IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

283 **FAO-6756-2016 (O&M)**
Date of Decision : 10.07.2025

Oriental Insurance Co. Ltd. ....Appellant

VERSUS

Ameena @ Amina and Others ....Respondents

283-1 **FAO-4954-2018 (O&M)**

Ameena @ Amina and Others ....Appellants

VERSUS

Akhtar and Others ....Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. R.C. Gupta, Advocate
for the appellant in FAO-6756-2016 and
for respondent No.3 in FAO-4954-2018.

Mr. Ashish Gupta, Advocate
for the appellants in FAO-4954-2018 and
for respondent Nos.1 to 7 in FAO-6756-2016.

ALKA SARIN, J. (Oral)

1. This order shall dispose off the above-captioned appeals. **FAO-6756-2016** has been filed by the Insurance Company while **FAO-4954-2018** has been filed by the claimants aggrieved by the impugned award dated 12.08.2016 passed by the Motor Accident Claims Tribunal, Gurgaon (hereinafter referred to as 'Tribunal'). The parties are being referred to as claimants, Insurance Company and the owner and driver of the vehicle

bearing Registration No.HR-55T-9817 (hereinafter referred to as 'offending vehicle') for the sake of clarity.

2. Brief facts relevant to the present *lis* are that on 25.4.2015 Yahya Khan (hereinafter referred to as the 'deceased') was driving his car and one Rizwan was the occupant of said car. At about 10.00 am, when they reached near Riwasan KMP Bridge, in the area of PS Rojka Meo, suddenly an accident was caused by the offending vehicle which was being driven in a rash and negligent manner by its driver. As a result of the accident the deceased received grievous injuries and ultimately succumbed to his injuries while being taken to Government Medical College and Hospital, Nalhar, Nuh. FIR No.59 dated 25.4.2015 under Sections 279, 337, 304A of the Indian Penal Code, 1860 was registered at Police Station Rojka Meo, Distt. Mewat.

3. On notice, the driver and owner of the offending vehicle filed a written statement denying the factum of the accident.

4. The Insurance Company while filing its written statement and took the stand that the claimants and the driver of the offending vehicle colluded to grab the compensation. It was further averred that there was a breach of terms and conditions of the insurance policy as no information of the accident was given to the Insurance Company and in addition it was averred that at the time of the accident the driver of the offending vehicle was not holding a valid and effective driving licence.

5. On the basis of the pleadings of the parties, the following issues were framed :

1. Whether the accident had taken place on 25.4.2015 due to rash and negligent driving of vehicle no.HR-55T/9817 driven by respondent no.2 and resulting into death of Yahya Khan as alleged ? OPP
2. If issue No.1 is proved in favour of petitioners, then as to what amount of compensation, from whom out of respondents, the petitioners are entitled to receive the same ? OPP
3. Whether respondent no.2 holding the valid and effective driving licence on the date of alleged accident ? OPR
4. Whether respondent no.1 did not comply with the terms and conditions of insurance policy, if so to what effect. OPR
5. Relief.

6. The Tribunal vide the impugned award had awarded the following compensation :

Sr. No.	**Heads**	**Compensation Awarded**
1	Monthly income	₹6,000/-
2	Future prospects @ 50%	[₹6,000 + 3000] = ₹9,000
3	Deduction -1/5th	[₹9,000 – 1800] = ₹7,200/-
4	Annual Income	[₹7,200 x 12] = ₹86,400/-
5	Multiplier – 17	[₹86,400 x 17] = ₹14,68,800/-
6	Love and affection	₹50,000/-
7	Funeral expenses	₹25,000/-
8	Consortium to widow	₹1,00,000/-
	Total Compensation	**₹16,43,800/-**
	Interest	**8% per annum**

7. Learned counsel for the Insurance Company would contend that the driver of the offending vehicle was not holding a valid and effective driving licence at the time of the accident and that there was breach of terms

and conditions of the insurance policy and hence the findings of the Tribunal on issue Nos.3 and 4 are wrong.

8. *Per contra*, the learned counsel for the claimants would contend that driving licence of the driver of the offending vehicle was produced as Ex.P12, which was valid for the period 15.6.2012 to 14.6.2015 and the Insurance Company has not led any evidence to the contrary. Further, the Insurance Company has failed to lead any evidence that there was any violation of terms and conditions of the Insurance Policy.

9. As regards the quantum of compensation, the learned counsel for the claimants would contend that he does not challenge the income of the deceased, deduction and the multiplier as applied by the Tribunal. However, he states that the amount awarded under the conventional heads as well as under the head 'loss of consortium' is also not in accordance with the law laid down by the Hon'ble Supreme Court. In support of his contentions, he has relied upon the judgments of the Hon'ble Supreme Court in the cases of **National Insurance Company Ltd. vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]**, **Magma General Insurance Company Limited vs. Nanu Ram alias Chuhru Ram & Ors. [(2018) 18 SCC 130]** and **N. Jayasree & Ors. vs. Cholamandalam M.S General Insurance Company Ltd. [2021(4) RCR (Civil) 642]**.

