IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

(105) **Date of Decision: 19.01.2026**

1. FAO No. 2027 of 1998 (O&M)

Jitender Kumar and Others … Appellants

Versus

New India Assurance And Others … Respondents

AND

2. FAO No. 2515 of 1998 (O&M)

Surjit Kaur And Others … Appellants

Versus

Jitender Kumar And Others … Respondents

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present: Mr. Himanshu Arora, Advocate and
Mr. Vijay Sheoron, Advocate,
for the appellants in **FAO-2027-1998**
and for respondent No.1 and 2 in **FAO-2515-1998**

Mr. Arvind Bansal, Advocate
for appellants in **FAO-2515-1998**

Mr. Neeraj Khanna, Advocate
Mr. Ravinder Arora, Advocate
for Respondent No.1-Insurance Company in **FAO-2027-1998**

****

VIRINDER AGGARWAL,J.(Oral)

1. The present judgment shall dispose of two connected First Appeals arising out of the same award dated 29.07.1998 passed by the Motor Accident Claims Tribunal, Kaithal in Claim Petition No. 32 of 1996. The **FAO No. 2515 of 1998** has been preferred by the claimants seeking enhancement of the compensation awarded by the learned Tribunal and the **FAO No. 2027 of 1998** has been

preferred by respondents No.1 and 2 (driver and owner) challenging the finding of the learned Tribunal whereby the Insurance Company was exonerated on the ground that the driver was not holding a valid and effective driving licence at the time of accident. Since both appeals arise out of the same accident, same evidence and same award, they are being decided together by this common judgment. For the sake of brevity, the facts are taken from the **FAO-2027-1998.**

BACKGROUND FACTS

2. Briefly stated, the accident occurred on 08.02.1996 when deceased Om Parkash was standing outside his workplace (Octroi-post). Scooter bearing registration No. HR-08A-4001 driven by respondent No.1 in a rash and negligent manner struck the deceased, causing serious injuries. He was taken to Civil Hospital and thereafter referred to PGI, Chandigarh, where he succumbed to the injuries. The claim petition was filed by the widow, children and parents of the deceased claiming compensation on account of his death. It was pleaded that the deceased was about 40 years of age and was working as a clerk with Municipal Committee earning approximately Rs. 2170 per month along with future increments and service benefits. The respondents contested the claim petition. Negligence, quantum and validity of driving licence were disputed. The Insurance Company specifically pleaded breach of policy conditions on the ground that the driver was not holding a valid driving licence.

3. Upon appreciation of evidence, the learned Tribunal held that the accident occurred due to rash and negligent driving of respondent No.1 and assessed compensation at Rs. 2,39,400/- with interest at rate of 12% per annum. However, the learned Tribunal exonerated the Insurance Company holding that the driver was not holding a valid driving licence and fastened liability upon respondents No.1 and 2. Aggrieved thereby, the claimants filed appeal seeking

enhancement, whereas respondents No.1 and 2 filed another appeal challenging the finding regarding invalid driving licence.

CONTENTIONS

4. Learned counsel for the appellants submitted that the compensation determined by the learned Tribunal is manifestly inadequate and contrary to the settled principles governing the assessment of just compensation. It was contended that the learned Tribunal erred in assessing the income of the deceased at an unduly low figure, ignoring the evidence on record. Further, learned counsel argued that the multiplier applied by the learned Tribunal is erroneous and not in consonance with the age of the deceased. Learned counsel for appellants also submitted that the amounts awarded towards loss of consortium and last rites are unrealistically low and that the learned Tribunal failed to award compensation under other mandatory conventional heads. Additionally, no addition towards future prospects was made. On these grounds, it was urged that the impugned award calls for enhancement so as to grant just, fair and reasonable compensation to the claimants.

