

**IN THE HIGH COURT OF HIMACHAL PRADESH SHIMLA**

FAO No. 337 of 2015 a/w
Cross Objections No. 33 of 2016
Decided on : 28.11.2025

United India Insurance Company ...Appellant

Versus

Krishna Devi and others ...Respondents

Coram

Hon'ble Mr. Justice Jiya Lal Bhardwaj, Judge

*Whether approved for reporting?*¹ Yes

For the appellant: Mr. J.S. Bagga, Advocate.

For the respondents: Mr. Anirudh Sharma, Advocate, for
respondent No. 1-cross objector.

Mr. Virender Singh Kanwar, Advocate,
for respondent No. 2.

Respondent No. 3 ex-parte vide order
dated 06.03.2025.

Jiya Lal Bhardwaj, Judge (Oral)

The appellant-Insurance Company has filed the present appeal against the award dated 31.03.2015, passed by the Motor Accident Claims Tribunal-II, Solan, District Solan, H.P., in Claim Petition No. 108-S/2 of 2012, preferred by respondent No.1, on account of death of her son Rakesh, whereby compensation amounting to ₹11,70,000/-, along with interest at the rate of 9% per

¹ Whether reporters of Local Papers may be allowed to see the judgment?



annum from the date of filing the petition till the deposit of the award amount has been awarded in her favour.

2. The only challenge in the present appeal by the appellant-Insurance Company is that the driver of vehicle who caused the accident at the relevant time was not holding the valid and effective licence to drive the tanker, though he was in possession of heavy transport vehicle licence and thus, the Tribunal below has erred in fastening the liability on it.

3. On the other hand, respondent No.1 feeling aggrieved by awarding inadequate compensation in her favour has preferred cross objections which have been registered as CO No. 33 of 2016 for enhancement of the compensation, in view of the pronouncements of the Hon'ble Apex Court. It has been pleaded that the Tribunal below has erred while applying the multiplier of 14 since the deceased was 22 years old at the time of accident. The Tribunal below has not awarded just and reasonable compensation. Since the appeal and the cross objections arise out of the common award, both are being decided by this common judgment.

4. The key facts necessary for deciding the appeal and cross objections are that son of respondent No.1, namely Rakesh, died in an accident, which had taken place on 27.08.2008 at about

07.50 PM at place Galyana-Ka-Pani, Solan Kumarhatti, National Highway. The deceased at the time of accident was 22 years old and the claim petition was filed by his mother, who is respondent No.1.

5. At the time of the accident, the deceased was employed with M/s Durga Chemist and Clinical Lab, Opposite Regional Hospital, Solan, HP, and was getting ₹7500/- per month as salary, which fact has been proved by examining the proprietor of M/s Durga Chemist and Clinical Lab. The Tribunal below after adding 50% of the actual income of deceased towards future prospects took his income as ₹11,250/- per month. Since the deceased was bachelor, 50% has been deducted towards his personal expenses and the dependency has been taken as 50%. Thus, the monthly income of the deceased has been assessed as ₹5,625/- and annual dependency has been taken as ₹5,625 x 12 = ₹67,500/-. The Tribunal below applied the multiplier of 14 and calculated an amount of ₹5,625 x 12 x 14 = ₹9,45,000/-. The Tribunal also awarded a sum of ₹1,00,000/- on account of loss of estate and loss of expectation of life of deceased. Besides this an amount of ₹25,000/- has been awarded towards funeral expenses and thus total sum of ₹11,70,000/- has been assessed and awarded in favour of respondent No.1 along with interest @9% per annum from the date



of filing the petition till realization. The Tribunal has also assessed ₹10,000/- towards cost of litigation.

6. I have heard the learned counsel for the parties and perused the record carefully.

7. The arguments raised by the learned counsel representing the appellant-Insurance Company that since the driver who caused the accident was not having specific endorsement to drive the tanker at the first blush seems to be attractive, however, if the same is examined as per the provision of the Motor Vehicles Act, 1988, it is without any substance. At this juncture, it is relevant to mention that as per Section 10 of the Motor Vehicles Act, 1988 (hereinafter referred as Act), the form and contents of licence to drive has been prescribed. The currency of licences to drive motor vehicles has been mentioned in Section 14 of the Act. Since the dispute in the present case is regarding the accident having been caused by transport vehicle, Section 14 of the Act is relevant and reproduced herein below:-

14. Currency of licences to drive motor vehicles.—(1) A learner's licence issued under this Act shall, subject to the other provisions of this Act, be effective for a period of six months from the date of issue of the licence.

