVC No.4214/2020 by the Chief Judge, Court of Small Causes and Member, Pri.Motor Accident Claims Tribunal, Bengaluru (for short, 'the Tribunal').

3. MFA No.1479/2025 is filed by the owner of the vehicle denying liability. MFA No.4534/2025 is filed by the claimants seeking enhancement and the cross-objection is filed by the custodian of the vehicle.

4. The parties are referred to as per their ranks before the Tribunal.

5. The claimants are the wife, children and mother of Y. Hanumantha @ Hanumanthu, who died due to grievous injuries



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suffered in the accident caused by the rider of the motorcycle bearing No.KA-53-E-9431 (offending vehicle) on 18.06.2020 at 10.15 p.m. It is pleaded that the deceased was earning Rs.50,000/- p.m. by owning and driving a JCB. In addition, the deceased was earning Rs.15,000/- p.m. working as a vendor in a wine shop. It is pleaded that the deceased was aged 44 years.

5.1 The cause of the accident is attributed to the negligence of the rider of the offending vehicle and the death is stated to be due to the grievous injuries suffered in the accident. Respondent No.1 is the RC owner and respondent No.2 is pleaded to be the custodian of the offending vehicle. Initially, the complaint was filed against respondent No.1. After service of notice, respondent No.1 filed a written statement denying the mode of accident, age, occupation and income of the deceased. Respondent No.1 asserted that he had sold the offending vehicle to respondent No.2 on 05.11.2011 and had handed over the physical possession of the same.

5.2 In view of the specific stand of respondent No.1, the claimants impleaded respondent No.2. Respondent No.2 filed a written statement denying his ownership over the offending



vehicle and also denied the mode of accident, age, occupation and income of the deceased.

5.3 Claimant No.1 examined herself as PW.1 and marked Exs.P1 to P19. Respondent No.1 examined himself as RW.1 and marked Exs.R1 to R4.

5.4 The Tribunal held that the accident occurred due to the negligence of the rider of the offending vehicle. The Tribunal further held that, as on the date of the accident, respondent No.1 was the RC owner and respondent No.2 was the custodian of the offending vehicle. The Tribunal held that respondent Nos.1 and 2 are liable to pay compensation.

5.5 The Tribunal, considering the average income as declared for the assessment years 2016–2017 to 2018–2019, assessed the annual income at Rs.2,90,947/- after tax. The Tribunal considered the age of the deceased as 45 years and deducted 1/4th towards living and personal expenses, apart from awarding compensation under the conventional heads.

6. Smt. S. Naganandini, learned counsel appearing for the RC owner submits that the vehicle was sold prior to the accident. It is



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submitted that the delivery note is marked as Ex.R4. In view of the delivery note evidencing sale of the vehicle in favour of respondent No.2, respondent No.2 is liable to pay the compensation. It is submitted that when sale of the vehicle in favour of respondent No.2 is established, the Tribunal committed an error in imposing liability on the RC owner. It is submitted that the entire liability is to be fastened on respondent No.2.

6.1 Learned counsel further submits that the Tribunal, while considering the returns of income for three assessment years, ought to have considered the lowest income of the three assessment years for the purpose of assessment of compensation. Learned counsel submits that the compensation awarded by the Tribunal is on the higher side.

7. Sri G. N. Subramani, learned counsel appearing for the claimants submits that the Tribunal is justified in fastening the liability on respondent No.1 as well as respondent No.2. Learned counsel submits that the Tribunal committed an error in considering the average of the income declared in the three returns of income. It is submitted that the highest of the three returns is to be considered. Learned counsel further submits that



the Tribunal committed an error in not adding compensation towards future prospects to the assessed income. Learned counsel further submits that the Tribunal committed an error in not adding increments of 10% to the compensation awarded under the conventional heads.

8. Sri K. V. Girish, learned counsel appearing for respondent No.2 before the Tribunal submits that the Tribunal committed an error in accepting Ex.R4 to fasten joint liability on respondent No.2. It is submitted that respondent No.2 has disputed Ex.R4 and the same is not proved by respondent No.1. It is submitted that, in the absence of proof of the said document, the liability cannot be fastened on respondent No.2.

