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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

I. **FAO-1662-2001**
National Insurance Co. Ltd. **. . . . Appellants**
Vs.
Babita and Others . . . . Respondents
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II. **FAO-1663-2001**
National Insurance Co. Ltd. **. . . . Appellants**
Vs.
Savita Devi and Others . . . . Respondents
****

III. **FAO-1664-2001**
National Insurance Co. Ltd. **. . . . Appellants**
Vs.
Babita and Others . . . . Respondents
****

IV. **FAO-1665-2001**
National Insurance Co. Ltd. **. . . . Appellants**
Vs.
Rajiv @ Deepak and Others . . . . Respondents
****

V. **FAO-66-2002**
Babita and Others **. . . . Appellants**
Vs.
Riaz Ahmad and Others . . . . Respondents
****

VI. **FAO-67-2002**
Savita Devi and Others **. . . . Appellants**
Vs.
Riaz Ahmad and Others . . . . Respondents

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Reserved on: 11.05.2026
Pronounced on: 13.05.2026
Pronounced fully/operative part: Fully

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CORAM: HON'BLE MR JUSTICE DEEPAK GUPTA

Argued by:- Mr. Vinod Kumar, Advocate for
Mr. Rajesh Lamba, Advocate for the
appellant in FAO-66-2002 and FAO-1663-2001 and
for respondent No.5 in FAO-1662-2001.

Mr. Paul S. Saini, Advocate
for the Insurance Company.

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DEEPAK GUPTA, J.

This common judgment shall govern disposal of six connected appeals arising out of the same motor vehicular accident and involving common questions of fact and law.

2. The unfortunate occurrence took place on 22.04.1998. Jagdish Lal (deceased), Kanta Devi (deceased), Rakesh Kumar (deceased) and Rajiv @ Deepak were travelling in Tata Sumo bearing registration No. HR-06D-6811 from Karnal towards Delhi. The vehicle was being driven by Rakesh Kumar. As per the case set up by the claimants, when the Tata Sumo attempted to overtake truck No. JK-02G-3589 after blowing horn, respondent No.1, who was driving the said truck in a rash and negligent manner, suddenly swerved the truck towards the Tata Sumo. In an attempt to save the vehicle, the Tata Sumo struck against the road divider, crossed over to the opposite carriageway and overturned. Another truck bearing registration No. PIS-4471, coming from the opposite direction, collided with the overturned Tata Sumo, resulting in fatal injuries to Jagdish Lal and Rakesh Kumar died at the spot, while Kanta Devi succumbed to the injuries on the way to hospital. Rajiv @ Deepak sustained multiple injuries and was moved to Civil Hospital, Sonipat. After regaining consciousness, his statement formed the basis for registration of FIR at Police Station Rai under Sections 279 and 304-A IPC against respondent No.1.

3. Separate claim petitions under Section 166 of the Motor Vehicles Act were instituted by the legal representatives of the deceased Jagdish Lal, Kanta Devi and Rakesh Kumar, while injured Rajiv @ Deepak also filed an independent claim petition seeking compensation for injuries sustained by him. All the petitions were consolidated and decided by learned Motor Accident Claims Tribunal, Sonipat vide common award dated 04.01.2001.

4. The respondents-driver, owner and insurer contested the claim petitions. Apart from disputing negligence, the insurance company raised a specific defence that respondent No.1 was not holding a valid and effective driving li-

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cence at the time of accident and, therefore, there was breach of conditions of the insurance policy.

5. Upon appreciation of oral as well as documentary evidence, learned Tribunal returned a categorical finding that the accident had occurred due to rash and negligent driving of truck No. JK-02G-3589 by respondent No.1. Learned Tribunal further held that the insurance company failed to establish breach of terms and conditions of the insurance policy, particularly regarding invalidity of the driving licence of respondent No.1.

6. Consequently, compensation was awarded in the following manner:

- MACT No.48 of 1998 (death of Kanta Devi) : ₹1,50,000/-
- MACT No.49 of 1998 (death of Rakesh Kumar) : ₹3,13,200/-
- MACT No.50 of 1998 (death of Jagdish Lal) : ₹4,38,000/-
- MACT No.51 of 1998 (injury claim of Rajiv @ Deepak) : ₹15,000/-

7. Aggrieved against the aforesaid award, National Insurance Company filed four appeals i.e. **FAO Nos.1662 to 1665 of 2001** challenging the finding regarding validity of the driving licence of respondent No.1. On the other hand, claimants in two claim petitions preferred **FAO Nos.66 and 67 of 2002** seeking enhancement of compensation awarded in respect of deaths of Jagdish Lal and Rakesh Kumar respectively.