5. Learned counsel appearing for respondents No.1 and 2/appellants in **FAO-2027-1998** submits that the finding recorded by the learned Tribunal holding that respondent No.1 was not possessing a valid and effective driving licence at the time of accident is manifestly erroneous and suffers from misreading of material evidence. It is contended that the learned Tribunal wrongly proceeded on the assumption that the date reflected on the driving licence was the date of its original issuance, whereas in fact the said date pertained only to issuance of a duplicate licence, which had been issued on account of loss or renewal of the original document. Learned counsel submits that the original driving licence of respondent No.1 had been issued in May,

1995 and, as per the statutory validity applicable to non-transport vehicles, the licence was valid for a period of 20 years. That is why the date of expiry recorded on the licence is reflected as 20.05.2015, clearly demonstrating that the licence was subsisting and valid on the date of accident. It is argued that the learned Tribunal committed a patent error in treating the date of issuance of duplicate licence as the date of original issuance and on that incorrect premise concluded that the licence was not valid at the relevant time. It is further submitted that during the pendency of the appeal, an official from the office of the RTO office appeared before this Court along with the original record and categorically proved that the driving licence of respondent No.1 had been issued in May 1995 and remained valid upto 20.05.2015. The said official evidence remained unrebutted and no material contradiction could be elicited in cross-examination. Therefore, it is contended that the finding of breach of policy conditions recorded by the Tribunal is unsustainable in law and the Insurance Company cannot be absolved of its statutory liability.

6. Per contra, learned counsel appearing for the Insurance Company has opposed both appeals. It is contended that the award passed by the learned Tribunal is just, fair and based upon proper appreciation of evidence and does not call for any interference in appellate jurisdiction. With regard to the appeal seeking enhancement, it is argued that the compensation is reasonable and in consonance with the settled principles and no further enhancement is warranted. In respect of the appeal filed by respondents No.1 and 2 on the issue of driving licence, learned counsel questions the validity and effectiveness of the driving licence and submits that no benefit can be extended to the insured and the Insurance Company cannot be fastened with liability. It is therefore prayed that both appeals be dismissed.

OBSERVATIONS AND FINDINGS

7. I have heard learned counsel for the parties and perused the complete records. On due consideration of the findings recorded by the learned Tribunal, particularly on the issue of negligence, I find no reason to take a different view. The findings on those aspects are accordingly affirmed. However, the core issue arising in the appeal pertains to the reassessment of the quantum of compensation and the validity of the driving licence at the time of accident and the effect thereof on liability.

(i) *Enhancement of Compensation (FAO No. 2515 of 1998)*

8. In the present case, the compensation requires reassessment strictly in terms of the principles laid down by Hon'ble the Supreme Court in ***National Insurance Co. Ltd. v. Pranay Sethi, (2017) 16 SCC 680, Magma General Insurance Co. Ltd. v. Nanu Ram alias Chuhru Ram, 2018 (18) SCC 130 and Sarla Verma v. DTC, (2009) 6 SCC 121,*** wherein the framework for computation of "loss of dependency" by addition towards future prospects as per the nature of employment, deducting personal expenses of deceased, and applying appropriate multiplier on the basis of age of the deceased, and standardized amounts for conventional heads such as loss of estate, funeral expenses and loss of consortium, has been settled. The present matter, therefore, call for recalculation of the amount under each of these heads by applying the correct deduction on basis of dependency and correct multiplier relatable to the age of the deceased and by granting the admissible sum towards consortium and other conventional heads as mandated in the aforesaid decisions. The reassessment is structured as under:

REASSESSED COMPUTATION

Particulars	Tribunal Award (₹)	Reassessed Award (₹)
Monthly Income	2,840/-	**2,840/-**
Income With Future Prospects **(30%)** **(Deceased Being permanent Employee with Municipal Corporation and 40 year old)**	x	**3,692/-** **(1,800 + 852)**
Income after Deduction (5 Dependents)	1,700/- (1/3rd Deduction for personal expenses)	**2,769/-** **(1/5th Deduction for personal expense)**
Annual Contribution To Family	20,400/- (1,700 x 12)	**33,228/-** **(2,769 x 12)**
Multiplier **(age 40 yrs)**	11	**15**
Loss Of Dependency	2,24,400/- (20,400x16)	**4,98,420/-** **(33,228 × 18)**
Spousal Consortium	5,000	**40,000/-** **(40,000 × 1)**
Parental Consortium (2 Children)	x	**80,000/-** **(40,000 × 2)**
Filial Consortium (Parents)	x	**80,000/-** **(40,000 × 2)**
Funeral Expenses	10,000/-	**15,000/-**
Loss Of Estate		**15,000/-**
Total	2,39,400/-	**₹7,28,420/-**