8.1 Apart from the above submission, learned counsel submits that the compensation awarded by the Tribunal and the finding that the accident occurred due to the negligence of the rider of the offending vehicle are not justifiable.

9. We have considered the submissions made by learned counsel for the parties and perused the records.



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10. Firstly, we deal with the contention of respondent No.1 that, in view of Ex.R4, he is not liable to pay compensation. Respondent No.1 has not disputed the ownership of the offending vehicle. The registration certificate of the offending vehicle stands in the name of respondent No.1. However, it is contended that the said vehicle was sold in favour of respondent No.2 on 05.11.2011.

10.1 In support of the said submission, reliance is placed on Ex.R4. Respondent No.2 has filed a written statement denying the execution of Ex.R4 and purchase of the offending vehicle. In view of the dispute over the execution of Ex.R4, the sale of the vehicle is required to be proved by other corroborative evidence apart from Ex.R4 and the oral evidence of RW.1. No other evidence is placed on record.

10.2 The Hon'ble Supreme Court in ***Brij Bihari Gupta vs. Manmeet and others (2025 SCC Online SC 1650)*** held that unless the subsequent transfer of ownership of the vehicle is effected and the same is reflected in the registration certificate, the liability remains on the owner as found in the registration certificate.



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10.3 In the present case, as on the date of the accident, the vehicle stands in the name of respondent No.1 as per the registration certificate. The finding of the Tribunal imposing joint responsibility on respondent No.2 is contrary to the above judgment and is unsustainable. Accordingly, we hold that respondent No.1 is liable to pay compensation.

10.4 In the light of the above finding, the contention raised by the cross-objector stands answered.

11. Now we deal with the issue of quantum.

11.1 The claimants–petitioners produced income tax returns for the assessment years 2016–17 to 2018–19 of the deceased in support of the income. The Tribunal considered the aggregate income of the three years for computing the compensation. The income details for each of the assessment years are as under:

Assessment Year	Income	Tax	Total Income After Deducting Income Tax
2016-2017	2,65,760/-	NIL	Rs.2,65,760/-
2017-2018	2,81,760/-	NIL	Rs.2,81,760/-
2018-2019	3,45,443/-	2120	Rs.3,43,373/- (<i>sic</i>)
	TOTAL		Rs.8,90,843/-
	Average Annual Income		Rs.2,90,947/-



11.2 On comparison of the income for each of the three years, there is a gradual increase. Moreover, the return for the last year, that is, the assessment year 2018–19, was filed on 29.08.2018, much before the accident. The income at the time of the accident is to be considered for computing compensation. The return of income for the assessment year 2018–19 is the nearest proof of income and commands acceptance.

11.3 There is no dispute on the proposition that the income tax return is the best proof of income. The income disclosed in the return can form the best foundation for assessment of compensation. When a gradual increase is found in each of the returns from year to year, there is no difficulty in accepting the income in the last of the returns, which is nearest to the date of the accident.

11.4 However, when there is a decrease in the income from year to year, taking the income in the last of the returns may not be appropriate. The decrease in income in the last of the returns may be a result of various factors. Those factors cannot be gone into by the Tribunal. The Motor Vehicle Act is a beneficial legislation. In such a situation, the average of the three years



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would be appropriate. This position is held by the Hon'ble Supreme Court in ***Beena Jain and others vs. P. Antom and others*** in ***SLP(C) No.29469/2019*** dated ***19.02.2025*** where it has taken the average of the income of the preceding three years from the date of the accident to calculate compensation.

11.5 Here, we intend to indicate the exercise of caution while accepting the last of the returns on the ground that it reflects the highest income. The last of the returns showing the highest income can be the basis, subject to there being a gradual increase and such return having been filed before the date of the accident. We emphasize that consistent income is the basis for computation of compensation. When there is a sudden increase beyond what may be considered a gradual increase, it is normally treated as a windfall. Such windfall may occur for various reasons; in such circumstances, the Tribunal has to carefully examine possible reasons for such sudden increase in income.

