



**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

(i) FAO-4028-2014 (O&M)

Satya Devi and others

...Appellants

VERSUS

Karanbir Singh and others

...Respondents

(ii) FAO-5868-2014 (O&M)

United India Insurance Company

...Appellant

VERSUS

Satya Devi and others

...Respondents

Date of Decision: May 20, 2025

CORAM: HON'BLE MRS. JUSTICE ARCHANA PURI

Present: Mr.Jaideep Verma, Advocate
 for the appellants (in FAO-4028-2014) and
 for respondents No.1 to 5 (in FAO-5868-2014).

 Mr.Vikas Kumar, Advocate
 for respondents No.1 and 2 (in FAO-4028-2014) and
 for respondents No.6 and 7(in FAO-5868-2014).

 Mr.Vinod Chaudhri, Advocate
 for the appellant (in FAO-5868-2014) and
 for respondent No.3 (in FAO-4028-2014).

ARCHANA PURI, J.

These are two appeals filed to assail the correctness of the

**FAO-4028-2014 and connected case****-2-**

Award dated 22.02.2014 passed by learned Motor Accident Claims Tribunal, whereby, awarded compensation, on account of death of Gursewak Singh, in a motor vehicular accident.

The parties are referred to as making appearance before learned Tribunal.

Suffice to consider that accident had taken place on 11.10.2013. On appraisal of the evidence, brought on record, learned Tribunal had concluded about the accident to have taken place, on account of rash and negligent driving of Ace Crane bearing registration No.PB-10DH-5832 driven by respondent No.1-Karanbir Singh. It was pleaded case of the claimants that Gursewak Singh was a property dealer and earning Rs.20,000/- per month.

However, considering the evidence, brought on record, learned Tribunal had assessed the earnings of the deceased as Rs.6,000/- per month and further affixed future prospects to the extent of 30%. Thus, the annual income of deceased was worked upon as $\text{Rs.72,000} + \text{Rs.21,600} = \text{Rs.93,600/-}$. Since, the deceased was unmarried, deduction to the extent of 50% was made, on the count of 'personal expenses'. Claimants No.2 to 5, i.e. one unmarried sister and three married sisters, were not treated as dependent of the deceased. Considering the age of mother of the deceased, multiplier of '11' was applied and loss of dependency was worked upon as Rs.5,14,800/-.

Besides the aforesaid, on account of 'funeral expenses' and 'loss of estate', amounts of Rs.10,000/- and Rs.5000/- respectively were awarded. In total, the compensation was worked upon as Rs.5,29,800/-.

The liability of the respondents i.e. driver, owner and insurer of



the offending vehicle, was held to be joint and several. The compensation was denied to the sisters of the deceased and it was only awarded to mother of the deceased.

Being aggrieved, **FAO-4028-2014** has been filed by the claimants, thereby, seeking enhancement of the compensation and also assailing the denial of compensation to the sisters of the deceased, who are claimants No.2 to 5, in the claim petition, whereas, **FAO-5868-2014** has been filed by the insurance company, thereby, seeking reduction of the compensation awarded to the claimants and also sought absolvment of the liability fastened upon the insurance company.

Learned counsel for the parties heard.

Keeping in view the prevalent law, the 'work on' of the compensation aforesaid, do call for re-determination.

On appraisal of the evidence, it goes without saying that father of Gursewak Singh was not alive, at the time, when Gursewak Singh departed the world. Besides his widow mother, there were four other sisters. Three sisters, undisputedly, were married, who are claimants No.3 to 5 and one sister was unmarried, who is claimant No.2.

Considering this aforesaid factual position, the total denial of compensation to the sisters, as such, do call for re-consideration.

The provisions of the Motor Vehicles Act, 1988 gives paramount importance to the concept of '**just and fair**' compensation. It is a beneficial legislation, which has been framed with the object of providing relief to the victims or their families. Section 168 of the Act deals with the concept of '**just compensation**' which ought to be determined on the



foundation of fairness, reasonableness and equitability. Very true, that such determination can never be arithmetically exact or perfect, but however, an endeavor should be made by the Court to award 'just and fair' compensation In ***Smt.Sarla Verma vs. Delhi Transport Corporation and anr., 2009(3) RCR (Civil) 77***, it has been laid down by the Hon'ble Supreme Court, as herein given:-

“16. ... “Just compensation” is adequate compensation which is fair and equitable, on the facts and circumstances of the case, to make good the loss suffered as a result of the wrong, as far as money can do so, by applying the well-settled principles relating to award of compensation. It is not intended to be a bonanza, largesse or source of profit.”

