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

1. FAO-5480-2015 (O&M)
Date of decision: 21.05.2026

Surender Kumar and another

...Appellants

Versus

Chunni Lal and others

...Respondents

2. FAO-7010-2015 (O&M)
Date of decision: 21.05.2026

Chunni Lal and another

...Appellants

Versus

Surender Kumar and others

...Respondents

**CORAM: HON'BLE MR. JUSTICE VIKAS BAHL**

Present: Mr. Devender Kumar, Advocate for the appellants
(In FAO-5480-2015) and
for respondent Nos.1 and 2 (In FAO-7010-2015)

Mr. Rakesh Kumar Sharma, Advocate for the appellants
(In FAO-7010-2015) and
for respondent Nos.1 and 2 (In FAO-5480-2015)

Mr. Rajbir Singh, Advocate and
Mr. PHS Pannu, Advocate
for respondent No.3-Insurance Company.

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**VIKAS BAHL, J. (ORAL)**

1. The present order would dispose of two appeals. First appeal

i.e., FAO-5480-2015 has been filed by the driver and owner of the offending vehicle in which challenge is to the finding on issue No.3. Second appeal i.e., FAO-7010-2015 has been filed by the parents of the deceased-Shiv Kumar, who had died in a motor vehicular accident, for enhancement of compensation. The Motor Accident Claims Tribunal, vide award dated 20.02.2015 had awarded an amount of compensation to the tune of Rs.10,00,000/- along with interest to the claimants on account of death of said Shiv Kumar.

**FAO-5480-2015**

2. Learned counsel for the appellants (driver and owner) in FAO-5480-2015 has submitted that in the present case, finding on issue No.3 is not in accordance with law, inasmuch as, the Tribunal had observed that the driver had a driving licence (Ex.R1), which showed that he was authorized to drive motorcycle, LMV-NT-car and LMV-tractor only, but since, the driver at the time of the accident was driving a tractor-trolley which was a transport vehicle he was not authorized to drive, thus, had observed that the Insurance Company would pay the amount to the claimants at the first instance but would be entitled to recover the same from the appellants. It is submitted that the said finding is in violation of law laid down by the Hon'ble Supreme Court in the case of ***Mukund Dewangan Vs. Oriental Insurance Company Limited,*** reported as ***2017(14) SCC 663***. It is further submitted that the gross weight of the vehicle in question was 1750 kg as per Ex.PW5/A, which is the Registration Certificate and thus, the gross weight of the said vehicle does not exceed 7500 kg.

**FAO-7010-2015**

3. Learned counsel for the appellants in FAO-7010-2015 has submitted that compensation which had been awarded to the appellants is on the lesser side and the same deserves to be enhanced. It is pointed out that the deceased was admittedly held to be 24 years of age and thus, multiplier of '18' was applicable in the present case but the Tribunal had applied multiplier of '13'. It is further submitted that benefit of future prospects has also not been given in the present case and on the said account, 40% of the salary of the deceased is to be taken into consideration for the purpose of future prospects. It is argued that on account of loss of estate, an amount of Rs.18,000/- and also on account of funeral expenses, an amount of Rs.18,000/- should be awarded and similarly, on account of loss of consortium, an amount of Rs.48,000/- is to be awarded, whereas the Tribunal had not awarded any amount on account of loss of consortium and also on account of loss of estate. In support of his arguments, learned counsel for the appellants has relied upon the law laid down by the Hon'ble Supreme Court in case titled as ***Sarla Verma (Smt.) and others Vs. Delhi Transport Corporation and another*** reported as ***(2009) 6 SCC 121***, ***National Insurance Company Limited Vs. Pranay Sethi and others*** reported as ***(2017) 16 SCC 680***, and ***Magma General Insurance Company Limited Vs. Nanu Ram alias Chuhru Ram and others*** reported as ***(2018) 18 SCC 130***.

4. Learned counsel for the appellants has submitted that in view of the above, the appellants/claimants are entitled to an additional compensation of Rs.9,74,000/- and the said additional compensation should

be awarded to the appellants along with interest at the rate of 9% per annum from the date of filing of the claim petition till its realisation. He has submitted a detailed chart which is reproduced hereinbelow:-

*“FAO No.7010 of 2015*
*APPELLANT HEREIN: CLAIMANT(S)/INJURED/INSURANCE COMPANY/DRIVER/OWNER*
*DATE OF ACCIDENT: 16.12.2013*
*NATURE OF CASE: DEATH/INJURY/DAMAGE TO VEHICLE*
*AGE OF DECEASED/INJURED: 25 years (As per PMR)*
*DRIVING LICENCE/ROUTE PERMIT/INSURANCE: Yes*

