(Pronouncement)

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

(1) FAO No. 3932 of 2015 (O&M)

Simaran Kaur alias Rekha Rani

...Appellant

Versus

Hardial Singh and others

...Respondents

(2) FAO No. 637 of 2016 (O&M)

Hardial Singh and another

...Appellants

Versus

Parminder Singh and others

...Respondents

AND

(3) FAO No. 7434 of 2016 (O&M)

National Insurance Company Ltd., Rupnagar

...Appellant

Versus

Hardial Singh and others

...Respondents

1	The date when the judgment was reserved	21.04.2026
2	The date when the judgment is pronounced	29.05.2026
3	The date when the judgment is uploaded on the website	01.06.2026
4	Whether only operative part of the judgment is pronounced or whether the full judgment is pronounced	Full
5	The delay, if any, of the pronouncement of full judgment, and reasons thereof.	Not applicable

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present:- Mr. Naveen Sharma, Advocate for
Mr. Vijay Lath, Advocate
for the appellant (in FAO-3932-2015); and
for proforma respondent No. 4 (in FAO-637-2016) and
for proforma respondent No. 5 (in FAO-7434-2016)

Mr. P.S. Paul, Advocate for
Mr. B.S. Saroha, Advocate
for the appellants (in FAO-637-2016);
for respondent Nos. 1 & 2
(in FAO-3932-2015 & FAO-7434-2016)

Mr. Vikrant, Advocate for
Mr. S.S. Sidhu, Advocate
for the appellant (in FAO-7434-2016);
for respondent No. 3-National Insurance Co. Ltd.
(in FAO-3932-2015 & FAO-637-2016)

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HARKESH MANUJA, J.

By this common judgment, three appeals bearing FAO Nos. **3932 (lead case)** of **2015**; 637 & 7434 of **2016** arising out of award dated 13.01.2015 passed by the learned Motor Accident Claims Tribunal, Rupnagar **(for short, "the Tribunal")**, in MACT Case No. 98 of 2012 are being decided together.

FACTS

[2] As per the case set up by the claimants, on 19.09.2012 deceased Narinder Singh along with Rajan Mishra were proceeding from Ropar to Garshankar in Tempo bearing registration No.PB-12-K-1795 loaded with mobile oil. JaswinderSingh was following them on a separate scooter. At about 5.00 PM, near Kukar Majra Petrol Pump, Scorpio vehicle bearing registration No.DL-08-CJ-8182 being driven rashly and negligently by respondent No.1 came from the opposite side and struck against the Tempo. Due to the impact, Narinder Singh and Rajan Mishra suffered multiple grievous injuries and died at the spot.

[3] The learned Tribunal, on appreciation of evidence, held that the accident occurred due to rash and negligent driving of Scorpio vehicle by respondent No.1 and awarded compensation of Rs.20,73,878/- along with interest @ 6% per annum from the date of claim petition till its realization.

[4] Aggrieved by the award dated 13.01.2015, all the parties preferred the present appeals before this Court. Appeal bearing FAO No. 3932 of 2015 has been filed by Simran Kaur @ Rekha Rani, widow of deceased-Narinder Singh, seeking enhancement of compensation as well as modification of the apportionment of the awarded amount.

[4.1] The connected appeal bearing FAO No. 637 of 2016 filed by Hardial Singh and another, i.e. father and mother of the deceased, has also been preferred seeking enhancement of compensation and challenging the share apportioned in favour of the widow on the ground that she subsequently got remarried.

[4.2] National Insurance Company Limited separately filed the third appeal bearing FAO No. 7434 of 2016 assailing the impugned award to the limited extent of seeking recovery rights against the owner and driver of the offending vehicle on the plea that the insurance policy in question was fraudulently ante-dated after the occurrence of the accident.

ARGUMENTS ON BEHALF OF THE APPELLANT / PROFORMA RESPONDENT-SIMARAN KAUR ALIAS REKHA RANI

[5] Learned counsel appearing on behalf of widow-appellant contended that the compensation awarded by the Tribunal was wholly inadequate. It was argued that future prospects were not added despite deceased being self-employed and income tax assessee. He further contended that father of deceased being Class-II heir under Hindu Succession Act was not entitled to compensation in presence of widow and mother who were Class-I heirs.

