

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH****119****Date of decision: 26.09.2025****FAO-5710-2025(O&M)****New India Assurance Company Ltd.****...Appellant(s)****Vs.****Prabhu Yadav & Others****...Respondent(s)***********CORAM: HON'BLE MS. JUSTICE NIDHI GUPTA**

Present:- Mr. Aseem Aggarwal, Advocate
for the appellant-Insurance Company.

*********NIDHI GUPTA, J.**

Present appeal has been filed by the Insurance Company seeking setting aside of the Award dated 22.05.2025 passed by Motor Accident Claims Tribunal, Yamuna Nagar at Jagadhri (hereinafter referred to as 'the learned Tribunal') whereby MACP-280-2021 dated 20.09.2021 filed under Section 166 of the Motor Vehicles Act (hereinafter "the Act") by the injured-claimant/respondent No.1 herein, has been allowed and compensation of Rs.27,83,675/- has been awarded to the injured-claimant.

2. Brief facts of the case are that the Id. Tribunal on the basis of pleadings and oral & documentary evidence adduced by the parties, concluded that the injured-claimant had suffered injuries in a motor vehicular accident that took place on 05.07.2020 at about 9 pm due to the



rash and negligent driving of truck bearing registration No.PB-23-T-5691 (hereinafter “the offending vehicle”) being driven by respondent No.2 and owned by respondent No.3; and insured by the appellant. The aforesaid compensation has been awarded along with interest @ 7.5% p.a. Respondents were held jointly and severally liable for payment of compensation.

3. Learned counsel for the appellant-Insurance Company assails the impugned Award on two grounds: a) quantum; and b) prays that recovery rights be granted to the appellant against the owner of the offending vehicle/respondent No.2 herein.

4. In respect of quantum, it is submitted by learned counsel for the appellant that in the accident in question, the claimant had suffered 43% permanent disability, which was assessed as 40% functional disability. It is submitted that however, it has come on record that no loss of income was caused to the claimant due to his disability as employer of the claimant namely, Vijay Kumar Dhiman was examined as PW6 who has categorically stated that the claimant continues to work on the same salary. It is contended that it is thus clear that there is no functional disability suffered by the claimant as he still continues to work; and hence, the claimant has failed to prove any loss of income. Thus, the Award of Rs.24,33,600/- under this head, is not justified and deserves to be set aside.



5. It is further contended that in view of the above fact that the claimant continues to work and has received salary as before, there was no question of adding any future prospects, as there has been no functional disability. Yet the learned Tribunal has awarded 30% future prospects. Moreover, the claimant was not in any permanent job and was a contractor and hence, future prospects could not have been added more than 25% if at all to be added.

6. As regards entitlement of the appellant to recovery rights against respondent No.2, it is submitted by learned counsel for the appellant that the Ld. MACT has grossly misread the testimony of RW-1 Junior Asst RTO Punjab who has proved the computerized record of the office Ex. R-9 to show that as against the document Ex R-4, which is purportedly a Fitness Certificate valid till 19.03.2022 (presumably issued on 20.03.2020), in the said register of fitness dated 20.03.2022 which is complete record of passed vehicles as on dated 05.07.2020 (date of accident), the offending vehicle does not figure therein. This shows that there is no record with the RTO to show that the offending vehicle had a valid fitness certificate on the date of accident i.e. 05.07.2020 and therefore there was clear breach of the terms and conditions of the Insurance Policy, thereby entitling the appellant to complete absolution from any liability. Further, it has been proved on record that the offending vehicle lacked the route permit on the date of accident which is a gross violation of the terms of the Policy.



7. It is accordingly prayed that the impugned Award dated 22.05.2025 be set aside and Claim Petition be dismissed.

8. No other argument is made on behalf of the appellant.

9. I have heard learned counsel and perused the case file in detail. I find no merit in the submissions advanced on behalf of both the appellant.

10. In respect of quantum of compensation, no doubt, PW6 Vijay Kumar Dhiman in his cross-examination has stated that the claimant was still working in their firm and was getting salary of Rs.25,000/- per month, as evident from Salary Certificate (Ex.P80). However, it also deserves mention that it was the case of the claimant before the learned Tribunal that at the time of the accident, the claimant was 47 years old and was earning Rs.1 lakh per month by running a shop in the name of Anita Glass House; and that he was also working as a Contractor in Maharaja Plywood and Shri Gopal Plywood. After the accident, admittedly the claimant has suffered 43% permanent disability, assessed as 40% functional disability by the Tribunal. As per the evidence of Dr. Anuj Mangla, PW1; and as per Disability Certificate (Ex.P1), the claimant has suffered "*Post cervical injury weakness of bilateral upper limb*". The claimant had also pleaded that he had spent Rs.8 lakh on his treatment. In these circumstances, reliance of the appellant on testimony of PW6 is misplaced as, it has also been admitted by PW6 in his cross-examination that: -



“...Employees of our company are covered under ESI Prabhu Yadav is still working in our firm. His duty hours are from 8 AM to 6 PM. He was getting salary of Rs.25,000/- per month, he refused to cut the benefits like ESI and others as he wants to get whole gross salary because of that he was getting Rs.25,000/- per month. After accident his ESI benefit is deducted from his salary. It is wrong to suggest false salary certificate is issued to Prabhu Yadav...”