*DETAILS OF RELIEF GRANTED/CLAIMED*

| *DETAILS* | *BEFORE THE TRIBUNAL* | *Compensation claimed as per judgments of Sarla Verma, Pranay Sethi & Magma General Insurance* |
|---|---|---|
| *Income* | *Monthly: 12,500<br>Annual: 1,50,000* | *Monthly: 12,500<br>Annual: 1,50,000* |
| *Deduction* | *50%* | *@ 50% 75,000* |
| *Future Prospects* | *Nil* | *40% 1,05,000/-* |
| *Multiplier* | *13* | *18M 18,90,000/-* |
| *Loss of estate* | *Nil* | *18,000* |
| *Funeral expenses* | *25,000* | *18,000* |
| *Loss of consortium* | *Parental: Nil<br>Filial: Nil<br>Spousal’s- Nil* | *48,000* |
| *Total compensation* | *10,00,000/-* | *19,74,000/-* |
| *Interest* | *7.5%* | *9% 21,31,920/-* |

*Dated: 21/5/2026* *Sd/-*

*Name & Signatures of Advocate with P.No.”*

5. Learned counsel for respondent No.3-Insurance Company has submitted that the amounts on accounts of loss of estate and loss of

consortium as has been sought by the appellants are on the higher side and since the accident had taken place in the year 2013, thus, the highest amount on accounts of loss of estate and loss of consortium that can be awarded to the claimants is Rs.15,000/- and Rs.40,000/- respectively. It is further submitted that similarly, on account of funeral expenses, appellants have claimed Rs.18,000/- whereas maximum amount that can be awarded is Rs.15,000/-. It is further submitted that the rate of interest which is sought to be claimed by the appellants/claimants i.e., 9% per annum is highly excessive and the highest rate of interest that can be awarded on the additional amount of compensation is at best 6% per annum.

6. With respect to the liability of owner and driver, the judgment of the Hon'ble Supreme Court in the case of ***Mukund Dewangan*** (Supra), could not be disputed.

7. This Court has heard learned counsel for the appellants as well as learned counsel for respondents.

8. The Motor Accident Claims Tribunal had framed the issues in the present case on 28.05.2014 which are reproduced hereinbelow:-

> *"1. Whether the present accident had taken place due to rash and negligent driving of Tractor No.HR-52A-0314 by respondent No.1?OPP.*
> *2. If issue no.1 is proved, whether the claimants are entitled for any amount of compensation, if so to what amount and from whom?OPP.*
> *3. Whether respondent no.1 was not holding a valid and effective driving licence at the time of accident and insured had also violated the other terms and conditions of the policy and as such respondent no.3 is not liable to make payment of*

*compensation, if any?OPR3.*

*4. Relief."*

9. Issue No.1 was decided in favour of the claimants and there is no dispute regarding the same. Finding on issue No.3 has been challenged on behalf of owner and driver. The Tribunal under the said issue had observed that the driving licence (Ex.R1) of the driver showed that he was authorized to drive motorcycle, LMV-NT-car and LMV-tractor only but he was driving a tractor-trolley, which was the offending vehicle and since the tractor-trolley together constituted a transport vehicle which driver of the offending vehicle was not entitled to drive, thus, recovery rights were given to the Insurance Company.

10. The Hon'ble Supreme Court in the case of ***Mukund Dewangan*** (Supra), had observed that the Light Motor Vehicle as defined in the Motor Vehicles Act, 1988 (hereinafter to be referred as "the Act of 1988") would include a transport vehicle as per the weight prescribed in Section 2(21) read with Section 2(15) and 2(48) and that the said transport vehicle shall not be excluded from the definition of light motor vehicle by virtue of Amendment Act No.54/1994. It was further observed that a transport vehicle the gross vehicle weight of which does not exceed 7500 kg would be light motor vehicle and would also include motor car or tractor or a road roller 'unladen weight' of which does not exceed 7500 kg. It was further observed that a driver who has a driving licence to drive a "light motor vehicle" would be competent to drive a transport vehicle and no separate endorsement on the licence is required to drive a transport vehicle of light motor vehicle class. The relevant portion of the said judgment is reproduced

hereinbelow:-

*"46. Section 10 of the Act requires a driver to hold a licence with respect to the class of vehicles and not with respect to the type of vehicles. In one class of vehicles, there may be different kinds of vehicles. If they fall in the same class of vehicles, no separate endorsement is required to drive such vehicles. As light motor vehicle includes transport vehicle also, a holder of light motor vehicle licence can drive all the vehicles of the class including transport vehicles. It was pre-amended position as well the post-amended position of Form 4 as amended on 28.3.2001. Any other interpretation would be repugnant to the definition of "light motor vehicle" in section 2(21) and the provisions of section 10(2)(d), Rule 8 of the Rules of 1989, other provisions and also the forms which are in tune with the provisions. Even otherwise the forms never intended to exclude transport vehicles from the category of 'light motor vehicles' and for light motor vehicle, the validity period of such licence hold good and apply for the transport vehicle of such class also and the expression in Section 10(2)(e) of the Act 'Transport Vehicle' would include medium goods vehicle, medium passenger motor vehicle, heavy goods vehicle, heavy passenger motor vehicle which earlier found place in section 10(2)(e) to (h) and our conclusion is fortified by the syllabus and rules which we have discussed. Thus we answer the questions which are referred to us thus:*