ARGUMENTS ON BEHALF OF THE APPELLANTS / CLAIMANTS-HARDIAL SINGH & SURJIT KAUR

[6] Learned counsel for appellants/claimants argued that compensation deserved enhancement under various conventional heads including loss of estate and future prospects. It was also contended that widow having remarried was not entitled to compensation and entire amount ought to be released in favour of parents of deceased.

ARGUMENTS ON BEHALF OF NATIONAL INSURANCE COMPANY LIMITED

[7] Per contra, learned counsel for Insurance Company submitted that though amount already stood deposited and disbursed, the Insurance Company was entitled to recovery rights from owner of offending vehicle as the insurance policy was fraudulently ante-dated after occurrence of accident. It was argued that vigilance inquiry revealed that premium was actually deposited on 24.09.2012 whereas accident had occurred on 19.09.2012 and policy had been ante-dated with effect from 18.09.2012 in connivance with officials of Insurance Company. Learned counsel further submitted that material collected during vigilance inquiry including bank records and RTI information clearly established fraud and therefore recovery rights deserve to be granted.

DISCUSSION AND REASONING

[8] I have heard learned counsel for the parties and perused the paper-book.

[9] The findings recorded by the Tribunal regarding occurrence of accident on account of rash and negligent driving of offending Scorpio vehicle are based upon appreciation of ocular testimony of PW2 Jaswinder Singh coupled with FIR No.105 dated 19.09.2012 and other documentary evidence. No material has been placed on record to discredit the said findings. Accordingly, findings of the Tribunal on Issue No.1 are affirmed.

QUESTION OF INCOME ASSESSED

[10] The deceased Narinder Singh was admittedly about 30 years of age at the time of accident, as is evident from the post mortem report Ex.P-1 placed on record by the claimants. In order to establish the income of the deceased, the claimants examined PW-5 Naresh Chand, who proved on record the Income Tax Return Ex.PW5/A along with processing details Ex.PW5/B pertaining to the deceased. As per the said income tax return, the gross annual income of the deceased for the relevant assessment year was shown as Rs.1,72,400/-. The learned Tribunal, while assessing the income of the deceased, placed reliance upon the aforesaid documentary evidence, which constitutes the best available evidence with regard to proof of income. The said income tax return was duly proved in accordance with law and nothing substantial could be elicited during cross-examination so as to discredit the authenticity or genuineness thereof. Moreover, no evidence in rebuttal was led by the respondents to establish that the income reflected in the income tax return was exaggerated or fictitious.

It is also pertinent to notice that the deceased was engaged in the business of selling mobile oil and was owner-cum-driver of the Tempo bearing registration No.PB-12-K-1795. Thus, the income assessed by the Tribunal on the basis of documentary evidence cannot be said to be excessive or arbitrary. Rather, the Tribunal adopted a just and reasonable approach while taking the annual income of the deceased as Rs.1,72,400/- on the basis of duly proved income tax record. In view of the aforesaid facts and circumstances, this Court finds no infirmity in the assessment of annual income made by the learned Tribunal and the same does not call for any interference.

QUESTION OF FUTURE PROSPECTS, MULTIPLIER AND DEDUCTION TOWARDS PERSONAL EXPENSES.

[11] The learned Tribunal committed an error in not awarding future prospects. The deceased was self-employed and an income tax assessee. In view of law laid down by the Hon'ble Supreme Court in ***National Insurance Company Limited versus Pranay Sethi and others, 2017 (16) SCC 680***, addition towards future prospects is admissible even in case of self-employed persons. Since the deceased was 30 years of age and self-employed, addition of 50% towards future prospects is liable to be granted. Since the deceased left behind three dependents, deduction towards personal expenses is rightly liable to be assessed at 1/3rd in terms of judgment of Hon'bleSupreme Court in ***"Sarla Verma v. Delhi Transport Corporation,"*** reported as ***2009 (3) RCR (Civil) 77***. The multiplier of '17' applied by the Tribunal is also in consonance with law laid down in ***Sarla Verma's case (supra)*** and does not call for interference.