8. This Court has heard learned counsel for the parties and carefully perused the record.

FAO No.66 of 2002 (Death of Jagdish Lal)

9. It is not disputed before this Court that deceased Jagdish Lal was about 45 years of age at the time of accident. Learned Tribunal assessed his monthly income on notional basis at ₹3,000/- per month and the said assessment has not been assailed by either side.

10. The grievance raised by learned counsel for the claimants is that learned Tribunal failed to grant addition towards future prospects, applied an in-

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correct multiplier and inadequately compensated the claimants under conventional heads.

11. The compensation payable is, therefore, required to be recalculated in the light of the principles laid down by Hon'ble Supreme Court in ***"Smt. Sarla Verma and ors. v. Delhi Transport Corporation and anr.",*** (2009) 6 SCC 121; ***National Insurance Company Limited v. Pranay Sethi and ors., (2017) 16 SCC*** 680; ***"Magma General Insurance Company Ltd. v. Nanu Ram @ Chuhru Ram and others",*** 2018(18) SCC 130.

12. The monthly income of the deceased being ₹3,000/-, the annual income works out to ₹36,000/-. Since the deceased was between 40 to 50 years of age, addition of 25% towards future prospects is liable to be made in view of the law laid down in ***National Insurance Co. Ltd. v. Pranay Sethi (supra)***, thereby taking the annual income to ₹45,000/-.

13. There being five dependents, namely widow, three children and widowed mother, deduction towards personal and living expenses is liable to be assessed at one-fourth in terms of ***Sarla Verma v. Delhi Transport Corporation (supra).*** Consequently, annual loss of dependency comes to ₹33,750/-.

14. Considering the age of the deceased, the applicable multiplier would be '14'. Thus, the total loss of dependency works out to ₹4,72,500/- (₹33,750 × 14).

15. The widow, children and mother are also entitled to consortium under the categories of spousal, parental and filial consortium in view of the law laid down in ***Magma General Insurance Co. Ltd. v. Nanu Ram (supra).*** Having regard to the fact that the accident pertains to the year 1998, an amount of ₹20,000/- each is awarded to all five claimants under the head of consortium. Further, ₹10,000/- each is awarded towards funeral expenses and loss of estate.

16. Accordingly, compensation is recalculated as under:

- Loss of dependency : ₹4,72,500/-

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- Consortium : ₹1,00,000/-
- Funeral expenses : ₹10,000/-
- Loss of estate : ₹10,000/-
- **Total : ₹5,92,500/-**

17. After deducting the amount of ₹4,38,000/- already awarded by the learned Tribunal, the claimants become entitled to enhanced compensation of ₹1,54,500/-, which is rounded off to ₹1,55,000/-.

18. Consequently, FAO No.66 of 2002 is partly allowed and the claimants are held entitled to enhanced compensation of ₹1,55,000/- along with interest @ 7.5% per annum from the date of filing of the claim petition till actual realization.

19. Out of the enhanced compensation amount, ₹35,000/- each along with proportionate interest shall be payable to the widow and three children of the deceased, whereas ₹15,000/- along with proportionate interest shall be payable to the mother. However, in case the mother has expired before disbursement, her share shall devolve equally upon the remaining four claimants.

FAO No.67 of 2002 (Death of Rakesh Kumar)

20. Insofar as compensation relating to deceased Rakesh Kumar is concerned, it is not disputed that he was aged about 24-25 years at the time of accident and his monthly income was rightly assessed by the learned Tribunal at ₹2,400/- per month on notional basis.

21. The annual income accordingly comes to ₹28,800/-. Since the deceased was below 40 years of age, addition of 40% towards future prospects is required to be made in terms of ***National Insurance Co. Ltd. v. Pranay Sethi (supra)***, thereby taking annual income to ₹40,320/-.