(2) A driving licence issued or renewed under this Act shall,-

(a) **in the case of a licence to drive a transport vehicle, be effective for a period of [five years]:**



[Provided that in the case of licence to drive a transport vehicle carrying goods of dangerous or hazardous nature be effective for a period of [three years and renewal thereof shall be subject to such conditions as the Central Government may prescribe; and];]

[(b) in the case of any other licence, subject to such conditions as the Central Government may prescribe, if the person obtaining the licence, either originally or on renewal thereof,-

(i) has not attained the age of thirty years on the date of issue or, renewal thereof, be effective until the date on which such person attains the age of forty years; or

(ii) has attained the age of thirty years but has not attained the age of fifty years on the date of issue or, renewal thereof, be effective for a period of ten years from the date of such issue or renewal; or

(iii) has attained the age of fifty years but has not attained the age of fifty-five years on the date of issue or, renewal thereof, be effective until the date on which such person attains the age of sixty years; or

(iv) has attained the age of fifty-five years on the date of issue or as the case may be, renewal thereof, be effective for a period of five years from the date of such issue or renewal.]

8. A perusal of Sub-Section (1) of Section 14 of the Act, provides that a learner's licence issued under the Act shall, subject to the other provisions of the Act, be effective for a period of six months from the date of issue of the licence. However, clause (a) of sub-section (2) of Section 14 of the Act provides that a driving licence issued or renewed under this Act shall in case of a licence to drive a transport vehicle, be effective for a period of five years, provided that in case of licence to drive a transport vehicle carrying goods of dangerous or hazardous nature be effective for a period of



three years and renewal thereof shall be subject to such conditions as the Central Government may prescribe. From the above, it is crystal clear that in case of licence to drive a transport vehicle carrying goods of dangerous or hazardous nature, the same would be effective for a period of three years, whereas in case of licence to drive a transport vehicle not carrying goods of dangerous or hazardous nature, the same would be effective for a period of five years. Since the driver at the relevant time was holding licence to drive heavy transport vehicle, as evident from perusal of Ex. RW1/B, which fact is not disputed by the learned counsel for the appellant-Insurance Company, there is no requirement to have specific endorsement to drive tanker. At this stage, it is relevant to mention that the appellant-Insurance Company has not led any evidence to prove that the licence in question was not effective and valid at the time of accident. It is settled law that, it is for the insurance company to prove the alleged violation of the terms and conditions of the policy and fundamental breach thereof. The Tribunal below has returned specific findings that the driver was authorized to drive PSVBUS and authorized to drive the kind of vehicle involved in accident. Thus, the findings returned by the Tribunal below that the driver was holding the licence are upheld



and the contention raised by the learned counsel is rejected.

9. At this juncture, it is relevant to mention here that the Constitution Bench of Hon'ble Supreme Court in ***Bajaj Alliance General Insurance Company Limited vs. Rambha Devi and others***, (2025) 3 SCC 95, has held that when a person is holding a licence for light motor vehicle under Section 10(2)(d) of the Act, for vehicles with a gross vehicle weight under 7,500 kg, he is entitled and permitted to operate a transport vehicle without needing additional authorization under Section 10(2)(e) of the Act, specifically for the transport vehicle having unladen weight of 7,500 kg. The relevant conclusion arrived at by the Hon'ble Supreme Court in para 181 of the *ibid* judgment in case of Rambha Devi is reproduced hereunder:-

181. Our conclusions following the above discussion are as under:-

(I) A driver holding a licence for Light Motor Vehicle (LMV) class, under Section 10(2)(d) for vehicles with a gross vehicle weight under 7,500 kg, is permitted to operate a 'Transport Vehicle' without needing additional authorization under Section 10(2)(e) of the MV Act specifically for the 'Transport Vehicle' class. For licensing purposes, LMVs and Transport Vehicles are not entirely separate classes. An overlap exists between the two. The special eligibility requirements will however continue to apply for, inter alia, e-carts, e-rickshaws, and vehicles carrying hazardous goods.

(II) The second part of Section 3(1), which emphasizes the necessity of a specific requirement to drive a 'Transport Vehicle,' does not supersede the definition of LMV provided in Section 2(21) of the MV Act.



