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

FAO-7278-2015 (O&M)

Date of Decision : 15.09.2025

Rani Kaur & Ors

... Appellant(s)

Versus

Monu & Ors

... Respondent(s)

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Maneet Kaushik, Advocate for
Mr. Ashit Malik, Advocate for the appellants.

None for respondent Nos.1 and 2 despite service.

Mr. Paul S. Saini, Advocate and
Mr. Vipul Sharma, Advocate for respondent No.3.

ALKA SARIN, J. (Oral)

1. The present appeal has been preferred by the claimant-appellants challenging the impugned award dated 01.04.2015 passed by the Motor Accident Claims Tribunal, Kaithal (hereinafter referred to as 'Tribunal') in a motor vehicle accident which occurred on 30.08.2014.

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

3. The Tribunal in the present case had awarded the following compensation :

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹7,150/-
2	Deduction - 1/3 rd	₹4,765/- [₹7,150 - ₹2,383]
3	Multiplier - 18	₹10,29,240/- [₹4,765 x 12 x 18]

4	Funeral expenses	₹20,000/-
5	Loss of consortium	₹75,000/-
	Total Compensation	₹11,24,240/-
	Interest	7.5%

4. Learned counsel for the claimant-appellants states that he does not challenge the deduction and multiplier as applied by the Tribunal. He, however, states that the income of the deceased has wrongly been assessed as ₹7,150/- per month inasmuch as the minimum wage applicable for an unskilled worker prevailing at the time of the accident was ₹7,400/- per month. It is further the contention of the learned counsel that that no addition has been made towards future prospects which ought to have been 40% inasmuch as the deceased was 23 years of age at the time of the accident. 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 **National Insurance Company Ltd. vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]**, **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]**.

5. Qua the liability to pay the compensation, learned counsel for the claimant-appellants would contend that the Tribunal has erroneously exonerated the Insurance Company by holding respondent Nos.1 and 2 jointly and severally liable. The liability to pay compensation ought to have been fastened upon respondent No.3-Insurance Company and if the terms of the

insurance policy were found to have been violated by respondent Nos.1 and 2, recovery rights ought to have been granted in favour of the Insurance Company. In support of his contentions, learned counsel has relied upon the judgments of the Hon'ble Supreme Court in the cases of **United India Insurance Co. Ltd. Vs. Sushil Kumar Godara [2021 (4) RCR (Civil) 478]**; **Narinder Singh Vs. New India Assurance Company Ltd. & Ors. [2014 (4) RCR (Civil) 272]** and the judgment of this Court in the case of **Rashpal Chand & Anr. Vs. Sumit Garg & Ors. [FAO-2070-2013 decided on 01.12.2018]**.

6. Respondent Nos.1 and 2 were duly served in this case and Mr. Vikram Rana, Advocate had been appearing on their behalf. Today, none has put in appearance on their behalf, hence, they are proceeded against *ex parte*.

7. On the other hand, learned counsel for respondent No.3- Insurance Company states that sufficient amount has already been awarded as compensation in the present case and that there is no scope of any enhancement. Qua the liability to pay compensation, learned counsel has vehemently contended that since the temporary registration of the vehicle in question had already expired on 29.08.2014 and the alleged accident took place on 30.08.2014, the Tribunal had rightly exonerated the Insurance Company.

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

9. Admittedly, no appeal has been preferred either by the Insurance Company or by the driver and owner of the vehicle in question. In the present case, since no challenge has been laid by the learned counsel for the claimant-appellants to the deduction and multiplier as applied by the Tribunal, the same

are maintained accordingly. The Tribunal has assessed the income of the deceased as ₹7,150/- per month which in the opinion of this Court is on the lower side inasmuch as the minimum wage applicable for an unskilled worker at the relevant point of time was ₹7,400/- per month. Hence, the income of the deceased is assessed as ₹7,400/- per month. Further, the Tribunal has also not made any addition towards future prospects. The deceased was admittedly 23 years of age, hence, as per the law laid down by the Hon'ble Supreme Court in the case of **Pranay Sethi** (supra), 40% addition is made towards future prospects. 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 (wife and parents of the deceased) would also be entitled to ₹48,000/- each (₹40,000+20% increase) towards loss of consortium. Accordingly, the reworked compensation is as under :

