IN THE HIGH COURT OF ANDHRA PRADESH: AMARAVATI

MACMA No.262 OF 2023

% Dated 07.05.2026

1. Veerapaneni Venkata Subhashini
2. Veerapaneni Venkata Harshith
Naties of Chvuru Village,
Gudluru Mandal, Prakasam District

….. Petitioners

Versus

1. Arikatla venkata Rathnam
   s/o Chinna Penchalaiah, Hindu
   owner of Tractor bearing No.
   AP 26 TX 4087
   Residing at JR Peta Village,
   Atmakur Mandal

2. National Insurance Company Limited
   Gandhinagar, Nellore

…. Respondents

JUDGMENT PRONOUNCED ON: 07.05.2026

HON'BLE SRI JUSTICE VENKATESWARLU NIMMAGADDA

Whether Reporters of Local newspapers
may be allowed to see the Judgments?

Whether the copies of judgment may be marked
to Law Reporters/Journals

Whether Their Ladyship/Lordship wish to see the
fair copy of the Judgment?

+ HON'BLE SRI JUSTICE VENKATESWARLU NIMMAGADDA

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…. Respondents

Counsel for the petitioner : Nuthalapati Krishna Murthy

Counsel for Respondent No.2: Mrs. S. Pranathi -

<GIST:
> HEAD NOTE:
? Cases referred

1. (2009) 6 SCC 121
2. (2004) 5 SCC 385
3. 2022 Law Suit (SC) 1576
4. 2008 ACJ 1197
5. 2006 ACJ 923
6. (2020) 2 SCC 550
7. 2009 ACJ 1197

HON' BLE SRI JUSTICE VENKATESWARLU NIMMAGADDA

MACMA No.262 of 2023

JUDGMENT:

1. The appellants/claimants preferred this appeal under Section 173 of the Motor Vehicles Act, 1988 against the award, dated 11.08.2015 passed in M.V.O.P.No.750 of 2012 on the file of the Court of the Motor Accidents Claims Tribunal-cum-I Additional District Judge, Nellore (for short 'the Tribunal').

2. The appellants/claimants filed the said O.P seeking compensation of Rs.5,00,000/- for the death of one Veerapaneni Venkata Ravindra in a motor accident that occurred on 02.08.2012 involving a Tractor bearing registration No. AP 26 TX 4087. As against the claim of Rs.5,00,000/- the Tribunal granted a compensation of Rs.50,000/-. Assailing the same the appellants/claimants filed the present appeal.

3. The brief facts that lead to the filing of the case are that, on the night of 01.08.2012, as per the instructions of the 1st respondent during the course of employment, as driver of the tractor, one Veerapaneni Venkata Ravindra was driving the tractor bearing No.AP 26 TX TR 4087 from Siripuram Village to

Kalavalla village of V.V. Palem Mandal, Prasam District. One Chirumamilla Ramesh was following ahead of the deceased on motor cycle. When the deceased reached near Peddacheruvu Chapta at Mogalluru Village, Gudluru Mandal, at about 1:00 A.M on 02.08.2012, the deceased drove the Tractor in a rash and negligent manner at high speed, due to which he had lost control over the steering, as a result of which, the tractor turned turtle, due to which the Ravindra fell down on the road and sustained severe bleeding injuries and died on the spot. Immediately, on hearing big noise, Chirumammilla Ramesh, who was proceeding ahead of the tractor, stopped his motorcycle and returned to the scene of offence and found Ravindra dead. Based on the complaint given by Chirumamilla Ramesh, a case in Crime No.114 of 2012 was registered on the file of Gudlur Police Station. The police came to the scene of accident and after inquest, the dead body of the deceased was sent to the Government Hospital for Post Mortem Examination. By the impugned order, the Tribunal allowed the said M.V.O.P awarding compensation of Rs.50,000/- against a claim of Rs.5,00,000/-. Aggrieved by the same, the appellants/claimants preferred this appeal.

4. Before the Tribunal, P.W.1 and P.W.2 were examined and got marked Exs.A-1 to A-5 which happened to be the copy of First Information Report, Inquest Report, Post Mortem Certificate, Final Report, Family Member Certificate. On behalf of the respondents, R.W.1 was examined and got marked Ex.B-1 viz, copy of the insurance policy.

