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HC-KAR

CNR: KAHC030007102023

NC: 2026:KHC-K:9088
MFA No. 200595 of 2023

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IN THE HIGH COURT OF KARNATAKA

KALABURAGI BENCH

DATED THIS THE 2ND DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE K V ARAVIND

MISCL. FIRST APPEAL NO. 200595 OF 2023 (MV-I)

BETWEEN:

THE DIVISIONAL CONTROLLER,
NEKRTC, KALABURAGI DIVISION,
KALABURAGI,
NOW REPRESENTED BY ITS CHIEF LAW OFFICER,
NEKRTC, CENTRAL OFFICES, SARIGE SADANA,
KALABURAGI-585102.

...APPELLANT

(BY SMT. SANGEETA BHADRASHETTY, ADVOCATE)

AND:

MARENNA @ MAREPPA S/O PIDDAPPA KOLLI,
AGE: 43 YEARS, OCC: GOUNDI NOW NIL,
R/O DEEVALAGUDDA,
TQ. SHORAPUR AND
DIST. YADGIR-585224.

...RESPONDENT

(RESPONDENT SERVED AND UNREPRESENTED)

THIS MFA IS FILED UNDER SECTION 173(1) OF MV ACT, PRAYING TO- ALLOW THIS APPEAL BY SETTING ASIDE THE IMPUGNED JUDGMENT AND AWARD IN M.V.C. NO.154/2020, DATED 10.03.2022, BY THE SENIOR CIVIL JUDGE AND MACT, AT SHORAPUR.

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CNR: KAHC030007102023

THIS APPEAL, COMING ON FOR ADMISSION, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE K V ARAVIND

ORAL JUDGMENT

Heard Smt. Sangeeta Bhadrashetty, learned counsel appearing for the appellant-Corporation. There is no representation for the respondent-claimant.

2. This appeal is filed by the Corporation, disputing its liability and assailing the judgment and award dated 10.03.2022 passed in MVC No.154/2020 by the Senior Civil Judge and MACT, Shorapur (for short, “the Tribunal”).

3. The claimant filed a petition under Section 166 of the Motor Vehicles Act, 1988 (for short, 'the M.V. Act') seeking compensation for the injuries sustained in the accident that occurred on 11.09.2017 involving a motorcycle bearing registration No. KA-33/L-6759 and a bus bearing registration No. KA-38/F-0799. The Corporation filed its objections denying the averments made in the petition and contending that the accident occurred due to the negligence of the claimant.

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3.1 The Tribunal, upon consideration of the evidence on record, held that the accident occurred due to the negligence of the driver of the bus and awarded compensation of Rs.2,30,443/-, directing the Corporation to pay the same.

4. Smt. Sangeeta Bhadrashetty, learned counsel appearing for the Corporation, submits that the claimant was riding the motorcycle with two pillion riders, amounting to triple riding, and that the motorcycle was not covered by a valid driving licence and insurance policy. It is submitted that the claimant had violated the provisions of the M.V. Act and had thereby contributed to the occurrence of the accident.

4.1 It is further submitted that, as per the sketch annexed to the Crime Detail Form at Ex.P4, the accident occurred due to the negligence of the claimant. Hence, the Tribunal erred in holding the driver of the bus negligent and fastening the liability on the Corporation.

5. Though the respondent has been duly served, there is no representation on behalf of the respondent.

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6. An interesting issue has been raised by the learned counsel for the Corporation regarding the use of vehicles without a valid driving licence and insurance policy, resulting in accidents and exposing the victims to numerous hurdles in securing just compensation. In that view of the matter, this Court requested Sri. Sanganagouda Biradar, Sri. Nagraj Patil, Sri. Sharanabasappa M. Patil and Sri. Manjunath Mallayya Shetty, learned counsels who were present in the Court and regularly appear in motor vehicle accident cases, to assist the Court.

7. Considered the submissions made by the learned counsel for the appellant-Corporation and perused the material on record.