QUESTION OF COMPENSATION UNDER CONVENTIONAL HEADS

[12] Furthermore, in view of the judgment of the Hon'ble Apex Court in ***Sarla Verma's case (supra)***, ***Pranay Sethi's case (supra)*** and ***"United India Insurance Co.Ltd. vs. Satinder Kaur",*** reported as ***(2021) 11 SCC 780,*** compensation awarded under conventional heads is also required to be assessed accordingly. Appellants/claimants are thus, held entitled for Rs. 18,000/- as compensation under funeral head and Rs. 18,000/- towards loss of estate. Loss of Consortium is assessed to the tune of Rs. 1,44,000/- (48,000 x 3) as appellants/claimants being the widow and parents are entitled to spousal and filial consortium.

[13] In view of the discussion made herein above, the appellants/claimants are held entitled for the grant of compensation in the following manner:-

S.No.	**Nature**	**Amount (in Rs.)**
1.	Annual Income of deceased	1,72,400/-
2.	Add 50% future prospects	86,200/-
3.	Total Income (Rs. 1,72,400+ Rs. 86,200)	2,58,600/-
4.	Deduction (1/3rd)	86,200/-
5.	Net Income (Rs. 2,58,600 – Rs. 86,200)	1,72,400/-
6.	**Loss of Income after applying multiplier of 17 as per the age of 30 years (Rs. 1,72,400 x 17)**	**29,30,800/-**
7.	**Loss of Consortium**	**1,44,000/-**
8.	**Funeral expenses**	**18,000/-**
9.	**Loss of estate**	**18,000/-**
	Total compensation	**31,10,800/-**
	Amount Awarded by the Tribunal	**20,73,878/-**
	Enhanced Amount	**10,36,922/-**

QUESTION OF APPORTIONMENT

[14] The contention raised on behalf of widow-appellant that father of the deceased is not entitled to compensation being a Class-II heir under the Hindu Succession Act cannot be accepted. Proceedings under the Motor Vehicles Act are not strictly governed by the principles of succession under the Hindu

Succession Act. The expression "legal representative" occurring in Section 166 of the Motor Vehicles Act has a much wider connotation. The Hon'ble Supreme Court in *catena of judgments* held that even a legal representative who may not necessarily be financially dependent upon the deceased is competent to maintain a claim petition and seek compensation. Accordingly, father of the deceased cannot be excluded from the purview of compensation merely on the basis of his classification as a Class-II heir under the Hindu Succession Act.

However, at the same time, this Court cannot lose sight of the admitted fact that the widow of the deceased has since remarried and has resettled in life. Though remarriage by itself does not extinguish the statutory right to claim compensation, the same is certainly a relevant circumstance while considering the question of apportionment of compensation amongst the legal representatives. The compensation awarded under the Motor Vehicles Act is intended to provide financial solace to all legal representatives who suffered on account of the untimely death of the deceased. In the peculiar facts of the present case, where the widow has admittedly remarried, she cannot be held entitled to the entire compensation amount to the exclusion of the parents of the deceased, particularly the mother, who continues to suffer the loss of her son. Therefore, while maintaining the entitlement of the widow to receive compensation, this Court is of the considered opinion that the parents of the deceased are equally entitled to substantial share in the awarded amount and the plea seeking complete exclusion of the parents from compensation deserves rejection. Accordingly, the appellants/claimants shall be entitled to receive above enhanced compensation in the proportion already determined by the learned Tribunal.

QUESTION OF LIABILITY

[15] The principal controversy raised by the Insurance Company pertains to alleged ante-dating of the insurance policy. It is noteworthy that before the Tribunal, the Insurance Company contested the claim petition primarily on the ground that the driver was not holding a valid driving licence and that the vehicle lacked valid documents. The insurance policy itself was exhibited on record as Ex.P5 and no plea whatsoever regarding fraud, ante-dating or fabrication of policy was raised before the learned Tribunal. No issue in this regard was even pressed for or framed.