9. Resultantly, the compensation awarded by the learned Tribunal is enhanced from ₹2,39,400/- to **₹7,28,420/-**. The enhanced amount shall carry the interest at rate of 7% per annum from the date of filing of the claim petition till realization.

(ii) Validity of Driving Licence (FAO No. 2027 of 1998)

10. The learned Tribunal has exonerated the Insurance Company on the premise that respondent No.1, driver of the offending vehicle, was not holding a valid and effective driving licence at the time of the accident. The said finding

is primarily based upon the date reflected on the driving licence i.e. 04.04.1996, which the learned Tribunal treated as the date of original issuance. A careful re-appreciation of the material on record and driving licence (Exhibit R-1) reveals that the aforesaid approach of the learned Tribunal is founded upon a clear misreading of evidence. The date relied upon by the learned Tribunal pertains to the issuance of a duplicate driving licence and not the date of original issuance of licence. The record, when read in its proper perspective, establishes that the original driving licence of respondent No.1 had been issued in May, 1995. As per the statutory framework governing validity of non-transport driving licences, the licence is valid for a period of twenty years from the date of issuance. It is for this reason that the expiry date on the driving licence is reflected as 20.05.2015, which unmistakably demonstrates that the licence was subsisting and valid on the date of the accident. The inference drawn by the learned Tribunal by treating the date of issuance of duplicate licence as the original date of issuance is therefore legally unsustainable.

11. During the pendency of the present appeal, in order to clarify the controversy regarding the validity of the driving licence, Mr. Ajit Singh, an official from RTO office Mall Road, Delhi was called in additional evidence before this Court along with the original official record. The said official categorically deposed that the driving licence no. P95050626 (Exhibit R-1) in favour of Jitender Kumar , son of Sh. Chnadewr Parkash (Respondent No.1) was originally issued in May 1995 and remained valid upto 20.05.2015. The official record was duly proved and no material contradiction or infirmity could be elicited in the cross-examination so as to discredit the authenticity of the said evidence. The testimony of a public official supported by statutory record carries a presumption of correctness. In absence of any rebuttal evidence, the

same deserves to be accepted. Consequently, it stands conclusively established that respondent No.1 was holding a valid and effective driving licence on the date of the accident. Once the validity of the driving licence is duly proved, the foundation on which the Insurance Company was absolved of liability by the learned Tribunal ceases to exist. There being no breach of policy conditions, the Insurance Company cannot escape its statutory obligation to indemnify the insured. Accordingly, the finding of the learned Tribunal exonerating the Insurance Company on the ground of invalid driving licence is set aside and FAO No. 2027 of 1998 filed by respondents No.1 and 2 deserves to be allowed.

12. In view of the above discussion, the FAO No. 2515 of 1998 filed by the claimants is **allowed** and the compensation is enhanced to Rs. **₹7,28,420/-** with interest at rate of 7 % per annum. Similarly, the FAO No. 2027 of 1998 filed by respondents No.1 and 2 is also **allowed**. The finding of the learned Tribunal regarding invalid driving licence and liability upon driver and owner of offending vehicle is set aside and the Insurance Company (Respondent no.1 in FAO No. 2027 of 1998) is held liable to satisfy the entire award to the claimants alongwith the interest as stated above.

13. Since the main case has been decided, pending miscellaneous application(s), if any, stands also disposed of.

14. The Photocopy of this order be placed on the file of other connected case.

(VIRINDER AGGARWAL)
JUDGE

19.01.2026
KV

(i) Whether speaking/reasoned : Yes/No
(ii) Whether reportable : Yes/No