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*** IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 3rd March, 2015

+ MAC.APP. 1037/2012

HDFC ERGO GEN. INSURANCE CO. LTD. Appellant

Through: Ms. Neerja Sachdeva, Adv.

versus

BABLU SAHNI & ORS. Respondents

Through: Mr. Anshuman Bal, Adv. for R-1.

CORAM:

HON'BLE MR. JUSTICE G.P.MITTAL

G. P. MITTAL, J. (ORAL)

1. The appeal is for reduction of compensation of ₹2,63,000/- awarded by the Motor Accident Claims Tribunal (the Claims Tribunal) in favour of Respondent no.1 Bablu Sahani for having suffered injuries in a motor vehicular accident which occurred on 03.06.2011.
2. As per the case set up by Respondent no.1, Respondent no.1 was working as a marble *mistri* (mason) and was earning ₹15,000/- per month at the time of accident. He suffered multiple injuries and remained admitted in the hospital for seven days. The Claims Tribunal accepted Respondent no.1 as a semi-skilled person and awarded a sum of ₹85,176/- towards loss of income. There seems to be a clerical

mistake in the computation of overall compensation as tabulated on page 12 of the impugned judgment. The compensation awarded by the Claims Tribunal is tabulated as under:-

“Pecuniary damages (special damages):

1) Loss of income	₹ 48,000/-(instead of ₹85,176/-)
2) Special diet expenses	₹ 10,000/-
3) Conveyance charges	₹ 10,000/-
4) Attendant charges	₹ 25,000/-

Non-Pecuniary damages (General damages):

5) Pain, suffering, mental shock and trauma	₹1,50,000/-
Total	₹2,63,000/-”

3. The following contentions are raised by the learned counsel for the Appellant:-

- (i) Respondent no.1 did not suffer any permanent disability. The award of compensation toward loss of income for one year was on the higher side;
- (ii) The compensation awarded towards pain and suffering is also on the higher side; and
- (iii) The counsel’s fee and out of pocket expenses have been wrongly computed.

4. On the other hand, the learned counsel for Respondent no.1 supports the impugned judgment and states that the compensation awarded is just and reasonable. It is urged that the income of the injured was wrongly taken as ₹7098/- per month although, it was established that Respondent no.1 was working as a marble *mistri* (mason). His income ought to have been accepted as at least ₹15,000/- per month.
5. It is stated that the compensation awarded towards non-pecuniary damages is just and reasonable as Respondent no.1 suffered multiple fractures of ribs, fracture of shoulder and injuries on other parts of the body.
6. I have the Trial Court Record before me. Respondent no.1 testified that he was working as a marble *mistri* (mason) and was earning ₹15,000/- per month. He also deposed that he was unemployed since the date of the accident. During cross-examination, his profession as marble *mistri* was not challenged. In the year 2011, a marble *mistri* would have been able to earn an income of about ₹10,000/- per month, on the basis of ₹400/- per day on 25 working days. Thus, instead of taking the income of Respondent no.1 as per the Minimum Wages Act, 1948, I will make an assessment and hold that Respondent no.1 was earning ₹10,000/- per month.

7. No medical evidence was produced by Respondent no.1 to show as to for how long he could not attend to work or how long did it take to heal the fracture and the injuries suffered. Again, I will have to make my own assessment on the basis of guess work and I will say that with multiple fracture of ribs, Respondent no.1 would have not been able to carry out the work at least for a period of four months.
8. Respondent no.1 would have also needed an attendant at least for a month. The compensation towards attendant charges, pain and suffering and mental shock and trauma, taking into consideration the injuries suffered appears to be on the higher side.
9. Respondent no.1 has not been awarded any compensation towards purchase of medicines and medical treatment. He has been able to place on record bills for about ₹3,000/-. Largely, the treatment was in govt. hospital. Considering the nature of injuries, I would award a lump sum compensation of ₹5,000/- towards purchase of medicines and treatment.
10. Hence, I tend to award compensation to Respondent no.1 as under:-

