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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

1. **FAO-9118-2014 (O&M)**
Date of Decision : 21.01.2026

Shri Ram General Insurance Company Ltd. ... Appellant(s)

Versus

Maya Devi & Ors ... Respondent(s)

2. **FAO-9476-2014 (O&M)**

Mangat Ram ... Appellant(s)

Versus

Shri Ram General Insurance Co. Ltd. & Ors ... Respondent(s)

3. **FAO-2093-2016 (O&M)**

Maya Devi & Ors. ... Appellant(s)

Versus

Renu & Ors ... Respondent(s)

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Rajbir Singh, Advocate
for the appellant in FAO-9118-2014,
for respondent No.1 in FAO-9476-2014 and
for respondent No.3 in FAO-2093-2016.

Mr. Robin Lohan, Advocate
for respondent Nos.1 to 5 in FAO-9118-2014,
for respondent Nos.2 to 6 in FAO-9476-2014 and
for the appellants in FAO-2093-2016.

Ms. Bhumika Khatri, Advocate for
Mr. R.D. Yadav, Advocate
for respondent No.7 in FAO-9118-2014,
for the appellant in FAO-9476-2014 and
for respondent No.2 in FAO-2093-2016.

ALKA SARIN, J. **(Oral)**

1. The present order shall dispose off the three above-captioned

appeals. **FAO-9118-2014** has been filed by the Insurance Company and **FAO-2093-2016** has been filed by the claimants, both aggrieved by the quantum of compensation awarded vide the impugned award dated 08.07.2014 passed by the Motor Accident Claims Tribunal, Rewari (hereinafter referred to as 'Tribunal'). **FAO-9476-2014** has been filed by the owner of the offending vehicle challenging the recovery rights given to the Insurance Company. The parties are being referred to as the Insurance Company, owner of the offending vehicle and the claimants for the sake of clarity.

2. Since the factum of the accident is not in dispute, the facts are not being adverted to for the sake of brevity.

3. In the present case, the Tribunal vide the impugned award while granting recovery rights to the Insurance Company had awarded the following compensation :

Sr. No.	Heads	Compensation Awarded	
1	Monthly Income	₹5,300/-	
2	Future Prospects - 30%	₹7,070/-	[₹5,300 + ₹1,770]
3	Deduction - 1/3rd	₹4,713/-	[₹7,070 - ₹2,357]
4	Annual Income	₹56,556/-	[₹4,713 x 12]
5	Multiplier - 14	₹7,91,784/-	[₹56,556 x 14]
6	Loss of estate	₹10,000/-	
7	Funeral expenses	₹25,000/-	
8	Loss of consortium	₹1,00,000/-	
9	Medical expenses	₹48,100/-	
	Total Compensation	**₹9,74,884/-**	
	Interest	**7%**	

4. Learned counsel for the owner of the offending vehicle would contend that the offending vehicle in the present case was a three-wheeler auto bearing registration No.HR-47-B-0054 and the unladen weight of which was, admittedly, below 7500 kgs and as such the licence of Light Motor Vehicle

(LMV) held by the driver would be considered as a valid licence for driving the said vehicle as well. In support of her contentions, she has relied upon a judgment of the Hon'ble Supreme Court in the case of **Mukund Dewangan Vs. Oriental Insurance Company Limited [2017 (4) RCR (Civil) 111]**. Learned counsel would further contend that since the unladen weight of the offending vehicle was 410 kgs as per its registration certificate, hence, the finding of the Tribunal exonerating the Insurance Company is erroneous.

5. Learned counsel for the Insurance Company would contend that a licence of a Light Motor Vehicle (LMV) would not be valid for driving a transport vehicle and that the licence of the driver in the present case did not bear any endorsement authorizing him to drive the said offending vehicle, hence, recovery rights have rightly been given by the Tribunal. Learned counsel would further contend that the age of the deceased was 43 years of age at the time of the accident, hence, an addition of 25% towards future prospects ought to have been made instead of 30%. In support of his contention, he has relied upon the judgment of the Hon'ble Supreme Court in the case of **National Insurance Company Ltd. vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]**.

6. Learned counsel for the claimants would contend that he does not challenge the income, future prospects and multiplier as applied by the Tribunal. However, he states that a deduction of 1/3rd has wrongly been applied by the Tribunal inasmuch as in the present case there are five claimants being widow, two children and parents of the deceased and, hence, a deduction of 1/4th ought to have been applied. It is further the contention of the learned counsel that the compensation awarded under the conventional heads as well as under the head 'loss of consortium' is 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 **Pranay Sethi** (supra), **Sarla Verma & Ors. vs. Delhi Transport Corporation & Anr. [(2009) 6 SCC 121], 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]**.

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

8. In the present case, recovery rights have been granted to the Insurance Company only on the ground that the driver was holding a licence of LMV and the same did not bear any endorsement authorizing him to drive a commercial vehicle. The offending vehicle was a three-wheeler auto bearing registration No.HR-47-B-0054. The licence held by the driver was for driving a Light Motor Vehicle (LMV). As per the registration certificate of the offending vehicle tendered in evidence as Ex.R1, the unladen weight of the same was 410 kgs.