[15.1] The entire case now sought to be set up by the Insurance Company is founded upon a subsequent vigilance inquiry conducted internally by the appellant-Company after passing of the award. The material relied upon by the Insurance Company consists of internal correspondence, RTI replies, alleged software entries and suspension order of an employee. In the considered opinion of this Court, such material cannot *ipso facto* dislodge a concluded adjudication under the Motor

Vehicles Act, particularly when the insurance policy admittedly stood issued by the Company itself and was operative on the date reflected therein. The policy document was never cancelled nor was any declaration obtained from a competent Civil Court declaring the same to be void *ab initio*.

[15.2] The burden to establish fraud is extremely heavy and allegations of fraud are required to be proved by cogent, reliable and unimpeachable evidence. Mere suspicion or internal departmental inquiry cannot constitute conclusive proof of fraud against third party claimants, who are innocent victims of a motor accident. Even otherwise, the Insurance Company has not produced any evidence establishing that the insured-owner had participated in any alleged manipulation. The purported irregularities in receipt of premium or internal software entries, even if assumed to be correct, essentially arise out of the functioning of the appellant-Company and its officials. Third party claimants cannot be made to suffer on account of internal lapses, negligence or misconduct of employees of the insurer.

[15.3] The Hon'ble Supreme Court has consistently held that beneficial provisions of the Motor Vehicles Act are required to be interpreted in favour of victims of accidents. The statutory liability of insurer *qua* third party risks cannot be lightly avoided. The reliance placed upon judgment in ***"United India Insurance Company Limited versus Rajendra Singh"*** reported as ***2000 (3) SCC 581*** is misconceived. In the said case, there existed clear allegations of fabricated accident and fraudulent claim itself. In the present case, neither the accident nor the existence of policy document is disputed. The insurer seeks to avoid liability solely on the basis of subsequent internal investigation. The ratio of the aforesaid judgment is, therefore, distinguishable on facts. Accordingly, this Court finds no merit in the appeal preferred by the Insurance Company and the prayer for grant of recovery rights is liable to be rejected.

[16] The grant of interest @ 6% per annum is not equitable and just in view of the observations made by the Hon'ble Supreme Court in ***"Smt. Supe Dei and others vs. National Insurance Company Limited and other,*** reported as ***(2009) (4) SCC 513*** approved in a subsequent judgment titled as ***"Puttamma and others vs. K.L. Narayana Reddy and another, 2014 (1) RCR (Civil) 443,*** thus, the interest is enhanced to 9% per annum on the amount of compensation re-assessed from the date of institution of claim petition till its realization. In case the said amount is not paid within three months, the same shall be payable thereafter along with 12% interest from the expiry of period of three months from today. Needless to mention here that the amount of compensation already paid to the claimant shall be deducted from the enhanced compensation.

[17] Consequently, **FAO No. 3932 of 2015** filed by Simran Kaur @ Rekha Rani and the connected appeal bearing

FAO No. 637 of 2016 preferred by Hardial Singh and Surjit Kaur are **partly allowed** to the extent indicated hereinabove and the compensation awarded by the learned Tribunal is enhanced from **Rs.20,73,878/-** to **Rs.31,10,800/-.** The apportionment of compensation amongst the claimants/legal representatives shall remain in the same ratio as determined by the learned Tribunal. The appeal bearing **FAO No. 7434 of 2016** preferred by National Insurance Company Limited seeking recovery rights against the owner and driver of the offending vehicle is hereby **dismissed** being devoid of merits.

[18] Pending miscellaneous application(s), if any, shall also stand(s) disposed off.

CM-25403-CII-2016 in FAO-7434-2016

Prayer in the present application moved on behalf of the appellant-National Insurance Company is for producing some documents Anenxures A-2 to A-10 in the shape of additional evidence.

In view of the detailed discussion made hereinabove in para-15 under the head of "Question of Liability", as also dismissing the appeal filed by the National Insurance Company, no orders are required to be passed in the present application, the same is hereby **dismissed**.

May 29, 2026 **(HARKESH MANUJA)**
'dk kamra' **JUDGE**

Whether Speaking / Reasoned :	Yes	No
Whether Reportable :	Yes	No