IN THE HIGH COURT OF JHARKHAND AT RANCHI

M.A. No. 42 of 2012

1) Grace Sushila Lakra w/o Late Bimal Lakra,
2) Abha Angela Lakra (minor) d/o Late Bimal Lakra,
3) Sandra Lakra (minor) d/o Late Bimal Lakra,
4) Binay J. Lakra (minor) d/o Late Bimal Lakra,
5) Isha Glory Lakra d/o Late Bimal Lakra,
Appellant nos. 2 to 4 are minors and are being represented through their mother and natural guardian-appellant no. 1 who has no adverse interest against them.
All permanent resident of Albert Compound, Pathal Kudwa, Purulia Road, P.O. G.P.O., P.S. Lower Bazar, Dist. Ranchi.

... Appellants

Versus

1) Sri Amresh Kumar Singh s/o Ram Nandan Singh, resident of At & PO Chandwa, P.S. Chandwa, Dist. Palamau.
2) The Divisional Manager, The New India Assurance Co. Ltd., Divisional Office at D.O. (II), Luxmi Narayan Building, Hazaribagh Road, P.O. & P.S. Lalpur, Dist. Ranchi. (Issuing Branch office at Thangal Bazar, Imphal, Manipur).
3) The Divisional Manager, The National Insurance Co. Ltd., Sachindra Sadan, S.N. Ganguli Road, P.O. G.P.O., P.S. Kotwali, Main Road, Ranchi – 834001
(opposite party no. 3 was deleted from the array of opposite parties).

… Respondents

CORAM: HON'BLE THE CHIEF JUSTICE

For Appellants: Mr Nikhil Ranjan, Advocate
Mr Ishan Ashish, Advocate
For Resp. No. 2: Mr Alok Lal, Advocate
For Resp. No.3: Mr. Manish Kumar, Advocate

Reserved on: 28.08.2026 **Pronounced on: 08.09.2026**

1. Heard the learned counsel for the parties.

2. This Miscellaneous Appeal by the claimants is directed against the Judgment and Award dated 21.09.2011 passed by the Claims Tribunal, Ranchi, in Compensation Case No. 211 of 2000.

3. By the said award, the Tribunal below held that the accident resulted from contributory negligence on the part of both drivers in the ratio of 60:40 and, consequently, directed the owner of Truck (offending vehicle) No. BR-42G-0011 to pay 60% of the awarded amount of Rs. 17,70,000/-, i.e. Rs. 10,60,000/-, along with interest at the rate of 6% per annum from 06.06.2011, within six months from the date of the judgment, failing which the rate of interest was directed to stand enhanced to 8% per annum.

4. Mr Ishan Ashish, the learned counsel for the appellants confined the challenge to three grounds: first, that the finding of contributory negligence is unsustainable; second, that the policy covering the Maruti car is a package policy and not an Act-only policy; and third, that the compensation has been determined on an incorrect application of the settled principles governing assessment thereof.

5. To buttress his contentions, learned counsel for the appellants has placed reliance upon the dicta of the Hon'ble Supreme Court in **Prabhavathi v. The Managing Director, Bangalore Metropolitan Transport Corporation, 2025 INSC 293**, **National Insurance Co. Ltd. v. Chamundeswari, 2021 SCC OnLine SC 849,** and **Managing Director, KSRTC v. P. Chandrammouli, 2026 INSC 241.**

6. Per contra, learned counsel for the insurer supported the award and submitted that it does not call for any interference. Reliance was placed upon the dicta of **Ningamma @ Kenyei v. United India Insurance Co. Ltd.,** reported in **(2009) 13 SCC 710** and **Dhanraj vs New India Assurance Co. Ltd.,** reported in **(2004) 8 SCC 553** to support his contention.

7. In view of the rival submissions, the following points arise for determination:

I. Whether the learned Tribunal erred in holding the deceased contributorily negligent?

II. Whether the policy covering Maruti Car No. AS-12-6619 is an Act-only policy or a comprehensive/package policy?

III. Whether the compensation awarded is just and reasonable and, if not, to what extent does it require enhancement?

8. Insofar as the first point of determination is concerned, it is an admitted fact that Bimal Lakra (deceased) was driving Maruti Car No. AS-12-6619 from Ranchi towards Jamshedpur when Truck No. BR-42G-0011, coming from the opposite direction, collided with the said car at around 6.30 a.m. on 19.06.2000, resulting in his death on the spot. It is also an undisputed fact that Bundu P.S. Case No. 49 of 2000 was registered in connection with the occurrence, and upon investigation, the charge-sheet was submitted against Krishna Murari Singh, the driver of the truck.

9. It is in the backdrop of the aforesaid facts that the finding of contributory negligence recorded by the Tribunal below falls for consideration. The Tribunal treated the occurrence as a head-on collision, invoked the principle of *res ipsa loquitur* and apportioned negligence in the ratio of 60:40 principally on the ground that the truck was the heavier vehicle.