11.6 When the returns filed before the Tribunal reflect a gradual increase, the last of the returns showing the highest income would be the most appropriate method to be accepted for assessing just compensation. We say so, as the income is to be



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computed based on the income of the deceased as on the date of the accident. The above view is held by the Hon'ble Supreme Court in in ***Anoop Maheshwari vs. Oriental Insurance Company Ltd. and others in CA Nos.12098–12099/2024 dated 04.09.2025.***

11.7 The Tribunal committed an error in taking the average income of the three years. The accident is dated 18.06.2020 and the nearest return for the assessment year 2018–19 was filed on 29.08.2018 declaring an income of Rs.3,45,443/-. After deduction of tax, it is Rs.3,43,323/- (wrongly taken as Rs.3,43,373/-). We find that Rs.3,43,323/- would be appropriate to be taken as the basis for computing the compensation.

12. Learned counsel for the parties made submissions on the correctness of the age of the deceased. The claimants contend that the age is 44 years and the respondents contend that it is 45 years. As the age in dispute does not alter the multiplier or the future prospects, we are not inclined to engage in deciding the said dispute, the same being insignificant.



12.1 In view of the judgment in ***National Insurance Company Limited vs. Pranay Sethi***, reported in **(2017) 16 SCC 680**, the assessed income is to be further added with future prospects. In view of ***Pranay Sethi (supra)***, if the deceased is aged between 40-50 years and not in permanent employment, 25% is to be added towards future prospects. We hold that 25% is to be added as future prospects to the assessed annual income.

12.2 The deduction of 1/4th towards personal and living expenses is in order. The applicable multiplier '14' is justified. Therefore, the compensation under the head of loss of dependency is re-assessed asunder;

$$\begin{aligned} & \text{Rs.}3,43,323/- + (25\% \text{ of } 3,43,323) = \text{Rs.}4,29,153.75/- \\ & \text{Rs.}4,29,153.75 - (1/4^{\text{th}} \text{ of } 4,29,153.75) = \text{Rs.}3,21,865.3/- \\ & \text{Rs.}3,21,865.3 \times 14 = \mathbf{\text{Rs.}45,06,100/-} \end{aligned}$$

12.3 We hold that, in view of the judgment in ***Pranay Sethi (supra)***, the compensation awarded towards loss of estate, funeral expenses and loss of consortium is to be increased by 10% every three years. The accident is on 18.06.2020 and the award is on 31.12.2024, undoubtedly after three years.



Therefore, 10% is to be added to the compensation under the above heads.

12.4 The total compensation is re-assessed as under:

Sl. No.	Particulars	Compensation by Tribunal in Rs.	Compensation by this court in Rs.
1.	Loss of dependency	31,17,940/-	45,06,100/-
2.	Loss of estate, and	15,000/-	16,500/- (15,000 + 1,500)
3.	Funeral expenses	15,000/-	16,500/- (15,000 + 1,500)
4.	Loss of consortium	1,60,000/-	1,76,000/- (1,60,000 + 16,000)
	TOTAL	33,07,940/-	47,15,100/-
	Enhanced Compensation in Rs.		14,07,160/-

The petitioners/claimants are entitled to additional compensation of Rs.14,07,160/-.

13. In the light of the above, the following:

ORDER

- (i) MFA No.1479/2025 filed by the owner is dismissed, MFA No.4534/2025 filed by the claimants is allowed-in-part and MFA Crob. 79/2025 is allowed-in-part.
- (ii) The compensation awarded by the Tribunal of Rs.33,07,940/- is modified to Rs.47,15,100/-



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- (iii) Respondent No.1-Sri.Sunil Kumar V., is liable to pay the entire compensation.
- (iv) The apportionment, interest and the deposit as ordered by the Tribunal is maintained.
- (v) The compensation shall be deposited within six weeks from the date of this order.
- (vi) Modified decree to be drawn accordingly.
- (vii) The amount-in-deposit, if any, shall be transmitted to the Tribunal.

**Sd/-
(S.G.PANDIT)
JUDGE**

**Sd/-
(K. V. ARAVIND)
JUDGE**