The Motor Vehicles Act does not define the term '**legal representative**'. However, the Hon'ble Supreme Court in various pronouncements, has called for liberal interpretation to ensure 'just and fair' compensation. Beneficial reference in this regard is made to '**Gujarat State Road Transport Corporation, Ahmedabad vs. Ramanbhai Prabhatbhai and Anr., 1987 (3) SCC 234**', wherein, it was held that the legal representatives is one, who suffers on account of death of a person, due to motor vehicle accident and need not necessarily be a wife, husband, parent and child.

In ***N.Jayasree & Ors. vs. Cholanandalam MS General Insurance Company Ltd., 2021 (4) RCR (Civil) 642***, it was observed by the Hon'ble Apex Court, as herein given:-

“16. In our view, the term 'legal representative' should be given a wider interpretation for the purpose of Chapter XII of



the MV Act and it should not be confined only to mean the spouse, parents and children of the deceased. As noticed above, MV Act is a benevolent legislation enacted for the object of providing monetary relief to the victims or their families. Therefore, the MV Act calls for a liberal and wider interpretation to serve the real purpose underlying the enactment and fulfill its legislative intent. We are also of the view that in order to maintain a claim petition, it is sufficient for the claimant to establish his loss of dependency. Section 166 of the MV Act makes it clear that every legal representative who suffers on account of the death of a person in a motor vehicle accident should have a remedy for realization of compensation.”

Reverting to the case in hand, it is pertinent to the mention that father of Gursewak Singh had pre-deceased him and even, the mother of deceased as well as unmarried sister are also not established to be financially independent. Therefore, they would fall under the definition of ‘legal representative’ for the purpose of claiming compensation under the Motor Vehicles Act and they are to be treated as ‘dependent’ upon the income of the deceased. It stands established that after the death of his father, Gursewak Singh was the sole earning member in the family. Considering the same, the dependence of the mother and unmarried sister, more particularly, is quite obvious upon the deceased, considering the conditioning of the Indian society.

So far as, married sisters are concerned, they may not be living in their parental family, but however, it is a matter of common knowledge that on account of eternal bonding of the daughters with the parental family, in the absence of father, the brother takes over the command and render assistance



to his married sisters, though they may be elder in age, in one form or the other, to express their love and affection and also, on account of 'need', at times.

The word '**dependent**' has a different meaning in different connotation. Some may be dependent in terms of money and others may be dependent in terms of service. Thus, dependency is a relative criteria to claim compensation for loss of dependency. It does not mean financial only. It also includes gratuitous service dependency, physical dependency, emotional dependency and so on and so forth, which can never be equated in terms of money. Considering the same, the married sisters also draw strength from their brother, who, in the absence of the father, may be the sole earning member of their parental family.

Considering the aforesaid circumstances, which must have been faced by the claimants, after the death of Gursewak Singh, all the claimants, ought not be deprived of the compensation, though, the extent of the same, *inter-se*, may vary. Thus, the percentage of deduction for personal expenses, as done by learned Tribunal, calls for re-consideration.

It is settled that the percentage of deduction for personal expenses, cannot be governed by a rigid rule or formula of universal application. It also does not depend upon the basis of relationship of the claimant with the deceased and the marital status of the siblings. The deduction has to be worked upon depending upon the facts and circumstances of each case.

In the instant case, apart from widow mother, one unmarried daughter of the family was also there, who is also not established to be

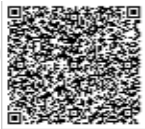


financially independent. She is asserted to be a disabled person. The mother, in the witness box, has also categorically stated about the same and this fact of disability, as such, has not been questioned, by way of cross-examination by any of the respondents. This aspect also has to be taken into consideration.

Considering the same, the deduction on the count of ‘personal expenses’, ought to be 1/3rd instead of 1/2, as done by learned Tribunal. Further, considering age of deceased to be 30 years, addition of 40%, ought to be made, on the count of ‘future prospects’.

Now, comes the question of multiplier applied by learned Tribunal. Considering the age of mother of the deceased, multiplier of ‘11’ was applied. However, as per *National Insurance Company Limited vs. Pranay Sethi and others, 2017(4) RCR (Civil) 1009*, the law is well-settled that multiplier has to be applied, considering the age of the deceased. Thus, considering Gursewak Singh to be 30 years old, at the time of his death, the suitable multiplier to be applied is ‘17’ instead of ‘11’.

Learned Tribunal had taken the earnings of the deceased as Rs.6,000/- per month. It is categoric claim of the claimants about the deceased to be indulging in property dealing, but however, no satisfactory evidence, with regard to the indulgence of deceased in property dealing, has come on record. No income tax return or any other document, with regard to any property deal done by the deceased, has come on record. But anyhow, deceased was potential earning member of the family. Considering the same, the earnings of the deceased taken as Rs.6000/- per month, is on a lesser side, even, considering the minimum wages, prevalent at the relevant



time, which was to the extent of Rs.6247/- per month. However, doing some balancing, the earnings of the deceased is now assessed as Rs.6500/- per month.