10. Learned counsel for the Insurance Company has vehemently argued that the deceased in the present case was 26 years of age and was running a General Store in village Ghas, Tehsil Nagina, Distt. Mewat. The Tribunal while awarding compensation has made an addition of 50% towards loss of future prospects, which ought to have been 40% as per the

law laid down by Hon'ble Supreme Court in case of **Pranay Sethi** *(supra)*. Learned counsel for the Insurance Company has further contended that sufficient amount has already been awarded as compensation in the present case and that there is no scope of any enhancement.

11. I have heard the learned counsel for the parties.

12. In the present case the driving licence of the driver of the offending vehicle was proved on record as Ex.P12 and a perusal of the same reveals that the same was valid from 15.06.2012 to 14.06.2015. The Insurance Company did not lead any evidence to prove issue No.3 that the driving licence (Ex.P12) was invalid at the time of the accident. The insurance policy of the offending vehicle was also proved on record as Ex.P10 and again the Insurance Company did not lead any evidence on issue No.4 that any terms and conditions of the insurance policy were violated by the driver of the offending vehicle and hence there is no error in the findings of the Tribunal on issue Nos.3 and 4 and thus arguments of learned counsel for the Insurance Company have no merit and the same are rejected.

13. As regards the quantum of compensation, since there is no challenge to the income of the deceased, deduction and the multiplier as applied by the Tribunal, hence, the same are maintained. The deceased in the present case was 26 years of age at the time of the accident and the Tribunal has made an addition of 50% towards future prospects, which ought to have been 40% as per the law laid down by the Hon'ble Supreme Court in the case of **Pranay Sethi** (supra). Further, the Tribunal has not awarded any

amount towards loss of estate and an amount of Rs.25,000/- has been awarded towards funeral expenses, which is not in accordance with the law laid down by the Hon'ble Supreme Court in the cases of **Pranay Sethi** (supra), **Magma General Insurance Company Limited** (supra) and **N. Jayasree** (supra). Further, the Tribunal has awarded an amount of Rs.50,000/- towards loss of love and affection and Rs.1,00,000/- towards consortium to widow of the deceased, which is also not in accordance with the law as laid down in the above referred cases. Hence, the claimants would be entitled to ₹18,000/- (₹15,000+20% increase) towards loss of estate and ₹18,000/- (₹15,000+20% increase) towards funeral expenses and the claimants, who are wife, children and parents of the deceased, would also be entitled to ₹48,000/- each (₹40,000+20% increase) towards loss of consortium. Accordingly, the reworked compensation is as under :

Sr. No.	**Heads**	**Compensation Awarded**	
1	Monthly Income	₹6,000/-	
2	Annual Income	₹72,000/-	[₹6,000 x 12]
3	Deduction - 1/5th	₹57,600/-	[₹72,000 – 14,400]
4	Future Prospects - 40%	₹80,640/-	[₹57,600 + 23,040]
5	Multiplier – 17	₹13,70,880/-	[₹80,640 x 17]
6	Loss of estate	₹18,000/-	
7	Funeral expenses	₹18,000/-	
8	Loss of consortium (i) Parental [₹48,000/- x 4] (ii) Filial [₹48,000/- x 2] (iii) Spousal's	 ₹1,92,000/- ₹96,000/- ₹48,000/- (Total ₹3,36,000/-)	
	Total Compensation	**₹17,42,880/-**	

14. The amount in excess of and over and above the amount awarded by the Tribunal shall also attract interest @ 7.5 % per annum from the date of filing of the claim petition till the realization of the entire amount.

15. In view of the decision by the Hon'ble Supreme Court in **Parminder Singh vs. Honey Goyal & Ors. [2025 INSC 361 : 2025 SCC OnLine SC 567]**, after calculation of the enhanced amount, the same be transferred by the Insurance Company in the bank account(s) of the claimants within six weeks from today and the apportionment thereof shall be as per the percentage directed by the Tribunal and the share of the minor claimants (appellant Nos.2 to 5 herein) shall be kept in fixed deposits by the Bank concerned. The particulars of the bank account(s) alongwith the requisite documents in support thereof shall be furnished by the claimants to the Insurance Company within a period of two weeks from the date of this order and needful shall be done by the Insurance Company after verification thereof within four weeks thereafter alongwith up-to-date interest. The compliance shall be reported by the Bank to the Tribunal concerned.

16. In view of the above discussion, the appeal being **FAO-6756-2016** filed by the Insurance Company is partly allowed and the appeal being **FAO-7111-2015** filed by the claimants is allowed. The impugned award passed by the Tribunal stands modified accordingly. Pending applications, if any, also stand disposed off.

(ALKA SARIN)
JUDGE

10.07.2025
jk

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: YES/NO