8. The date of the accident, involvement of the vehicle and the cause of injuries are not in dispute. It is not in dispute that the injured was riding the motorcycle without a valid driving licence and that the motorcycle was not covered by a valid insurance policy. The injured was also riding the motorcycle with two pillion riders at the time of the accident. It is pleaded

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that the accident occurred due to the sudden stopping of the two-wheeler in the middle of the road.

9. Before considering the question of negligence, it is relevant to note that the motorcycle was admittedly not covered by a valid insurance policy. Though the claimant stated in his evidence that he possessed a driving licence, the same has not been produced. In the absence of such evidence, an adverse inference has to be drawn that the claimant did not possess a valid driving licence at the time of the accident.

10. As per Ex.P4, the Crime Detail Form along with the spot sketch, it is seen that the accident occurred in the middle of the road. Even assuming that the bus had occupied half of the road, sufficient space was available for the two-wheeler to pass safely. But for the negligence of the claimant, the accident could not have occurred. It appears that the Tribunal, taking a liberal approach with a view to ensuring that some compensation was paid to the injured claimant, has attributed negligence to the driver of the bus.

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11. The mere filing of a charge sheet against the driver of the bus cannot, by itself, be conclusive of negligence unless the same is corroborated by other evidence on record. The finding in the charge sheet attributing negligence to the driver of the bus is contrary to the contents of Ex.P4.

12. This Court notices more than one substantive violation of the provisions of the M.V. Act in the present case. Firstly, riding the motorcycle without a valid driving licence; secondly, use of the motorcycle without a valid insurance policy; and thirdly, triple riding. The question that arises for consideration is whether, when the claimant himself has failed to comply with the foundational requirements prescribed under the Motor Vehicles Act, which prohibit the use of a vehicle without a valid driving licence and insurance policy and carrying passengers beyond the permitted capacity, a liberal approach can be adopted while determining negligence.

13. In the present case, all three violations are found. The claimant, having breached the statutory mandate, seeks compensation before this Court. Though the M.V. Act is a beneficial legislation, the principle of liberal interpretation

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cannot be extended to condone violations of its mandatory provisions, particularly when such provisions are intended to ensure road safety, maintain road discipline and protect the interests of the public and the community at large. Extending such liberal interpretation in cases involving clear violations of the statutory mandate would have the effect of rewarding or giving a premium to such violations.

14. This Court has consistently held that, where the rider who is the claimant before the Court does not possess a valid driving licence, negligence to the extent of 30% can be attributed to him. In the present case, however, the claimant was not only riding the motorcycle without a valid driving licence, but the motorcycle was also not covered by a valid insurance policy and he was carrying two pillion riders, amounting to triple riding. Triple riding, in the circumstances of the present case, has further increased the risk to the rider himself and is attributable to his negligence.

15. In view of the aforesaid circumstances, this Court finds it appropriate to attribute 50% negligence to the claimant/rider for the occurrence of the accident.

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16. It is noticed in a number of cases, rather, in almost all cases, that when vehicles involved in accidents are seized by the police, the vehicles are released by the police authorities after inspection by the competent Road Transport Authority. In cases where violations such as absence of a valid driving licence or insurance policy are found, penal provisions are invoked, fines are imposed and charge sheets are filed. However, the vehicles are thereafter released.

17. This Court requested the learned Additional State Public Prosecutor to assist the Court with regard to the measures being taken by the police authorities to ensure compliance with the requirement of a valid driving licence and insurance policy before releasing the seized vehicle. It is submitted that no such power is conferred upon the police authorities to retain the vehicle on the aforesaid grounds.

18. If a vehicle involved in an accident is found to have been driven without a valid driving licence or without a valid insurance policy and is released merely upon imposition of a fine, the violation of the provisions of the M.V. Act continues. In the absence of any specific provision governing such a

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situation, this Court cannot ignore the violation of the statutory provisions and permit persons who have violated the provisions of the M.V. Act to continue to do so with impunity. Such violation is not merely a breach of the provisions of the M.V. Act; it has serious consequences for society and the community at large.