Besides the aforesaid, on the count of ‘**loss of consortium**’, all the claimants, are entitled to prevalent amount of Rs.48,400/- each i.e. Rs.48,400x5=**Rs.2,42,000/-** and they are also entitled to compensation, on the counts of ‘**loss of estate**’ as well as ‘**funeral expenses**’, which is **Rs.18,150/-**, on each count.

Thus, on various counts, as detailed aforesaid, the compensation to be granted to the claimants, on account of death of Gursewak Singh, is re-computed, as herein given:-

Earnings of deceased Gursewak Singh	Rs.6500/- per month
Deduction of 1/3rd as personal expenses	Rs.6500-2166=Rs.4334/- per month
Addition of 40% as future prospects	Rs.4334+1733=Rs.6067/-, annual whereof is Rs.72,804/-
Multiplier of ‘17’	Rs.72,804x17= Rs.12,37,668/-
Loss of consortium	Rs.2,42,000/-
Loss of estate	Rs.18,150/-
Funeral expenses	Rs.18,150/-
Total	Rs.15,15,968/-

As such, the compensation awarded by learned Tribunal stands enhanced from Rs.5,29,800/- to **Rs.15,15,968/-**. Out of amount of compensation, as now worked upon i.e. Rs.15,15,968/-, claimants No.3 to 5 are held entitled to Rs.2,00,000/- each, whereas, claimant No.2 is held entitled to Rs.3,00,000/-. Claimant No.1 is held entitled to residue amount of Rs.6,15,968/-. However, the compensation, if any, disbursed to the claimant No.1-Satya Devi, at any earlier stage, shall be adjusted accordingly.

Now, comes the question of liability, which is disputed by the



insurance company. In reply to the claim petition, it is categoric claim of the insurance company that respondent No.1-Karanbir Singh, driver of the offending vehicle, was not holding valid and effective driving licence and therefore, there was breach of terms and conditions of the insurance policy and as such, the liability cannot be fastened upon the insurance company.

It is pertinent to mention that in view of the objections, so raised, at the instance of the insurance company, specific issue was framed, which reads as herein given:-

3. *“Whether the respondent No.1 was not holding any valid and effective driving licence on the date of alleged accident? OPR”*

The onus to prove this issue was upon the insurance company, but however, the insurance company did not lead any evidence, to substantiate this issue. In fact, counsel for respondents No.1 and 2 had also only tendered into evidence, the copy of registration certificate Ex.R1, copy of insurance policy Ex.R2 and copy of driving licence of Karanbir Singh Ex.R3. As such, the insurance company had failed to prove the aforesaid issue and the liability was fastened upon the insurance company, besides driver and owner of the vehicle.

It is now submitted by learned counsel for the insurance company that the driving licence of Karanbir Singh, which has been proved on record, reflects the date of birth of Karanbir Singh to be 16.02.1990 and the date of issuance of licence is 06.08.2009 and he was authorised to drive MMV, HMTV and HPV. The period of validity for renewal was mentioned upto 05.08.2016, which was w.e.f. 26.01.2011. In the light of the same, it is submitted by learned counsel for the insurance company that holder of the

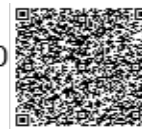


driving licence, was less than 20 years of age, at the relevant time and also, the driving licence for the transport vehicle, as such, could not be issued for a period of five years and therefore, the driving licence, on the face of it, is established to be fake one.

However, the aforesaid submission is not tenable. So far as, the insurance policy Ex.R2, vis-a-vis, vehicle in question is concerned, the same, as such is not disputed, to have been issued by the United India Insurance Company. The perusal of the insurance policy reveals that it was issued on 05.03.2013 and valid upto 04.03.2014. This period of validity, covers the date of accident. In the light of the same, it is pertinent to mention that the breach of policy condition i.e. for example, disqualification of the driver or invalid driving licence of the driver, has to be proved to have been committed by the insured, for avoiding liability by the insurer. Mere absence, fake or invalid driving licence or disqualification of the driver, for driving at the relevant time, are not in themselves, defences available to the insurer, against either the insured or the third parties. To avoid its liability towards the insured, the insurer has to prove that the insured was guilty of negligence and failed to exercise reasonable care, in the matter of fulfilling the condition of the policy, regarding the use of vehicle by a duly licensed driver.

The question, as to whether, the owner has taken reasonable care to find out as to whether, the driving licence produced by the driver (a fake one or otherwise), does not fulfill the requirement of law or not, will have to be determined in each case.