5. While the 1st respondent - owner of the tractor remained *ex parte,* the 2nd respondent – Insurance Company contested the matter denying all the averments made in the claim petition. Before the Tribunal, it is contended that the tractor bearing No.AP 26 TX TR 4087 owned by the 1st respondent was not validly insured with the 2nd respondent insurance company. It is also contended that the deceased was not possessing valid and effective driving license to drive the crime/accident vehicle. There was no employee – employer relationship between the deceased and the 1st respondent. The accident occurred due to rash and negligent act of the deceased himself while driving the tractor on the date of incident, therefore, the insurance company is not liable to pay any compensation to the claimants.

6. Based on the pleadings, the Tribunal framed necessary issues as to the culpability in causing the accident and the entitlement of the just compensation by the claimants. The Tribunal considering the evidence of PW-1 who is none other than the wife of the deceased and also the evidence of PW.2 - eye witness to the accident and who was with the deceased on the fateful day and also the Ex.A-1 copy of the F.I.R, Ex.A-2 Copy of the Inquest Report, Ex.A-3 copy of Post Mortem Certificate, Ex.A-4 Final Report, Ex.A-5 Copy of the Family Member Certificate, observed that the accident occurred due to own negligence of the deceased driver of the tractor. The Tribunal also did not find any evidence that the deceased was employed under the 1st respondent and held that the appellants/claimants are entitled to compensation of Rs.50,000/- under the head of loss of dependency and directed the 2nd respondent Insurance Company to satisfy the award to the claimants and then recover it from the 1st respondent owner of the tractor and accordingly granted compensation of Rs.50,000/-.

7. During hearing, Sri Nuthalapati Krishna Murthy, learned counsel for the appellants, argued that since the appellants lost their head/breadwinner of the family and their future dependency

has been affected, Section 163-A of the Motor Vehicles Act, 1988 should be applied. He submitted that this provision, which deals with compensation in hit-and-run motor accident cases, along with the Second Schedule of the Act, ought to have been used to determine compensation payable to the legal heirs of the deceased. He further contended that Section 163-A does not restrict entitlement only to third parties, and that legal representatives or dependants of the deceased are also eligible to claim compensation. Therefore, the Tribunal erred in not assessing compensation in accordance with the statutory provisions. In support of his contentions, learned counsel for the appellants placed reliance on the judgments of the Hon'ble Apex Court in **Sarla Verma vs. Delhi Transport Corporation[1]; Deepal Girishbhai Soni vs. United India Insurance Co. Ltd[2]; Ram Murti vs. Punjab State Electricity Board[3]** and judgment of Hon'ble High Court of Karnataka in **Oriental Insurance Co. Ltd vs. Salma[4];** judgment of High Court of Punjab and Haryana in **New India Assurance Co. Ltd vs. Shyamo Chauhan[5].** On the

[1] (2009) 6 SCC 121
[2] (2004) 5 SCC 385
[3] 2022 Law Suit (SC) 1576
[4] 2008 ACJ 1197
[5] 2006 ACJ 923

strength of the principles laid down in the above judgments, learned counsel sought to award just compensation to the appellants in the circumstances of the case.

8. On the other hand, Smt. S. Pranathi, appearing for the 2nd respondent – Insurance Company contends that, argued that the Tribunal correctly awarded compensation of Rs.50,000 under Section 140 of the Motor Vehicles Act, 1988 on the principle of no-fault liability. She submitted that the deceased himself was driving the vehicle, lost control due to his own negligence, fell into a ditch, and died in the accident. She further contended that the deceased was not an employee of the first respondent and there was no employer–employee relationship between them. Therefore, it should be treated as a case where the deceased was driving his own vehicle and caused the accident himself, and hence a claim under Section 163-A of the Motor Vehicles Act, 1988 is not maintainable. The learned counsel also argued that the deceased was negligent while driving the vehicle and did not possess a valid driving licence to drive the tractor involved and which was in the accident. She stated that the Tribunal rightly observed that no documentary evidence was produced to prove that the first respondent had paid salary to the deceased. In view

of these facts, the appellant is not entitled to claim compensation of Rs.5,00,000 under Section 163-A of the Motor Vehicles Act. In support of her contentions, learned counsel placed reliance on the judgment of the Hon'ble Apex Court in **Ramkhiladi vs. United India Insurance Company[6].**