19. When a person driving a vehicle without a valid driving licence and insurance policy causes an accident involving an innocent road user, and the victim approaches the Tribunal seeking just compensation, the Tribunal is often faced with difficulty in ensuring recovery of the compensation awarded from the owner of the vehicle. This Court has, in a number of cases, noticed instances where collusive charge sheets are filed against another vehicle having a valid driving licence and insurance policy, with a view to fastening liability on such vehicle. The innocent claimant is thereby compelled to undergo a prolonged and cumbersome process to secure compensation. In several cases, even the compensation awarded by the Court may ultimately not reach the claimant.

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20. This Court has also noticed instances of vehicles having valid driving licences and insurance policies being introduced or sponsored for the purpose of accident claims, when the vehicle actually involved in the accident is found to have been driven without a valid driving licence and without a valid insurance policy.

20.1 The Hon'ble Supreme Court in the case of ***Oriental Insurance Co. Ltd. v. Tuni Pati, 2026 SCC OnLine SC 1710***, noticed the increasing trend of implication of vehicles to claim compensation and issued series of guidelines to avoid such incidents. The relevant paragraphs read as under:

> "***3.*** *The matter started on an innocuous issue of whether a vehicle which was said to be the cause of an accident, was the real vehicle involved in the said accident. But as the events unfolded, an exercise has been taken pan India, pursuant to the order of this Court in the present proceedings to unearth whether fraudulent claims are being filed, that too, in a fixed pattern, where the same vehicle is shown to be involved in multiple accidents, which results in such frivolous claims being allowed. This appeared to be a fraud of enormous proportion and has persuaded the Court to enlarge the scope of the present proceedings to unravel and also to check such fraudulent claims, which ultimately result in not only undue financial stress on the Insurance Companies, but also on the system and one of the fallouts is that the common genuine consumer has to pay a higher premium, just because the Insurance companies have to ensure their financial viability.*

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4. *At this juncture, we called upon Mr. Jagdish Chandra Solanki, learned counsel to assist the Court on various issues as he has experience in these matters, and has also had the privilege of working in an Insurance Company, where, according to him, he came across various irregularities, acts of commission/omission and lack of oversight, which had facilitated the frauds to perpetuate. He has suggested that the Court may implead the Insurance Regulatory and Development Authority (IRDA) under the Ministry of Finance, Government of India, as a party respondent, as all the Insurance Companies ultimately are governed by the regulations made by IRDA. He further submitted that a common portal be developed where all insurance claims be shown so that there can be ready access by all the Insurance Companies with regard to any claim which may be filed, so as to cross check the records of the other companies as to whether such vehicle/person/institution/entity is involved in repeated and multiple claims being made on a regular basis. He submits that as of now two portals, i.e., VAHAN and SARATHI are available, which basically cater to data collection and the submission is that if they can also be integrated with the common portal, there can be ease of tracking all such claims, both with regard to the veracity of the accident, if any, the vehicle involved and the exact place where the accident has occurred.*

5. *A suggestion has also been made by Ms. Rupali Samuel, learned Standing Counsel for the State of Tamil Nadu that the Ministry of Road Transport and Highways, Government of India has a portal named E-detailed Accident Report (EDAR), which tracks accidents on the National Highways across India. It was submitted that if the same can be integrated with the other portals which carry such data as also with the portal of the IRDA, the authenticity and correctness of the accident occurring and the vehicle involved can be addressed more readily and conveniently.*

6. *Learned counsel for the State of Uttar Pradesh submits that a special SIT was constituted for the purposes of verification of these claims relating to complaints being*

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received by the insurance companies indicating potential frauds, was pursuant to the orders passed by a Coordinate Bench of this Court in SLP(Civil) No. 1110/2017 titled "Safiq Ahmad v. ICICI Lombard General Insurance Co. Ltd.". She submits that till recently, 2188 complaints were received, in which, upon inquiry, over 1029 were investigated and 231 FIRs have been lodged against 533 accused persons. We appreciate the action taken by the State of Uttar Pradesh in the matter. We are informed that other States might have also followed the procedure. However, for the present, we are not going into that individually.