Sl. No.	Heads	Awarded by the Tribunal	Awarded by this Court
1.	Loss of income for four months (10,000/- x 4)	85,176/-	40,000/-

2.	Special diet expenses	10,000/-	10,000/-
3.	Attendant Charges	25,000/-	5,000/-
4.	Conveyance Charges	10,000/-	10,000/-
5.	Pain, suffering, mental shock and trauma	1,50,000/-	75,000/-
6.	Purchase of medicines and treatment	--	5,000/-
	Total	₹2,80,176/-	₹1,45,000/-

11. As far as question of award of counsel's fee and out of pocket expenses is concerned, this question was gone into by this Court at great length in MAC Appeal No. 645/2012 titled *ICICI Lombard General Insurance Co. Ltd. vs. Kanti Devi & Ors.*, decided on 30th July, 2012 wherein it was held that counsel's fee is permissible only in accordance with the High Court Rules and Orders. Paras 8 to 20 of the judgment are as under:-

“8. It is true that Section 172 of the Act empowers a Claims Tribunal to award compensatory costs only in the eventualities as mentioned in Clause (a) and (b) of Section 172 sub-Section (1). Section 35 (A) of the Code contains similar provisions regarding award of compensatory costs in respect of false or vexatious claims or defences.

9. A Claim Petition filed under Section 166 of the Act has to be inquired into and compensation must be awarded as provided under Section 168 of the Act. Section 169 (2) of the Act also lays down the procedure

and powers of the Claims Tribunal. It is extracted hereunder:-

“169. Procedure and powers of Claims Tribunals.

(1) x x x x

(2) The Claims Tribunal shall have all the powers of a Civil Court for the purpose of taking evidence on oath and of enforcing the attendance of witnesses and of compelling the discovery and production of documents and material objects and for such other purposes as may be prescribed; and the Claims Tribunal shall be deemed to be a Civil Court for all the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974).

x x x x x ”

10. A bare reading of Section 169 (2) of the Act would show that the powers of Civil Courts have been conferred on a Claims Tribunal only for specific purposes as mentioned therein which certainly does not include the power to impose costs. However, Section 176 of the Act empowers the State Govt. to frame Rules for the purpose of carrying into effect the provisions given in Sections 165 to 174 of the Act and, in particular, as regard to the procedure to be followed by the Claims Tribunal and also with regard to the powers which are vested in a Civil Court which may be exercised by a Claims Tribunal.

11. Govt. of NCT of Delhi in exercise of its power under Section 176 and under other Sections of the Act framed Delhi Motor Vehicle Rules, 1993. Chapter IX of the Delhi Motor Vehicle Rules deals with the provisions in relation to the Claims Tribunal. Rule 118 of the Delhi Motor Vehicle Rules lays down the procedure to be adopted by the Claims Tribunal. Rule 119 of the Delhi Motor Vehicle Rules further makes applicable certain other provisions of the First Schedule of the Code to the

proceedings before the Claims Tribunal. Rule 119 of the Delhi Motor Vehicle Rules reads as under:-

“119.Power vested in the Civil Court which may be exercised by Claims Tribunal.- The following provisions of the first schedule to the Code of Civil Procedure, 1908, shall, so far as may be, apply to proceedings before the Claims Tribunal, namely:-

(a) Order V, (Issue and Service of Summons) Rules 9 to 13 and 15 to 39;

(b) Order IX (Appearance of Parties and Consequence of Non-appearance);

(c) Order XIII (Production, Impounding and Return of Documents), Rules 3 to 10;

(d) Order XVI (Summoning and Attendance of Witnesses), Rules 2 to 21;

(e) Order XVII (Adjournments) and;

(f) Order XXIII (Withdrawal and Adjustment of Suits), Rules 1 to 3.”

12. Rule 119, therefore, also does not confer any power upon the Claims Tribunal with respect to the imposition of costs. The Govt. of NCT of Delhi framed another set of Rules, namely, the Delhi Motor Accident Claims Tribunal Rules, 2008 (the Claims Tribunal Rules, 2008) in exercise of its power under Section 176 of the Act. The said Rules, however, superseded the provisions of the Delhi Motor Vehicle Rules, 1993 insofar as the provisions relating to the Claims Tribunal in Chapter IX are concerned.