*(i)* ***'Light motor vehicle' as defined in*** section 2(21) ***of the Act would include a transport vehicle as per the weight prescribed in section 2(21)read with*** section 2(15) ***and 2(48). Such transport vehicles are not excluded from the definition of the light motor vehicle by virtue of Amendment Act No.54/1994.***

***(ii) A transport vehicle and omnibus, the gross vehicle weight of either of which does not exceed 7500 kg. would***

***be a light motor vehicle and also motor car or tractor or a road roller, 'unladen weight' of which does not exceed 7500 kg. and holder of a driving licence to drive class of "light motor vehicle" as provided in section 10(2)(d) is competent to drive a transport vehicle or omnibus, the gross vehicle weight of which does not exceed 7500 kg. or a motor car or tractor or road-roller, the "unladen weight" of which does not exceed 7500 kg. That is to say, no separate endorsement on the licence is required to drive a transport vehicle of light motor vehicle class as enumerated above. A licence issued under section 10(2)(d) continues to be valid after Amendment Act 54/1994 and 28.3.2001 in the form.***

*(iii) The effect of the amendment made by virtue of Act No.54/1994 w.e.f. 14.11.1994 while substituting clauses (e) to (h) of section 10(2) which contained "medium goods vehicle" in section 10(2)(e), medium passenger motor vehicle in section 10(2)(f), heavy goods vehicle in section 10(2)(g) and "heavy passenger motor vehicle" in section 10(2)(h) with expression 'transport vehicle' as substituted in section 10(2)(e) related only to the aforesaid substituted classes only. It does not exclude transport vehicle, from the purview of section 10(2)(d) and section 2(41) of the Act i.e. light motor vehicle.*

*(iv) The effect of amendment of Form 4 by insertion of "transport vehicle" is related only to the categories which were substituted in the year 1994 and the procedure to obtain driving licence for transport vehicle of class of "light motor vehicle" continues to be the same as it was and has not been changed and there is no requirement to obtain separate endorsement to drive transport vehicle, and if a driver is holding licence to drive light motor vehicle, he can drive transport vehicle of such class without any*

*endorsement to that effect."*

11. In the present case, it is not disputed that Surender Kumar-appellant No.1 in FAO-5480-2015 had licence which permitted him to drive motorcycle, LMV-NT-car and LMV-tractor and as per the RC (Ex.PW5/A), gross weight of the vehicle which was being driven by the said appellant No.1 was 1750 kg and was much lesser than 7500 kg, thus, even in case vehicle in question is taken as transport vehicle, then also, appellant No.1 was authorized to drive the said vehicle. Accordingly, finding of the Tribunal that there was breach of insurance policy is against law and deserves to be set aside. The Insurance Company is not entitled to recover the amount paid, from the appellants-driver and owner and appeal bearing No.FAO-5480-2015 is accordingly allowed and finding on issue No.3 is set aside.

12. With respect to FAO-7010-2015 which has been filed for enhancement of compensation, it would be relevant to note that since the deceased was 24 years of age at the time of accident, thus, multiplier of '18' has been rightly claimed by the appellants-claimants. Multiplier of '13' applied by the Tribunal is contrary to settled law. 40% of the income of the deceased is also required to be taken into consideration for the purpose of assessing future prospects, which has been rightly submitted on behalf of the appellants. With respect to loss of estate, funeral expenses and loss of consortium, it has been pointed out on behalf of respondent No.3-Insurance Company that although the appellants/claimants are claiming higher amount but the highest amount that can be awarded to the appellants/claimants in view of the date of accident is Rs.15000/- each on accounts of loss of estate

and funeral expenses and Rs.40,000/- on account of loss of consortium. Thus, the appellants/claimants would not be entitled to additional compensation of Rs.9,74,000/- as claimed but would be entitled to additional compensation of Rs.9,60,000/-. With respect to the rate of interest, this Court has been consistently awarding rate of interest at the rate of 7.5% per annum, which rate of interest is also reasonable in the present case.

13. Keeping in view the abovesaid facts and circumstances, FAO-7010-2015 is partly allowed and the award dated 20.02.2015 is modified and respondent No.3-Insurance Company is directed to pay an additional amount of compensation to the tune of Rs.9,60,000/- to appellant No.2, who is stated to be surviving, along with interest at the rate of 7.5% per annum from the date of filing of the claim petition till its realisation within a period of two months from today.

14. All the pending miscellaneous applications, if any, shall stand disposed of in view of the abovesaid order.

**21.05.2026** **(VIKAS BAHL)**
*Pawan* **JUDGE**

**Whether speaking/reasoned:- Yes/No**

**Whether reportable:- Yes/No**