7. *A fresh direction is issued to all the States to constitute a special dedicated SIT for such purposes at the State level. All complaints by the Insurance Companies be forwarded to the said body, which will be looked into expeditiously. The States are directed to provide sufficient hands to the SIT for completion of the investigations. The States should also disclose with regard to the procedure they have adopted for investigating in the present matter.*

8. *At this point, the Court deems it appropriate to indicate that it shall be the responsibility of the Insurance Companies that all claims indicative of fraud are forwarded to the SIT and pick and choose approach is not done. The Court will hold the top most management of the concerned Insurance Companies accountable if it is found that there has been selective forwarding of the cases to the SIT of the concerned State. Any recommendation by the SIT or FIR lodged against the officers of the Insurance Companies shall also be taken cognizance of and appropriate action on the departmental side shall also be initiated against such officials by the concerned Insurance Companies, without any delay.*

9. *The Insurance Companies shall file their affidavits as to what action has been taken by them in terms of what has been indicated hereinabove, both with regard to the cases referred to the SIT, as also the in-house action taken against the officials, who may play a role prejudicial to the interest of the Company and facilitated the fraud*

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which was attempted or committed by the parties concerned.

10. *Let the IRDA be impleaded as respondent No. 104. Similarly, the Ministry of Finance, though the Secretary, Union of India be impleaded as respondent No. 105; the Ministry of Road Transport and Highways through the Secretary be impleaded as respondent No. 106; the General Insurance Council (GIC), which we are informed is the overall body under the IRDA which is responsible for coordinating among the Insurance Companies and also laying down general policies, be also impleaded as respondent No. 107.*

11. *Notices shall be sent to the newly added respondents by the Registry forthwith and they shall also file their affidavits giving details of what is their responsibility at present, how they discharge the same and what, according to them, could be the steps which are required to be taken, meaning thereby that they shall give their suggestions how to handle or take care of the situation, which the Court is taking note of and considering in the present proceedings.*

12. *The matters be listed on 23.09.2026 at 2.00 p.m.*

13. *On the next date, learned counsel for all the parties should be ready with a one page note which would be a precis/summary of their affidavits for the Court's ready reference.*

14. *After the order was dictated, a suggestion has come from Mr. Solanki, learned counsel, that wherever the Insurance claim is negated by the concerned MACT on the ground of fraud/collusion, the concerned Insurance Company would carry out an in-house appraisal of the said case and also forward details of the same to the SIT of the concerned State in which the incident has occurred, for action. We find the suggestion to be useful and relevant. Accordingly, a direction is issued to the Insurance Companies that such matters where the claim is negated on the ground of fraud or collusion, the said*

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Insurance Company shall immediately forward the details of the said case to the SIT of the State where the claim is raised and also carry out an in-house investigation with regard to whether there was contributory collusion by its officers."

20.2 The Hon'ble Supreme Court, in ***National Insurance Co. Ltd. v. Thungala Dhana Laxmi, 2026 SCC OnLine SC 1486***, taking note of the large number of vehicles plying without valid insurance policies, issued several directions to ensure compliance with the statutory requirement of compulsory insurance. The relevant paragraphs read as follows:

"***Our View***

16. *An unfortunate reality of road safety in India is that despite the existence of a statutory framework mandating third-party motor vehicle insurance, the compliance thereof is found to be lacking. Consequently, victims or families affected by motor accidents often have to run pillar to post in order to receive compensation. Recently, in Shishu Pal @ Shish Ram v. Surjeet[11], this Court had pointed out a pendency of over four years in more than 50% of motor accident claim cases.*

17. *This situation is compounded when the vehicle in question has no valid insurance policy. It is shocking to learn that nearly 56% of vehicles plying on Indian roads remain uninsured as per the Report of the Standing Committee on Finance 2024-25, titled 'Action taken by the Government on the Observations/Recommendations contained in Sixty Sixth Report on the subject - Performance Review and Regulation of Insurance Sector', dated December 2024. In absolute terms, the stark figure of uninsured vehicles stands at 16.54 crore vehicles out of 30.48 crore vehicles.[12] The consequent effect is that the*

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statutory safeguard of victim compensation is often delayed, if not defeated. The object behind mandatory insurance under Section 146 of the MVA is not just that victims of road accidents are compensated, it is also that they are not drawn into prolonged litigation.