9. It is observed that, as per the evidence of P.W.1, the wife of the deceased, she has categorically deposed that the deceased was employed under the first respondent as a driver and was earning Rs.10,000/- per month. The finding of the Tribunal that no documentary evidence was produced to prove the payment of salary appears to be contrary to the practical realities prevailing in the agrarian sector and contrary to the oral evidence led in before the Court. A tractor is primarily used for agricultural operations and serves as an important mechanized tool in agricultural activities. In such sectors, payment of wages to a tractor driver is often made through informal means such as cash, kind, or other customary arrangements, and therefore documentary proof of payment of salary may not always be available. It is the duty of the Tribunal in the absence of any documentary evidence, the

[6] (2020) 2 SCC 550

other evidence i.e. oral evidence which was led by the parties should be looked into and it cannot be brushed aside unless it is rebutted by proper evidence. In the instant case there was a clear and categorical evidence of P.W.1 before the Court and the same was not rebutted by the respondent. Therefore, the Court below cannot ignore the evidence before the Court only on the ground that there is no documentary evidence. It is settled law that the oral evidence is also valuable evidence unless rebutted.

10. From the evidence on record, it can reasonably be inferred that the deceased, being an earning member of the family, was maintaining the livelihood of his family through his earnings as a tractor driver. It is further observed that, except making a contention that the deceased did not possess a valid driving licence, the second respondent has not produced any oral or documentary evidence before the Tribunal to substantiate the said claim. In the absence of any such evidence, it is to be presumed that the deceased possessed a valid driving licence. The said principle was held by the Hon’ble Apex Court as well as this Cour.

11. It is contended by the learned counsel for Respondent No.2 that since the accident occurred due to the self-negligence of the deceased, the claimants are entitled only to the compensation under the principle of no-fault liability under Section 140 of the Motor Vehicles Act, 1988 lacks merits and contrary to the clear evidence before the Court and not under Section 163-A of the Motor Vehicles Act, 1988. However, the said contention is not valid, acceptable, or sustainable. Section 163-A of the Motor Vehicles Act, 1988 provides for payment of compensation on a structured formula basis without the requirement of proving negligence. The provision is a beneficial legislation intended to provide speedy relief to the victims of motor accidents or their dependents. Therefore, the question of negligence of the deceased is not a relevant factor while considering a claim under Section 163-A of the Motor Vehicles Act, 1988. In view of the above legal position, the contention of Respondent No.2 that the claim petition under Section 163-A is not maintainable on the ground of self-negligence of the deceased cannot be accepted. Accordingly, the claim made by the appellants under Section 163-A of the Motor Vehicles Act, 1988 is maintainable.

12. In **Deepal Girishbhai Soni vs. United India Insurance Co. Ltd** (referred supra), the Hon'ble Supreme Court held as follows:

> *"We may notice that Section 167 of the Act provides that where death of, or bodily injury to, any person gives rise to claim of compensation under the Act and also under the Workmen's Compensation Act, 1923, he cannot claim compensation under both the Acts. The Motor Vehicles Act contains different expressions as, for example, "under the provision of the Act", "provisions of this Act", "under any other provisions of this Act" or "any other law or otherwise". In Section 163-A, the expression "notwithstanding anything contained in this Act or in any other law for the time being in force" has been used, which goes to show that the Parliament intended to insert a non- obstante clause of wide nature which would mean that the provisions of Section 163-A would apply despite the contrary provisions existing in the said Act or any other law for the time being in force. Section 163-A of the Act covers cases where even negligence is on the part of the victim. It is by way of an exception to Section 166 and the concept of social justice has been duly taken care of."*

13. In **New India Assurance Co. Ltd vs. Shyamo Chauhan** (referred supra), learned single Judge of High Court of Punjab and Haryana held as follows:

> *"3. The learned counsel appearing for the appellant Insurance Company submitted before us that the provisions of Section 163-A of the Act would not apply to the present case since Boby @ Bhartender himself was the driver of the said vehicle and as such his legal heirs could not claim compensation amount for the death of the deceased, in the petition u/s 163-A of the Act. Reliance has been placed on Appaji and Anr. v. M. Krishna and Anr., 2004 Accident Claims Tribunal 1289 (Karnataka).*
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> *4. However, we find no force in this submission of the learned counsel for the appellant Insurance Company. A perusal of Section 163-A of the Act would show that notwithstanding anything contained in the said Act or any other law for the time being in force or instrument having the force in law, the owner of the motor vehicle or the authorised insurer shall be liable to pay in the case of death or permanent disability due to accident arising out of the use of motor vehicle, compensation, as indicated in the Second Schedule, to the legal heirs or the victim as the case may be. Thus, from a perusal of the provisions of Section 163-A of the Act, it would be clear that the owner and the Insurance Company would be liable to pay the compensation amount to the legal heirs of the deceased in the case of death where the accident had taken place "arising out of the use of motor vehicle". Even if the deceased was the driver of the motor vehicle in question, still the owner and the Insurance Company of the said Motor Vehicle would be liable to pay compensation to the legal heirs of the deceased under the "no fault liability" u/s 163-A of the Act. In this view of the matter, the learned Tribunal was perfectly justified in holding the owner and the Insurance Company liable to pay the compensation amount to the claimants."*

14. In **Oriental Insurance Co. Ltd vs. Salma**[7], learned single Judge of High Court Karnataka held as follows:

> *8. The learned counsel appearing for the appellant has relied upon the decision of this Court in the case of Appaji (Since Deceased) and Another Vs. M. Krishna And Another reported in (2004 ACJ 1289 [LQ/KarHC/2003/1084]) wherein it is held that Section 163A provides awarding compensation on structure formula and if death is cause due to the negligence of the victim himself, the petition is not maintainable. In subsequent judgment of Hon'ble Supreme Court case in case of Deepal Girishbhai Soni and Others Vs. United India Insurance Co. Ltd. Reported in (2004 ACJ 934), the 3 judge bench of the supreme court has held in para 66 of the Judgment as follows:*
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> *"We may notice that Section 167 of the Act provides that where death of, or bodily injury to, any person gives rise to claim of compensation under the Act and also under the Workmen's Compensation Act, 1923, he cannot claim compensation under both the Acts. The Motor Vehicles Act contains different expressions as, for example, 'under the provision of the Act', or 'any other law or otherwise'. In section 163-A, the expression "notwithstanding anything contained in this Act or in any other law for the time being in force" has been used, which goes to show that Parliament intended to insert a non obstante clause of wide nature which would mean that the provisions of section 163-A would apply despite the contrary provisions existing in the said Act or any other law for the time being in force. Section 163-A of the Act covers cases where even negligence is on the part of the victim. It is by way of an exception to section 166 and the concept of social justice has been duly taken care of".*
>
> *In view of the above said principle laid down by the Hon'ble Supreme Court, it is clear that a petition under*

[7] 2009 ACJ 1197

Section 163-A of the Motor Vehicles Act is maintainable even in case where negligence is on the part of the victim.

9. The learned counsel appearing for the appellant submitted that the said observation is not ratio descidendi or the principle laid down by the Supreme Court in the said case as in the said case, the Supreme Court was considering the question as to whether ceiling limit of Rs.40,000/- for the purpose of calculating compensation to be awarded under structured formula.

15. It is observed that the learned counsel for the petitioners has contended that, by virtue of the amendment to Chapter X of the Motor Vehicles Act, 1988 through Act 32 of 2019, Section 140 of the Act has been omitted. Simultaneously, Chapter XI has been substituted and Section 164 has been introduced, which provides for payment of compensation of Rs.5,00,000/- in case of death and Rs.2,50,000/- in case of grievous hurt arising out of a motor vehicle accident. In view of the said statutory amendment, and considering the fact that the deceased died as a result of the motor vehicle accident, the claimants are entitled to compensation of Rs.5,00,000/- as provided under Section 164 of the Motor Vehicles Act. The said principle was upheld by the Hon'ble Supreme Court in **Ram Murthy & others vs. Punjab State Electricity Board** (referred supra), wherein it is held as follows:

"6. Thee is no cogent basis for this court to entertain the challenge against the findings of fact which have been recorded concurrently by the Tribunal and by the High Court while dismissing the claim under Section 166 of the Motor Vehicles Act, 1988.

7. The provisions of Section 140 which formed a part of Chapter 10 of the Motor Vehicles Act, 1988 were omitted by Act 32 of 2019. Simultaneously, Chapter 11 was substituted of which Section 164 provides for payment of compensation in the case of death in the amount of Rs.5 lakhs and in the case of grievous hurt of Rs.2.5 lakhs.