13. The preamble to the Claims Tribunal Rules, 2008 reads as under:-

“In exercise of the powers conferred by section 176 read with clause (41) of section 2 and sub-section (1) of section 212 of Motor Vehicles Act, 1988 (59 of 1988), and in partial supersession of Chapter IX of the Delhi

Motor Vehicles Rules, 1993 relating to Claims Tribunals, made vide this Government's Notification No. F 2(1)/93-Law dated the 21st June, 1993, the Lieutenant Governor of the National Capital Territory of Delhi is pleased to make the following rules, namely..."

14. Rule 32 of the Claims Tribunal Rules, 2008 vests the Claims Tribunal with all the powers of a Civil Court in discharging its function as laid down in the Code. The same is extracted hereunder:-

"32. Vesting of powers of Civil Court in the Claims Tribunal – *Without prejudice to the provisions of Section 169 of the Act every Claims Tribunal shall exercise all the powers of a Civil Court, and in doing so for discharging its functions it shall follow the procedure laid down in the Code of Civil Procedure, 1908 (5 of 1908)."*

15. Thus, by virtue of Rule 32 of the Claims Tribunal Rules, 2008, the Claims Tribunal can exercise all the powers of a Civil Court and in doing so it has to follow the procedure laid down in the Code. It can be seen that the scope of power exercisable by the Claims Tribunal has thus been completely widened by virtue of the Claims Tribunal Rules, 2008, which means that the Claims Tribunal can exercise the powers of a Civil Court as laid down in the Code. Therefore, it would not be correct to say that the Claims Tribunal is empowered only to order payment of compensatory costs in cases of vexatious claims and defences and not otherwise. In other words, the Claims Tribunal would be competent to award costs like any other Civil Court under Section 35 read with Order XXA of the Code and subject to the Rules framed by the Delhi High Court in this regard.

QUESTION No.2:-

16. Coming to the second question; it is urged by the learned counsels for the Appellant Insurance Companies that the Delhi High Court has framed Rules with regard to the payment of costs including the Counsel's fee. Part B of Chapter 16 Volume 1 of the Delhi High Court Rules

(the Rules) governs the payment of the Counsel's fee in addition to the costs incurred by a Claimant in pursuing the proceedings before a Civil Court.

17. Section 35 & Order XXA of the Code which deal with the payment of costs and Rule 1; Rule 1A; Rule 2; Rule 8; Rule 9; Rule 12 and Rule 16 of Chapter 16 Volume 1 Part B of the Delhi High Court Rules (for short the Rules), which deals with the Counsel's fee are extracted hereunder:-

“35. Costs.

(1) Subject to such conditions and limitations as may be prescribed, and to the provisions of law for the time being in force, the costs of an incident to all suits shall be in the discretion of the Court, and the Court shall have full power to determine by whom or out of what property and to what extent such costs are to be paid, and to give all necessary directions for the purposes aforesaid. The fact that the Court has no jurisdiction to try the suit shall be no bar to the exercise of such powers.

(2) Where the Court directs that any costs shall not follow the event, the Court shall state its reasons in writing.”

“ORDER XXA. COSTS

Rule 1. Provisions relating to certain items:-

Without prejudice to the generality of the provisions of this Code relating to costs, the Court may award costs in respect of -

(a) expenditure incurred for the giving of any notice required to be given by law before the institution of the suit;

(b) expenditure incurred on any notice which, though not required to be given by law, has been given by any

party to the suit to any other party before the institution of the suit;

(c) expenditure incurred on the typing, writing or printing of pleadings filed by any party;

(d) charges paid by a party for inspection of the records of the Court for the purposes of the suit;

(e) expenditure incurred by a party for producing witnesses, even though not summoned through Court, and

(f) in the case of appeals, charges incurred by a party for obtaining any copies of judgments and decrees which are required to be filed along with the memorandum of appeal.”