18. *The result of vehicles remaining uninsured is that the victims of the accident and their families have no recourse to adequate compensation, within a reasonable time period. They often have to enter into prolonged litigation concerning the quantum as well as liability for compensation. The consequence is even more severe for families where the victim is deceased or has suffered permanent disability, as the financial impact on the family is significantly heightened.*

19. *This is further compounded by a number of vehicles not possessing valid or active registration. Therein, the process of tracing the identity of the driver/owner involved in the accident becomes improbable and time-consuming. Such circumstances defeat the very purpose and statutory mandate behind the MVA.*

20. *The number of road accidents in India also points towards the scale of this problem. As per response to Unstarred Question No. 1227 of the Rajya Sabha, answered on 10.12.2025, the number of road accidents for 2024 stood at 4,87,705; 2023 stood at 4,80,583 and 2022 stood at 4,61,312. Recently, this Court in the case of In Re: Phalodi Accident v. National Highways Authority of India[13] had recognized the linkage between Article 21 of the Constitution and the road safety of a commuter. It was observed:*

> *"5. It is seen that National Highways constitute approximately 2% of India's total road length but account for nearly 30% of all road fatalities. A road, particularly a high-speed Expressway, must not become a corridor of peril due to administrative lethargy or infrastructural gaps. The loss of even a single life to avoidable hazards like illegal parking or blackspots etc., represents a failure of the State's protective umbrella. The 'Right to Life'*

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> *enshrined under Article 21 of the Constitution of India is not merely a guarantee against the unlawful taking of life, but a positive mandate upon the State to ensure a safe environment where human life is preserved and valued. Therefore, recognizing the safety of the commuter as an integral facet of the right to live with dignity as a constitutional obligation under Article 21 of Constitution of India, it is necessary in the interest to address the systematic root causes that these interim directions are issued in exercise of powers under Article 142 of the Constitution of India. We reiterate that no pecuniary or administrative constraint can outweigh the sanctity of human life, and the strict timelines provided herein reflect the urgency of this constitutional obligation."*
>
> *(emphasis supplied)*

21. *Similarly, the High Court of Judicature at Patna in Abhijeet Kumar Pandey v. State of Bihar[14] had recognized the intrinsic relationship between Article 21 of the Constitution and the right to safe travel. It was observed:*

> *"**110**. We hold, that a right to safe travel is inherent to the right to free movement under article 19(1)(d) and the right to life and liberty under Article 21 of the Constitution of India."*

22. *Considering the submissions discussed above, it is apparent that integration of the enforcement system with technology is the need of the hour. Existing offline technology for issuance of challans and road-safety management is required to be integrated with e-models, specifically when it comes to ensuring compliance with statutorily mandated insurance. There is a consensus of all stakeholders on the above aspects.*

23. *Therefore, in the interest of justice, we issue the following directions, to be enforced through the MoRTH and IRDA:*

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23.1. *Currently, ANPR Cameras deployed on highways and roads are equipped with a mechanism to catch and penalize road safety violations such as high speed, red light jumping, driving on the wrong side of the road, etc. Carrying this forward and as already deployed by the MoRTH in certain states, ANPR Cameras are to be integrated with data from the Insurance Information Bureau (established under IRDA) and the VAHAN portal for issuance of automatic e-challans to uninsured vehicles, in furtherance of the SOP for Electronic Monitoring and Enforcement of Road Safety.*

23.2. *This Court is informed that as on date, there is no uniform mechanism in place with State Police to verify insurance status on the ground. It is directed that State Police be provided with handheld devices or downloadable apps, linked with the data from Insurance Information Bureau (established under IRDA) and VAHAN portal be supplied to the State Police. This is to monitor real-time insurance status of vehicles and impose challans for violations, ensuring compliance with mandatory insurance on the ground.*