8. We are inclined to give the appellants the benefit of the beneficial provisions which have been enacted by Parliament. Hence, in modification of the order of the High Court, we direct that the appellants shall be entitled to an amount of Rs.5 lakhs as compensation. However, if the amount of Rs.50,000/- which has been awarded by the High Court has already been paid over, the balance (or the entirety of Rs.5 lakhs if no amount has been paid) shall be paid over to the appellants.....)

16. The Hon'ble Apex Court in **Sarla Verma vs. Delhi Transport Corporation** (referred supra), the Hon'ble Supreme Court held as follows:

"The Motor Vehicle Act, 1988 was amended by Act 54 of 1994, inter alia inserting Section 163A and the Second Schedule with effect from 14.11.1994. Section 163A of the MV Act contains a special provision as to payment of compensation on structured formula basis, as indicated in the Second Schedule to the Act. The Second Schedule contains a Table prescribing the compensation to be awarded with reference to the age and income of the deceased. It specifies the amount of compensation to

be awarded with reference to the annual income range of Rs.3,000/- to Rs.40,000/-. It does not specify the quantum of compensation in case the annual income of the deceased is more than Rs.40,000/-. But it provides the multiplier to be applied with reference to the age of the deceased. The table starts with a multiplier of 15, goes upto 18, and then steadily comes down to 5. It also provides the standard deduction as one-third on account of personal living expenses of the deceased. Therefore, where the application is under section 163A of the Act, it is possible to calculate the compensation on the structured formula basis, even where compensation is not specified with reference to the annual income of the deceased, or is more than Rs.40,000/-, by applying the formula : (2/3 x AI x M), that is two-thirds of the annual income multiplied by the multiplier applicable to the age of the deceased would be the compensation. Several principles of tortious liability are excluded when the claim is under section 163A of MV Act. "

17. It is observed that the learned counsel for Respondent No.2 contended that the Tribunal rightly passed the award under the principle of no-fault liability under Section 140 of the Motor Vehicles Act, 1988 and awarded a sum of Rs.50,000/-, placing reliance on the judgment of the Hon'ble Supreme Court in ***Ramkhiladi vs. United India Insurance Company***. However, on perusal of the ratio laid down by the Hon'ble Supreme Court and other High Courts in the judgments referred to above, this Court is of the opinion that the award

passed by the Tribunal is not in consonance with the principles laid down therein. It is evident that the accident resulted in the death of the deceased and, therefore, the claim petition under Section 163-A of the Motor Vehicles Act, 1988 is maintainable, having regard to the object of the Act, which is a beneficial and welfare legislation. Even assuming that the deceased was negligent and contributed to the accident, in view of the amendment brought by Act 32 of 2019, the claimants would be entitled to compensation of Rs.5,00,000/- in the case of death as contemplated under Section 164 of the Motor Vehicles Act, 1988. Though the accident had occurred prior to the said amendment, at the time of final adjudication by this Court, the claimants are entitled to be granted the maximum benefit so as to ensure award of just and reasonable compensation.

18. It is a settled principle that the Motor Vehicles Act, 1988 is a beneficial and welfare legislation and, therefore, the benefits conferred under the Act are required to be interpreted in a manner that advances the object of the legislation and ensures just compensation to the victims or their dependents. In the present case, the matter has come up for consideration

after the amendment introduced by Act 32 of 2019. By virtue of the said amendment, Section 164 under Chapter XI provides for payment of compensation of Rs.5,00,000/- in the event of death arising out of a motor vehicle accident. Having regard to the said statutory provision and considering that the accident in the present case resulted in the death of the deceased, this Court is of the considered opinion that the claimants are entitled to compensation of Rs.5,00,000/-. Out of the said amount, a sum of Rs.3,50,000/- shall be allotted to the first claimant, being the wife of the deceased, and the remaining sum of Rs.1,50,000/- shall be allotted to the second claimant, being the son of the deceased. The said amount shall carry interest at the rate of 9% per annum from the date of petition till the date of realization.

19. In the result, MACMA is allowed. No costs.

20. Consequently, miscellaneous applications if any, shall stand closed. No costs.

VENKATESWARLU NIMMAGADDA, J

Date:07.05.2026

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pHON' BLE SRI JUSTICE VENKATESWARLU NIMMAGADDA

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07.05.2026

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