2. Costs to be awarded in accordance with the rules made by High Court- *The award of costs under this rule shall be in accordance with such rules as the High Court may make in that behalf.*

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“Rule 1. Suit for recovery of property, breach of contract or damages—*In suits for the recovery of money or of specific property or a share of specific property, whether immovable or moveable, or for the breach of any contract or for damages:—*

(a) If the amount or value of property, debt or damages decreed shall not exceed Rs. 25,000/- at 10 per cent on the amount or value decreed.

(b) If the amount of value shall exceed Rs. 25,000/- and not exceed Rs. 50,000/-, on Rs. 25,000/- at 10 per cent and on the remainder at 8 per cent.

(c) If the amount or value shall exceed Rs. 50,000/- and not exceed Rs. one lakh, on Rs. 50,000/- as above and on the remainder at 4 per cent.

(d) If the amount or value shall exceed Rs. 1,00,000/- and not exceed Rs. 5,00,000/- on Rs. 1,00,000/- as above and on the remainder at 2 per cent.

(e) If the amount or value shall exceed Rs. 5,00,000/- on Rs. 5,00,000/- as above and on the remainder at one per cent subject, however, that in no case the amount of fee shall exceed Rs. 20,000/-.”

“Rule 1A. In the case of:

(i) Summary suits under Order XXXVII of the first Schedule to the Code of Civil Procedure, 1908, where the defendant does not appear or where leave to defend is refused or where a decree is passed on the defendant failing to comply with the conditions on which leave to defend was granted and appeals against decrees in suits.

(ii) Suit, the claim in which is admitted but only time or instalment for payment is asked for.

(iii) Suit which is got dismissed by a plaintiff for want of prosecution before settlement of issues or recording of any evidence, except evidence under Rule 2 of Order X of the Code of Civil Procedure.

(iv) Suit which is withdrawn before the settlement of issues or recording of any evidence except evidence under Rule 2 of Order X of the Code of Civil Procedure.

(v) Suit in which judgment is given on admission under Rule 6 of Order XII in the First Schedule to the Code of Civil Procedure, 1908, before the settlement of issues or recording of any evidence except evidence under Rule 2 of Order X of the Code of Civil Procedure.

(vi) Short causes, commercial causes and long causes in which no written statement is filed and appeals from decrees in such suits.

(vii) Suits compromised before the settlement of issues or recording of evidence except evidence under Rule 2 of Order X of the Code of Civil Procedure.

(viii) Any formal party to a suit or appeal, e.g., a trustee or estate holder who only appears to submit to the orders of the Court and asks for his costs.

(ix) A suit or appeal which has abated.

(x) A Complaint returned for presentation to the proper Court, the amount of Advocate's fees to be allowed shall be fixed by the Court disposing of the matter and shall not exceed 1/2 of that payable according to the rate specified in sub-rule (l) above:

Provided that in no case falling under this sub-rule the Advocate's fee shall be less than Rs. 500/- "

Rule 2. Others Suits—*In suits for injuries to the person or character of the plaintiff, such as for assault or defamation or for injuries to the property, or to enforce rights where the pecuniary value of such injury or right cannot be exactly defined, as in suits for the partition of joint property where partition is improperly resisted or any other suit of the kinds specified in the rules made by the High Court under Section 9 of the Suits Valuation Act, 1887 for the valuation of suits which do not admit of being satisfactorily valued, if the plaintiff succeeds, the Court may order the fee allowed to the plaintiff to be calculated with reference either to the amount decreed or according to the valuation of the suit according to such a sum as the Court shall think reasonable and shall fix with reference to the importance of the subject of dispute but the same shall not be less than Rs. 500/- and shall not exceed Rs. 5,000/-.*

Rule 8. Miscellaneous proceedings—*In any miscellaneous proceedings or for any matter other than that of appearing, acting or pleading in a suit prior to decree, the fee shall not exceed:*

(i) rupees two hundred and forty in the Court of a District Judge or of an officer exercising the powers of a Subordinate Judge of the 1st, 2nd, 3rd and 4th class or in a Court of Small Causes; and

(ii) rupees forty-eight in the Court of an officer exercising the powers of a Subordinate Judge in respect of cases the value of which is below Rs. 1,000.