23.3. *Upon notification of the amendment to Section 196 of the MVA, strict compliance thereof is to be ensured.*

23.4. *As submitted by the IRDA, for private vehicles, a broad four-layer structure is to be implemented for private vehicles. This would bring clarity to various policy options for the vehicle-owner so as to allow them to make an informed choice. The structure is as follows:*

> *I. Third Party only policy - this policy shall be a base policy and minimum cover as required by Section 146 of the MVA. The pricing thereof will be fixed by a consultative process between the IRDA and the Central Government.*
>
> *II. Additional optional cover for the occupant(s)/pillion rider (other than owner, driver and family of the insured) - this add-on will be optional and available at an additional premium, covering occupant(s)/pillion riders of the insured*

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vehicle. The pricing thereof will be determined by the respective insurance companies.

III. Personal accident cover for the owner, driver and any occupant(s)/pillion rider - this add-on will cover personal accident i.e. death and/or permanent disability of the occupant(s)/pillion riders of the insured vehicle including owner, driver and family of the insured. The pricing thereof will be determined by the respective insurance company.

IV. Own damage cover - This add-on cover will cover liability for loss or damage to the insured vehicle itself.

Consequently, every customer, at the time of purchase of insurance, will be issued a 'customer option form', whether offline or online, whereby they may 'opt in' via check box to the add-on options. A broad template of which is as under:

xxxxxx

The IRDA is at liberty to modify this template, if the need so arises.

23.5. *The IRDA in consultation with GIC and insurance companies, shall formulate uniform policy wordings for the above optional covers. Needless to add, that the insurance companies may innovate the coverage and determine the pricing of the Own Damage covers, in consonance with market forces.*

23.6. *The suggestion of the IRDA for a consumer-friendly customer information sheet will also have to be given to the prospective customers outlining the above four-layered structure, i.e., who is covered under mandatory and optional covers, is made mandatory for the sale of motor-vehicle insurance, whether offline or online.*

23.7. *Another aspect to be considered is that this Court in S. Rajaseekaran v. Union of India[15] on 12.07.2018, while noting the large number of vehicles plying without third-party insurance, had issued directions mandating*

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purchase of third-party insurance for three years for new cars and five years for two wheelers, at the time of purchase/registration of new vehicles.

We notice that despite eight years having passed from the said direction, a large number of vehicles remain uninsured. While the IRDA and GIC have recommended that this period not be enhanced, we are of the view that it is in the interest of road safety that the period be enhanced by one year.

Therefore, it is directed that henceforth, third-party insurance for four years for new cars and six years for new two wheelers be required to be purchased. IRDA to immediately issue necessary directions.

23.8. *The benefits of obtaining comprehensive motor-vehicle insurance policies to be displayed in easy-to-read format on the websites of the insurance companies.*

23.9. *Based upon the deliberations in Court, a pilot-project be implemented allowing citizens to verify insurance status, and ultimately assist with the implementation of the statutory mandate under the MV Act. The insurance status to specify the kind of insurance, whether mandatory (third party only) insurance or comprehensive policy. The benefit is two-fold. At first, it will allow citizens to know whether the vehicle they are travelling in or sending goods in or transporting employees has valid insurance. Secondly, it will allow for prompt reporting of uninsured vehicles.*

23.10. *As deliberated upon in Court, the IRDA in consultation with the MoRTH, to deliberate and evolve a pilot-project whereby fuel for vehicles to be linked with valid insurance status. In the absence thereof, the vehicle concerned would be refused fuel at petrol pumps, until such time that valid insurance is obtained. The benefit therein is two-fold. Firstly, it will assist in identification of uninsured or unregistered vehicles. Secondly, it will prompt the owners of these vehicles to ensure that they have valid insurance status. Such projects would ensure*

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ground-level compliance with the statutory mandate of Section 146 of the MVA. This may be done through the use of ANPR cameras. The Ministry of Petroleum and Natural Gas, has in principle, no objection to the same.