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹7,400/-
2	Annual Income	₹88,800/- [₹7,400 x 12]
3	Deduction - 1/3 rd	₹59,200/- [₹88,800 - ₹29,600]
4	Future Prospects - 40%	₹82,880/- [₹59,200 + ₹23,680]
5	Multiplier - 18	₹14,91,840/- [₹82,880 x 18]
6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	Loss of consortium (i) Filial [₹48,000/- x 2] (ii) Spousal	₹96,000/- ₹48,000/- (Total ₹1,44,000/-)
	Total Compensation	₹16,71,840/-

10. 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.

11. In view of the decision of 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.

12. Coming to the liability of the respondents to pay the above compensation, the argument of the learned counsel for the Insurance Company that the Tribunal has rightly exonerated it, deserves to be rejected. Admittedly, there was a temporary registration of the vehicle in question which had expired on 29.08.2014 and the alleged accident took place on 30.08.2014 i.e. after expiry of one day of temporary registration of the vehicle in question. There is nothing on record to suggest that the owner of the vehicle in question had filed an application under Section 39 of the Motor Vehicles Act, 1988 before or after 29.08.2014 i.e. the date of expiry of temporary registration of the vehicle, for permanent registration or for extension of the temporary registration. The insurance policy of the vehicle in question was proved on record as Ex.RF which reveals that the vehicle was duly insured

w.e.f. 28.07.2014 to 27.07.2015. Thus, it was a case of violation of the terms and conditions of the insurance policy (Ex.RF) by respondent Nos.1 and 2.

Hon'ble Supreme Court in the case of **Sushil Kumar Godara** (supra) has held as under :

“13. In the present case, the temporary registration of the respondent's vehicle had expired on 28-07-2011. Not only was the vehicle driven, but also taken to another city, where it was stationed overnight in a place other than the respondent's premises. There is nothing on record to suggest that the respondent had applied for registration or that he was awaiting registration. In these circumstances, the ratio of Narinder Singh (supra) applies, in the opinion of this court. That Narinder Singh (supra) was in the context of an accident, is immaterial. Despite this, the respondent plied his vehicle and took it to Jodhpur, where the theft took place. It is of no consequence, that the car was not plying on the road, when it was stolen; the material fact is that concededly, it was driven to the place from where it was stolen, after the expiry of temporary registration. But for its theft, the respondent would have driven back the vehicle. What is important is this Court's opinion of the law, that when an insurable incident that potentially results in liability occurs, there should be no fundamental breach of the conditions contained in the contract of insurance. Therefore, on the date of theft, the vehicle had been driven/used without a valid registration, amounting to a clear violation of Sections 39 and 192 of the Motor Vehicles Act, 1988. This results in a fundamental breach of the terms and conditions of the policy, as held by this Court in Narinder Singh (supra), entitling the insurer to repudiate the policy.”

13. In the case of **Narinder Singh** (supra) the Supreme Court has held as under :

“14. Indisputably, a temporary registration was granted in respect of the vehicle in question, which had expired on 11.1.2006 and the alleged accident took place on 2.2.2006 when the vehicle was without any registration. Nothing has been brought on record by the appellant to show that before or after 11.1.2006, when the period of temporary registration expired, the appellant, owner of the vehicle either applied for permanent registration as contemplated under Section 39 of the Act or made any application for extension of period as temporary registration on the ground of some special reasons. In our view, therefore, using a vehicle on the public road without any registration is not only an offence punishable under Section 192 of the Motor Vehicles Act but also a fundamental breach of the terms and conditions of policy contract.”

14. In view of the above law, the primary liability to pay the compensation to the claimant-appellants is that of the Insurance Company (respondent No.3 herein). However, since there was a fundamental breach of terms and conditions of the policy contract, the Insurance Company is entitled to have recovery rights against respondent Nos.1 and 2 and the finding of the Tribunal exonerating the insurance company stands set aside.

15. In view of the above discussion, the present appeal is allowed and the award passed by the Tribunal stands modified accordingly. Pending applications, if any, also stand disposed off.

15.09.2025
Yogesh Sharma

(**ALKA SARIN**)
JUDGE

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