

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

THE HON'BLE SRI JUSTICE C.V.BHASKAR REDDY

M.A.C.M.A.No.539 of 2019

DATE: 03.02.2026

Between:

M/s. United India Insurance Co. Ltd.,
Represented by its RM, TP Hub,
Office of 2nd Floor, Tilak Road,
Abids, Hyderabad, 500001.

.....Appellant

AND

Mamilla Jangamma and eight others

....Respondents

JUDGMENT

The appellant-insurance company has filed this appeal, under Section 173 of the Motor Vehicles Act, 1988, challenging the judgment and decree dated 27.03.2018 passed by the Chairman, Motor Accidents Claims Tribunal-cum-XII Additional Chief Judge, City Civil Court, Secunderabad (hereinafter referred to as “the Tribunal”) in O.P.No.314 of 2015, whereby compensation of Rs.10,40,405/- with interest at 9% per annum was awarded to the claimants i.e., respondent Nos.1 to 6 herein, for the death of Ilaiah @ Ilaiah Yadav (hereinafter referred to as “the deceased”) in a road accident.

2. The brief facts of the case are that on 23.03.2015 at about 7.00 p.m., when the deceased was proceeding on his motorcycle bearing No.AP 29CC 8169 from Nagaram Village towards Ghatkesar, the driver of a DCM vehicle bearing No.AP 37Y 8787, drove the vehicle in a rash and negligent manner, lost control and dashed against the motorcycle. As a result, the deceased sustained grievous injuries and was initially shifted to Raghavendra Hospital, ECIL, Hyderabad and later to Yashoda Hospital, Secunderabad, where he succumbed to the injuries on 24.03.2015 while undergoing treatment. A criminal case was registered in Crime No.81 of 2015 under Section 304-A IPC against the driver of the offending DCM vehicle. Stating that the deceased was aged about 40 years and was engaged in agriculture and hotel business earning Rs.10,000./- per month and that they were entirely dependent on the income of the deceased for their livelihood, the claimants-respondent Nos.1 to 6 herein, being the wife, minor children and parents of the deceased, filed the aforesaid claim petition before the Tribunal claiming compensation of Rs.14,00,000/- for the death of the deceased.

3. The Tribunal, upon appreciation of oral and documentary evidence, held that the accident occurred due to the rash and negligent driving of the DCM driver and awarded a total compensation of Rs.10,40,405/- with interest at 9% per annum, fastening joint and several liability on the driver, owner and insurer

of the offending vehicle. Aggrieved thereby, the present appeal is preferred by the Insurance Company.

4. Learned Standing Counsel appearing for the appellant-Insurance Company contended that the Tribunal erred in holding the driver of the offending DCM vehicle solely negligent and in fastening liability on the Insurance Company; that the accident occurred due to contributory negligence, being a case of head-on collision; that the driver of the DCM vehicle was not holding a valid and effective driving licence, amounting to violation of policy conditions; and that the Tribunal erred in adding future prospects, in deducting 1/5th towards personal expenses instead of 1/4th, in awarding higher interest @ 9% per annum and in granting excessive compensation.

5. Per contra, learned counsel for respondent Nos.1 to 6 herein-claimants supported the impugned award and contended that the Tribunal, on proper appreciation of oral and documentary evidence, rightly held that the accident occurred due to the rash and negligent driving of the DCM driver; that the offending vehicle was duly insured as on the date of the accident; that the appellant-Insurance Company failed to establish any fundamental breach of policy conditions; and that the compensation awarded is just and reasonable and does not call for interference.

6. Having considered the submissions of the learned counsel for the parties and perused the record, this Court finds that the Tribunal, on a detailed appreciation of evidence of P.W.2 (eye-witness), coupled with documentary evidence such as FIR, charge sheet, inquest report and post-mortem report, rightly held that the accident occurred due to rash and negligent driving of the DCM driver. The charge sheet was filed against the driver of the offending vehicle, and no contra evidence was produced by the Insurance Company to dislodge the said finding. The mere plea of head-on collision, without supporting evidence, does not automatically establish contributory negligence. Hence, the finding of negligence recorded by the Tribunal is based on preponderance of probabilities and warrants no interference.

7. So far as driving licence and policy violation is concerned, though the appellant-Insurance Company contended that the driver was not holding a valid licence, no cogent evidence was adduced to establish a fundamental breach of policy conditions. Mere marking of the driving licence extract without examining the concerned licensing authority is insufficient. In any event, the policy was admittedly in force as on the date of accident. Hence, the Tribunal was justified in fastening liability on the insurer.

8. With regard to quantum of compensation, the Tribunal rightly assessed the income of the deceased at Rs.4,000/- per month, added future prospects as per settled law, applied the appropriate multiplier of 15, and deducted 1/5th towards personal expenses considering six dependents, which is in consonance with the principles laid down by the Hon'ble Supreme Court in the cases of **Sarla Verma v. Delhi Transport Corporation**¹ and **National Insurance Co. Ltd. v. Pranay Sethi**².

9. Coming to the rate of Interest, this Court finds force in the submission of the learned Standing Counsel for the appellant-Insurance Company. The Hon'ble Supreme court in the case of **National Insurance Company Ltd. vs. Mannat Johal and others**³ and in several subsequent decisions held that the reasonable rate of interest to be awarded in motor accident claim cases shall be 7.5% per annum. Therefore, the rate of interest awarded by the Tribunal at 9% per annum is on the higher side and requires modification. Except for the modification in the rate of interest, the award passed by the Tribunal in all other respects is upheld as just and reasonable.

10. In the result, the appeal is partly allowed by reducing the rate of interest awarded by the Tribunal from 9% per annum to 7.5% per annum from the date of petition till realization. The impugned award

¹(2009) 6 SCC 121

²(2017) 16 SCC 680

³ AIR 2019 SC 2079

passed by the Tribunal is confirmed in all other respects. No order as to costs.

As a sequel, the miscellaneous petitions pending, if any, shall stand closed.

JUSTICE C.V.BHASKAR REDDY

Date: 03.02.2026
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