22. There being three dependents, namely widow, minor daughter and aged father, deduction of one-third towards personal expenses is liable to be made. Consequently, annual loss of dependency works out to ₹26,880/-.

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23. Applying multiplier of '18' in terms ***of Sarla Verma v. Delhi Transport Corporation (supra),*** the total loss of dependency comes to ₹4,83,840/-.

24. The claimants are also entitled to consortium under different categories at the rate of ₹20,000/- each, totaling ₹60,000/-. Further sums of ₹10,000/- each are awarded towards funeral expenses and loss of estate.

25. Thus, total compensation payable is computed as under:

- Loss of dependency : ₹4,83,840/-
- Consortium : ₹60,000/-
- Funeral expenses : ₹10,000/-
- Loss of estate : ₹10,000/-
- **Total : ₹5,63,840/-**

26. After deducting the amount of ₹3,13,200/- already awarded by the learned Tribunal, the enhanced compensation works out to ₹2,50,640/-, which is rounded off to ₹2,51,000/-.

27. Accordingly, FAO No.67 of 2002 is partly allowed and the claimants are held entitled to enhanced compensation of ₹2,51,000/- along with interest @ 7.5% per annum from the date of filing of claim petition till realization.

28. Out of the enhanced amount, ₹1,20,000/- each along with proportionate interest shall be payable to the widow and daughter of the deceased, whereas ₹11,000/- along with proportionate interest shall be payable to the father. In case the father is no longer surviving, his share shall devolve equally upon the widow and daughter.

Appeals filed by Insurance Company (FAO Nos.1662 to 1665 of 2002)

29. The sole issue arising in the four appeals preferred by the insurance company is whether respondent No.1 was holding a valid and effective driving licence on the date of accident.

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30. Learned Tribunal, while dealing with the said issue, extensively examined the evidence led by the parties and concluded that the insurance company failed to prove invalidity or falsity of the driving licence relied upon by respondent No.1.

31. Respondent No.1, while appearing as RW-1, produced photocopy of driving licence Ex.R1 along with verification report Ex.R2. The insurance company examined a clerk from the licensing authority, Jammu as RW-3, who stated that licence No.62088/J had been issued in the name of one Jitender Kumar son of Dhani Ram. However, significantly, RW-3 did not categorically depose that the licence produced by respondent No.1 was fake or fabricated. Even regarding verification report Ex.R2, the witness failed to dispute its authenticity.

32. A careful perusal of the driving licence relied upon by respondent No.1 reveals that the same bore endorsement No.DL62088/J/1989 and had originally been issued in the name of respondent No.1-Riyaz Ahmad by the licensing authority at Jammu. The endorsements further reveal that the licence had been renewed from time to time and stood renewed for the period from 30.01.1996 to 30.01.1999.

33. Ex.R2, namely verification report issued by Assistant Regional Transport Authority, Anantnag/Pulwama, also corroborates renewal of the said licence in favour of respondent No.1. Furthermore, Ex.R3 relied upon by the insurance company itself pertains to licence No.62088/J dated 09.12.1988 and is also in the name of Riyaz Ahmad.

34. In these circumstances, the insurance company utterly failed to establish that the licence produced by respondent No.1 was fake, fabricated or invalid. Mere production of some record pertaining to another licence number was wholly insufficient to discharge the burden cast upon the insurer under Section 149 of the Motor Vehicles Act.

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35. Learned Tribunal, therefore, rightly concluded that no breach of terms and conditions of the insurance policy stood proved and consequently the insurer could not avoid its statutory liability.

36. Accordingly, FAO Nos.1662 to 1665 of 2001 filed by the insurance company are hereby dismissed.

37. As a result, **FAO Nos.66 and 67 of 2002** filed by the claimants stand partly allowed in the manner indicated above, whereas **FAO Nos.1662 to 1665 of 2001** filed by the insurance company stand dismissed.

38. The enhanced compensation along with interest shall be payable jointly and severally by all the respondents, though primary liability to satisfy the award shall remain that of the insurance company.

39. A photocopy of this judgment be placed on the files of all connected cases.

(DEEPAK GUPTA)
JUDGE

13.05.2026
Neetika Tuteja

Whether speaking/reasoned? Yes/No
Whether reportable? Yes/No

Uploaded on.: 13.05.2026