Rule 9. Undefended suits—If a suit in any Court of original jurisdiction be undefended, the fee shall be calculated at one-half the sum at which it would have been charged had the suit been defended.

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Rule 12. Appeals—In appeals the fee shall be half of the fee calculated on the same scale as in the original suits and the principles of the above rules as to original suits shall be applied, as nearly as may be.

x x x x x x x x x x

Rule 16. Certificate as to fees to be filled by counsel in the Court of District Judges—Notwithstanding anything contained in the rules and notwithstanding any order of the Presiding Officer, no fee to any legal practitioner appearing in civil appeals, or original suits in the Court of District Judges shall except, as in these rules hereinafter provided, be allowed on taxation between party and party, or shall be included in any decree or order, unless the party claiming to have such fee allowed shall, before the final hearing, fill in the Court, a certificate signed by the legal practitioner certifying the amount of the fee or fees actually paid by or on behalf of his client to him or to any other legal practitioner in whose place he may have appeared.”

18. *A perusal of Section 35 read with Order XXA of the Code would show that normally the costs shall follow the event and in case the Court directs otherwise, it is required to state reasons in writing. It is further revealed that expenditure in serving any notice required by law or even otherwise; expenditure incurred on typing, writing and printing of pleadings; charges paid by party for inspection of the Court's record; expenditure incurred by a party for producing witnesses; and in case of Appeal the charges incurred by a party for obtaining copy of the judgment and decree; are broadly payable without limiting the scope of the costs.*

19. *It is urged on behalf of the Appellant Insurance Companies that the proceedings in a Petition under Section 166 of the Act or for that matter under Section 163-A of the Act are miscellaneous proceedings covered under Rule 8 of the Rules and the Counsel's fee shall be payable on the scale as mentioned in Rule 8. Rule 8 extracted earlier apply to misc. proceedings or for any matter other than that of appearing, pleading etc. in a suit prior to the decree.*

20. *On the other hand, Rule 1 of Chapter 16 Volume 1 Part B of the Rules is very widely worded and also includes Suit for damages. A Claim Petition under Section 166/163-A is in respect of damages for the injuries caused to the Claimant payable by the driver, the owner and the Insurer. Thus, in my view Rule 1 is the appropriate Rule which would apply to the Claim Petition under the Act. In the circumstances, apart from the award of costs under other heads, as mentioned under Order XXA, the Counsel's fee shall be payable on the scale as given in Rule 1."*

12. The Claims Tribunal therefore, could have allowed the Claim Petition only with costs which would have included the counsel's fee.

13. The compensation is accordingly reduced from ₹2,80,000/- to ₹1,45,000/-.
14. By an order dated 17.09.2012, only 25% of the awarded amount, less counsel's fee and out of pocket expenses was ordered to be deposited. Balance compensation along with interest @ 9% as awarded by the Claims Tribunal from the date of filing of the Claim Petition till the date of filing of the appeal and @ 7.5% per annum from the date of filing of the appeal till its payment shall be deposited in UCO Bank, Delhi High Court Branch, New Delhi within six weeks, failing which Respondent no.1 will be entitled to interest on the amount which is to be deposited @ 12% per annum from the date of this judgment.
15. It is stated by learned counsel for Respondent no.1 that 25% of the deposited amount was released to Respondent no.1 in pursuance of the order passed by this Court.
16. Balance compensation along with interest shall be released/held in favour of Respondent no.1 in fixed deposit as per the orders passed by the Claims Tribunal
17. The appeal is allowed in above terms.

18. Statutory amount, if any, deposited shall be refunded to the Appellant Insurance Company on deposit of the balance compensation.
19. Pending applications, if any, also stand disposed of.

(G.P. MITTAL)
JUDGE

MARCH 03, 2015
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