9. Section 2(21) of the Motor Vehicles Act, 1988 reads as under :

> *'2(21) "light motor vehicle" means a transport vehicle or omnibus the gross vehicle weight of either of which or a motor car or tractor or road-roller the unladen weight of any of which, does not exceed 7500 kilograms.'*

10. Hon'ble Supreme Court in the case of **Mukund Dewangan** (supra) has held as under :

> *'(ii) A transport vehicle and omnibus, the gross vehicle weight of either of which does not exceed 7500 kgs would be a light motor vehicle and also motor car or tractor or a road roller, 'unladen weight' of which does not exceed 7500 kgs 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 28.03.2001 in the form.'

Further, the judgment in the case of **Mukund Dewangan** (supra) was reconsidered by the Constitution Bench of the Hon'ble Supreme Court in the case of **M/s Bajaj Alliance General Insurance Co. Ltd. vs. Rambha Devi & Ors. [2025(1) RCR (Civil) 5]** wherein it was held as under :

"131. Our conclusions following the above discussion are as under:-

(I) A driver holding a license for Light Motor Vehicle (LMV) class, under Section 10(2)(d) for vehicles with a gross vehicle weight under 7,500 kg, is permitted to operate a 'Transport Vehicle' without needing additional authorization under Section 10(2)(e) of the MV Act specifically for the 'Transport Vehicle' class. For licensing purposes, LMVs and Transport Vehicles are not entirely separate classes. An overlap exists between the two. The special eligibility requirements will however continue to apply for, inter alia, e-carts, erickshaws, and vehicles carrying hazardous goods.

(II) The second part of Section 3(1), which emphasizes the necessity of a specific requirement to drive a 'Transport Vehicle,' does not supersede the definition of LMV provided in Section 2(21) of the MV Act.

(III) The additional eligibility criteria specified in the MV Act and MV Rules generally for driving 'transport

vehicles' would apply only to those intending to operate vehicles with gross vehicle weight exceeding 7,500 kg i.e. 'medium goods vehicle', 'medium passenger vehicle', 'heavy goods vehicle' and 'heavy passenger vehicle'.

(IV) The decision in Mukund Dewangan (2017) is upheld but for reasons as explained by us in this judgment. In the absence of any obtrusive omission, the decision is not per incuriam, even if certain provisions of the MV Act and MV Rules were not considered in the said judgment."

11. In view of the above, since the unladen weight of the offending vehicle was less than 7500 kgs., the driver thereof was duly authorized to drive the same vide his driving licence. Accordingly, the finding of the Tribunal granting recovery rights to the Insurance Company is set aside and the liability to pay the compensation would be that of the Insurance Company.

12. The argument of the learned counsel for the Insurance Company that since the age of the deceased was 43 years, an addition of 25% ought to have been made instead of 30% towards future prospects deserves to be accepted in view of the law laid down by the Hon'ble Supreme Court in the case of **Pranay Sethi** (supra). Accordingly, an addition of 25% is made towards future prospects.

13. The argument of the learned counsel for the claimants that a deduction of $1/3^{rd}$ has wrongly been applied by the Tribunal deserves to be accepted inasmuch as in the present case, the number of claimants is five, hence, as per the law laid down by the Hon'ble Supreme Court in the case of **Sarla Verma** (supra), a deduction of $1/4^{th}$ would be applicable instead of $1/3^{rd}$.

14. Further, the compensation awarded under the conventional heads and under the head 'loss of consortium' is not as per 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), 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 (widow, two children and parents of the deceased) would also be entitled to ₹48,000/- each (₹40,000+20% increase) towards loss of consortium. Since no challenge has been laid to the income and multiplier as applied by the Tribunal, the same are maintained. An amount of ₹48,100/- awarded by the Tribunal towards medical expenses is also maintained. Accordingly, the reworked compensation is as under :

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹5,300/-
2	Annual Income	₹63,600/- [₹5,300 x 12]
3	Deduction - 1/4th	₹47,700/- [₹63,600 - ₹15,900]
4	Future Prospects - 25%	₹59,625/- [₹47,700 + ₹11,925]
5	Multiplier - 14	₹8,34,750/- [₹59,625 x 14]
6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	Medical expenses	₹48,100/-
9	Loss of consortium (i) Parental [₹48,000/- x 2] (ii) Filial [₹48,000/- x 2] (iii) Spousal	 ₹96,000/- ₹96,000/- ₹48,000/- (Total ₹2,40,000/-)
	Total Compensation	**₹11,58,850/-**

15. 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.

16. In view of the decision by the Hon'ble Supreme Court in **Parminder Singh Vs. Honey Goyal & Ors. [AIR 2025 SC 1713 = 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 direction of the Tribunal. The particulars of the bank account(s) alongwith the requisite documents(s) 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.

17. In view of the above, the impugned award passed by the Tribunal stands modified and the appeals being **FAO-9118-2014** filed by the Insurance Company, **FAO-2093-2016** filed by the claimants and **FAO-9476-2014** filed by the owner of the offending vehicle are disposed off accordingly. Pending applications, if any, also stand disposed off.

21.01.2026
Yogesh Sharma

(ALKA SARIN)
JUDGE

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