23.11. *Lastly, based upon the deliberations in Court, and as rightly submitted by the Ministry, we are cognizant of the number of road accidents on national highways[16] and also the effect that long queues at toll plazas have on road accidents. Consequently, the MoRTH is to implement the said pilot projects as submitted above on certain corridors, substituting the process of stopping at toll plazas with automatic detection of vehicles passing through toll points.*

24. *Having already noticed above the average pendency of MACT cases as observed in Shishupal (supra) and directions issued in General Insurance Counsel (supra) and M.R. Krishna Murthi (supra), on the submissions put forth by Mr. J.R. Midha, learned senior counsel, we pass the following directions:*

24.1. *The State Police to promptly file DAR along with relevant documents such as FIR, MLC, post-mortem report, insurance policy, permit, etc. before the concerned MACT, in pending cases relating to accidents prior to 31.03.2022.*

24.2. *The State Police to assist with prompt service and production of relevant witnesses before the concerned MACT, to ensure speedy disposal of cases relating to accidents prior to 31.03.2022.*

The above directions be forwarded by the registry of this Court to the Secretary, High Court Legal Services Authority of all High Courts, to be forwarded to the respective State Police.

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21. Even where the Tribunal fastens liability upon the owner of the vehicle in cases involving absence of a valid driving licence and insurance policy, the owner may not possess the financial capacity to satisfy the award. Consequently, the award passed by the Tribunal may remain only on paper, thereby defeating the very object and purpose of the beneficial legislation.

22. Whenever cases involving violations of the Motor Vehicles Act are brought before the Court or the police authorities, steps should be taken to ensure that the seized vehicles are covered by valid insurance policies, so as to prevent prejudice to third parties. Implementation of this measure would minimise the risk of prejudice to third parties, act as a deterrent against non-compliance, and encourage adherence to the statutory requirement of compulsory insurance.

23. Some of the vehicle owners appear to exhibit greater attachment to their vehicles than to compliance with the law. In view of the increasing instances of vehicles plying without valid insurance policies, and with a view to bringing about a change in the behavior of the public and vehicle owners towards

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compliance with the law, this Court is of the considered opinion that appropriate directions are required to be issued to the competent authorities to ensure the production and verification of a valid insurance policy covering the vehicle before releasing any seized vehicle. Such compliance shall be insisted upon even where the vehicle is produced before the jurisdictional Magistrate for release in connection with any offence. Accordingly, this Court is inclined to issue the following guidelines and directions.

24. In the light of the above, the following directions are issued:

a) The Director General and the Inspector General of Police is hereby directed to take necessary steps to instruct all the police authorities across the State, directing them to release seized vehicles involved in any offence only after the valid insurance policy covering the vehicle is produced.

b) The jurisdictional Courts are hereby directed to ensure that seized vehicles are ordered to be

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released only upon producing a valid insurance policy.

c) The steps taken by the Director General and the Inspector General of Police pursuant to the aforesaid directions shall be placed before this Court on 14.12.2026.

d) The Registry is directed to forward a copy of this order to the Director General and Inspector General of Police for necessary compliance.

e) The Registrar General, High Court of Karnataka, is hereby directed to take necessary steps to circulate this order to all the jurisdictional Courts.

25. Accordingly, the following:

ORDER

i) The appeal is ***allowed-in-part***.

ii) The judgment and award in MVC No.154/2020 by the Senior Civil Judge and MACT, Shorapur, stands modified.

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iii) The claimant is entitled to the compensation of Rs.2,30,443/- awarded by the Tribunal, with interest at the rate of 6% per annum.

iv) The respondent-Corporation shall deposit 50% of the compensation amount, along with proportionate interest, within eight weeks from the date of uploading of this judgment.

v) The order passed by the Tribunal regarding release and investment of the compensation amount is maintained.

vi) There shall be no order as to costs.

vii) The matter shall be listed for reporting compliance on 14.12.2026.

Sd/-
(K V ARAVIND)
JUDGE

MSR
List No.: 1 Sl No.: 11
CT:PK