In the case in hand, close perusal of the driving licence issued,



reveals that it was issued on 06.08.2009. Addition of various types of specification of vehicles, was made w.e.f. 26.01.2011 upto 05.08.2016. No doubt, it is for the period of five years, but however, in this regard, it is relevant to consider provision of Section 14 of the Motor Vehicles Act, as existing at present, which is reproduced as under:-

14. Currency of licences to drive motor vehicles. - (1) *A learners 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]]

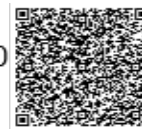
[(b) in the case of any other licence, subject to such conditions as the Central Government may prescribe, if the person obtaining the licence, either originally or on renewal thereof, -

However, the period of ‘three years’ was substituted as ‘five years’ w.e.f. 01.09.2019 vide S.O. 3110(E) dated 28th August, 2019.

The aforesaid provision of period of three years, as existing at the relevant time, was relating to transport vehicle. The definition of transport vehicle, as provided in the Motor Vehicles Act, is herein given:-

“transport vehicle” means a public service vehicle, a goods carriage, an educational institution bus or a private service vehicle;

It does not cover the crane. Ex.R1, registration certificate of the



vehicle in question, reveals the same to be an earth moving machine and therefore, it is a construction equipment vehicle, the definition whereof, under The Central Motor Vehicles Rules, 1989, reads as herein given:-

"construction equipment vehicle" means a self-propelled machine with rubber tyred (including pneumatic tyred), rubber padded or rubber or steel drum wheel mounted compactor, wheeled hydraulic excavator, wheel loader, backhoe loader, skid-steer loader, dumper, motor grade, mobile crane, dozer and pavers with rubber track or rubber pads or wheeled pavers, fork lift truck, self-loading concrete mixer or self-propelled boom pumps, self propelled or concrete pumps or any other construction equipment vehicle or combination thereof designed to perform earth moving, excavation, loading, transporting, drilling, spreading, compacting or trenching earth, rock, other materials, off-highway operations in mining, industrial undertaking, irrigation and general construction but modified and manufactured with "on or off" or "on and off" highway capabilities.

Explanation for the purpose of this clause - a construction equipment vehicle or earth moving vehicle shall be a non-transport vehicle the driving on the road of which is incidental to the main off-highway function and for a short duration at a speed not exceeding fifty kilometres per hour, but such vehicle does not include other purely off-highway construction equipment vehicle designed and adopted for use in any enclosed premises, factory or mine other than road network, not equipped to travel on public roads on their own power for example slip form pavers, concrete pavers, cold milling machines, cold recycler machines and any construction equipment vehicle or earth moving vehicle with crawlers or metal track, for example, tracked excavator or excavator with legs are not considered to be falling under the scope of Central



Motor Vehicles Rules, as they are not permitted to run on public roads;]”

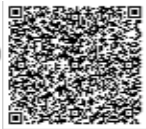
As per explanation for the purpose of this clause, it was treated as non-transport vehicle.

That being so, *ipso facto*, the period of validity to be about five years, does not, on the face of it, establish the driving licence to be fake, more particularly, when the insurance company has not led any evidence. Even, what were the rules prevalent in Nagaland, at the relevant time, for which the licence could be issued, as such, has not been proved by the insurance company. Given the same, further it should be noted that the specification of types of vehicles under the Central Motor Vehicles Rules, also states about the ‘crane’ to be falling in the category of medium and heavy vehicle, for which the driving licence Ex.R3, authorises its holder to driver, MMV, HMT and HPV. This addition of the various categories was made on 26.01.2011.

Considering the date of birth of Karanbir Singh to be 06.02.1990, it is quite obvious that he was above 20 years of age, at that time. In any case, he was authorised to driver, even the ‘transport’ vehicle.

In the light of the aforesaid, on account of insurance company having not brought any evidence to question the validity of the driving licence Ex.R3, the finding on issue No.3 is hereby affirmed and the liability has been correctly fastened upon the driver, owner and insurer of the offending vehicle, as joint and several.

Accordingly, the impugned Award dated 22.02.2014 stands modified with regard to the extent of compensation, as worked upon



FAO-4028-2014 and connected case

aforesaid. The residue terms of the Award, as ordered by learned Tribunal, shall remain the same.

With the above observations, the appeal filed by the claimants i.e. **FAO-4028-2014** stands allowed, whereas, the appeal filed by the insurance company i.e. **FAO-5868-2014** stands dismissed.

May 20, 2025
Vgulati

(ARCHANA PURI)
JUDGE

Whether speaking/reasoned
Whether reportable

Yes
Yes/No