11. Perusal of Ex.P80 further shows that Shree Gopal Udyog has merely certified that the claimant had worked with the said Company from April 2018 to June 2020 for a salary of Rs.25,000/- per month. It has further been stated in Ex.P80 that:-

“After his accident he was on leave from July-2020 to oct 2020 and recontinues his job form 1.11.2020 to till today and getting salary of Rs.15100.00 Mr.Prabhu Yadav to be a knowledgeable and result oriented. He has good character and doing his work very honestly.”

12. In these circumstances, merely because the claimant continues to work to earn his livelihood, I find no error in the compensation as awarded by the learned Tribunal.

13. Furthermore, in computing the compensation payable to the claimant, the learned Tribunal had taken into account the fact that the claimant had placed on record his Income Tax Returns for the years 2016-17, 2017-18, 2018-19 and 2020-21, wherein his income was shown to be between Rs.1,50,000/- to Rs.4 lakh. The Tribunal had taken the cumulative



effect of the said Income Tax Returns and taken monthly income of the claimant as Rs.30,000/-. Accordingly, loss of income on account of disability was taken as Rs.30,000/- x 12 = Rs.3,60,000/- x 40% = Rs.1,44,000/- per annum. As the claimant was 49 years old, the learned Tribunal had correctly applied multiplier of 13 and total loss of income on account of disability was calculated to be Rs.18,72,000/- (Rs.1,44,000/- x 13). The learned Tribunal had further awarded future prospects @ 30%; and granted total compensation of Rs.27,83,675/- in the following manner:-

Head	Amount
Medical expenses	Rs.2,60,075/-
Attendant charges and special diet	Rs.80,000/-
Loss of income	Rs.18,72,000/-
Future prospects @ 30%	Rs.5,61,600/-
Pain and suffering	Rs.10,000/-
Total	Rs.27,83,675/-

14. I find no error in the same. In the total conspectus of the facts and circumstances of the case, the compensation awarded to the claimant is just and fair.

15. As regards the contention of the appellant that it was respondent No.3 who was liable to pay the compensation, I find no merit in the same. It has been contended by the appellant that on the date of accident, the offending vehicle did not possess a Fitness Certificate. The date of accident is 05.07.02020; whereas the learned Tribunal has given a categoric finding that as per evidence of RW1 Tirath Singh, Junior Assistant, RTO, Patiala “...the vehicle had fitness certificate on 20.03.2020...”. Relevant



findings of the learned Tribunal in this regard are in Paras 36 and 37 of the impugned Award dated 22.05.2025, which read as follows:-

“36. I have given thoughtful consideration to the contention raised by the learned counsel for the respondent no.3 and thereafter, I find it without any force. The Insurance policy has been placed on record as Ex.R3. Once the policy has been issued it is approval fact that the same has been issued after completion of necessary formalities of the same by Insurance company. Moreover, copy of registration certificate Ex.R1 and copy of driving licence of respondent no.1 Ex.R2 have been placed on record. It means that the offending vehicle was duly registered with the Registering Authority and respondent no.1, who is the driver of the offending vehicle, was having a valid driving licence at the relevant time. Ex.R4 goes to show that the vehicle was passed upto 19.03.2022. A further perusal of Ex. R6 goes to show that fee for National Permit had been paid from 16.01.2020 to 15.01.2021. Ex.R7 goes to show that there had been home State authorization of the Route permit from 18.01.2019 to 17.01.2024.

37. A document with regard to transaction status has been placed on record Ex.R8. On the basis of transaction status certificate, it has been argued by learned counsel for respondent no. 3 that there had been no transaction ID shown regarding the authorization fee payment from 15.01.2020 to 14.07.2020 but no much reliance could be placed upon this document as while appearing into the witness box as RW1 Tirath Singh, Junior Assistant, RTO Patiala, specifically stated that he cannot tell whether there was authorization on 05.07.2020 of the vehicle in question. Meaning thereby he had



not denied it, accordingly the burden was upon the insurance company to prove by leading reliable, cogent and trustworthy evidence that there was no authorization of the vehicle. Rather this witness went to depose that the vehicle had fitness certificate on 20.03.2020. Accordingly, the insurance company cannot wriggle out of its responsibility to pay the insurance amount. Accordingly, it cannot be said that the vehicle was being driven by the respondent no.1 in violation of the terms and conditions of the Insurance policy. Therefore, this issue is decided in favour of claimant and against the respondents.”

16. Learned counsel for the appellant is unable to dispute or controvert the aforesaid facts and findings.
17. In view of the above, present appeal is **dismissed**.
18. Pending application(s) if any also stand(s) disposed of.

26.09.2025

Sunena

(Nidhi Gupta)
Judge

Whether speaking/reasoned: Yes/No
Whether reportable: Yes/No