(III) The additional eligibility criteria specified in the MV Act and MV Rules generally for driving 'transport vehicles' would apply only to those intending to operate vehicles with gross vehicle weight exceeding 7,500 kg i.e. 'medium goods vehicle', 'medium passenger vehicle', 'heavy goods vehicle' and 'heavy passenger vehicle'.

(IV) The decision in Mukund Dewangan (2017) is upheld but for reasons as explained by us in this judgment. In the absence of any obtrusive omission, the decision is not per incuriam, even if certain provisions of the MV Act and MV Rules were not considered in the said judgment.

10. From the above, it is crystal clear that when the Constitution Bench of the Hon'ble Supreme Court has held that the person holding light motor vehicle licence having gross unladen weight below 7500 kg, irrespective of the specific endorsement to drive the transport vehicle of the same weight, is not required to have specific endorsement, in that case, a person who is holding the licence to drive heavy transport vehicle is not required to have specific endorsement to drive a tanker.

11. The Tribunal below has correctly taken the income of the deceased as ₹7500/- per month and further rightly applied future prospects at the rate of 50%, but has erred to apply the multiplier of

14. As per the pronouncement of the Hon'ble Supreme Court in ***National Insurance Company Limited vs. Pranay Sethi and others, (2017) 16 SCC 680***, a multiplier of 18 ought to have been applied and thus, the compensation has to be assessed on that basis.



12. The Tribunal below has awarded a sum of ₹1,00,000/- each towards the loss of estate and loss of expectation of life of the deceased and ₹25,000/- as funeral expenses. But as per law laid down by the Constitution Bench in ***Pranay Sethi's case (supra)***, the claimants are held entitled to only a sum of ₹20,000/- each towards funeral expenses and loss of estate since after every three years, the amount has to be increased by 10% and in the year 2017, it was assessed ₹15,000/- each under *ibid* heads.

13. So far as the amount towards consortium is concerned, no amount has been awarded by the Tribunal below under this head, whereas as per the judgment of the Constitution Bench in ***Pranay Sethi's case (supra)***, an amount of ₹40,000/- towards consortium has to be awarded and this amount is to be increased by 10% after every three years from the year 2017. Thus, under the “head of consortium” respondent No.1 is held entitled to be a sum of ₹50,000/- and further ₹20,000/- each towards “funeral expenses” and “loss of estate”.

14. So far as the amount having been awarded towards the litigation expenses is concerned, that requires no interference.

15. The Tribunal below has rightly awarded the interest at the rate of 9 % per annum, since as per the provision of Section 171



of Motor Vehicles Act the Tribunal is competent to award the interest and once the Tribunal has exercised its jurisdiction, the same does not call for any interference.

16. Since the Tribunal below has not properly awarded the compensation amount, respondent No. 1 is held entitled to the amount as determined below:-

1.	Monthly Salary	₹ 7,500/-
2.	Addition towards future prospects (50% of monthly salary)	₹7,500/- x 50%= ₹3,750/- (₹ 7,500/- + ₹3,750/- = ₹11,250/- monthly income)
3.	Deduction (50% of monthly income)	₹ 11,250 - ₹ 5,625 = ₹ 5,625/-
4.	Annual loss of dependency	₹ 5,625 x 12 = ₹ 67,500/-
5.	Multiplier 18	₹ 67,500 x 18 = ₹ 12,15,000/-
6.	Loss of estate	₹ 20,000/-
7.	Loss of consortium	₹ 50,000/-
8.	Funeral charges	₹ 20,000/-
Total amount of compensation		₹ 13,05,000/-

17. No other points have been raised by the learned counsel appearing for the parties.

18. In view of the above, the appeal preferred by the appellant-Insurance Company is dismissed and the cross objections preferred by respondent No. 1 are allowed. The award passed by the Tribunal below dated 31.03.2015 is modified and instead of ₹11,70,000/- as awarded by the Tribunal, respondent is held entitled



to a sum of ₹13,05,000/- along with interest at the rate of 9% per annum from the date of filing the petition till its payment. The cost of litigation as awarded amounting to ₹10,000/- is affirmed. Since, the cross objections preferred by respondent No. 1 have been allowed, the appellant-Insurance company is directed to deposit the enhanced compensation amount within 90 days from today. The appeal and cross objections are accordingly disposed of. No order as to costs.

28th November, 2025
(Anurag)

(Jiya Lal Bhardwaj)
Judge