10. Having perused the entire evidence on record, this Court is of the considered view that such an approach, in the absence of any evidence demonstrating negligence on the part of the deceased, cannot be sustained. The reasons for arriving at the aforesaid conclusion are set out hereinbelow.

11. In the case of **Jiju Kuruvila v. Kunjujamma Mohan, (2013) 9 SCC 46,** the Hon'ble Supreme Court categorically held that, in the absence of direct or corroborative evidence, it cannot be presumed that an accident occurred on account of rash and negligent driving of both vehicles. The said exposition was subsequently followed in the dictum of **Kumari Kiran v. Sajjan Singh, (2015) 1 SCC 539**.

12. Likewise, in the cases of **Prabhavathi v. The Managing Director, Bangalore Metropolitan Transport Corporation, 2025 INSC 293, National Insurance Co. Ltd. v. Chamundeswari, 2021 SCC OnLine SC 849** and **Managing Director, KSRTC v. P. Chandrammouli, 2026 INSC 241**, the Hon'ble Supreme Court has reiterated that a charge-sheet submitted against the driver of the offending vehicle, unless displaced by contra evidence, is material of considerable evidentiary value, and that a mere allegation of a head-on collision or high speed, by itself, does not establish contributory negligence.

13. Tested on the touchstone of the aforesaid principles, the evidence on record does not support the finding recorded by the learned Tribunal. A.W.2, Md. Parwez Uddin, is the only eyewitness to the occurrence. He has stated that he was about 25 to 30 yards away and that a car proceeding from Ranchi towards Tata collided with a truck coming from the opposite direction. More significantly, in cross-examination, he specifically stated that the truck had dashed against the Maruti car. Nothing elicited either in his examination-in-chief or in cross-examination can be construed as indicating, even remotely, any fault on the part of the deceased. He also denied the suggestion that he was deposing falsely at the instance of the family.

14. The insurer of the Maruti car, moreover, did not adduce any oral evidence. In addition to this, no site plan, mechanical inspection report or other material has been produced to prove that the deceased had, in any manner, contributed to the occurrence.

15. Additionally, and most importantly, insofar as the charge-sheet is concerned, the same stands only against the driver of the truck. Consequently, mere occurrence of a head-on collision, simpliciter, cannot give rise to a presumption that both vehicles were being driven rashly or negligently. In the absence of any evidence indicating negligence on the part of the deceased, the finding of contributory negligence recorded by the learned Tribunal is unsustainable.

16. Accordingly, the same is set aside. Point No. (i) is answered in favour of the appellants.

17. The next issue relates to the nature and extent of the insurance cover in respect of Maruti Car No. AS-12-6619. The claimants have brought the said policy on record as X/2.

18. On a meticulous perusal of the same, it is evident that the Policy No. 3153050308044/933, issued by the Thangal Bazar, Imphal Branch of New India Assurance Co. Ltd. in the name of Bimal

Lakra. The period of insurance is from 02.05.2000 to 01.05.2001 and, admittedly, the accident dated 19.06.2000 occurred during the currency of the policy. The vehicle was being used privately and was a Maruti saloon of the year 1995 with a seating capacity of five. The net premium shown in the policy is Rs. 2,678/-, comprising Rs. 2,550/- towards premium and possibly Rs. 128/- towards service tax at 5%.

19. The nature of the policy, however, is best ascertained from the entries contained in the policy schedule itself. At the head of the schedule, the Insured’s Declared Value of the vehicle is shown as Rs. 18,000/-. The presence of an IDV is significant, as it represents the value assigned to the insured vehicle for the purposes of own-damage cover. An Act-only policy, which is confined to statutory third-party liability, generally would not contain an own-damage component of this nature.

20. The schedule also contains separate entries for the vehicle and its own-damage cover. The premium for the vehicle and non-electrical accessories is shown at Rs. 3,550/-. Earthquake is loaded at Rs. 100/- and flood at Rs. 150/-. A no-claim bonus of 35%, amounting to Rs. 1,155/-, has thereafter been deducted, resulting in an own-damage total of Rs. 2,145/-. These entries are not merely descriptive. They indicate a contract that extends beyond statutory third-party liability and incorporates cover for damage to the insured vehicle.

21. The position becomes even clearer when the policy's liability component is examined. The third-party basic premium is shown at Rs. 340/-. Legal liability to a paid driver under IMT 16/IMT 19 is Rs. 15/-, while an amount of Rs. 50/- is charged towards increase in third-party property damage under IMT 7-B. Although the printed heads relating to passenger personal accident and owner-driver capital benefits are blank and no capital sum insured has been specified under those heads, the same, by itself, does not convert an otherwise comprehensive policy into an Act-only policy.

22. Indeed, the figures appearing in the schedule are internally consistent. The entries, read in toto, therefore, leave little room for doubt that the policy prima facie was a package policy incorporating third-party liability as well as own-damage cover, with the insured vehicle carrying an IDV of Rs. 18,000/-.

23. The Tribunal below, however, appears to have conflated two distinct questions, namely, whether the owner-driver had purchased a specific personal-accident cover and whether the policy itself was an Act-only policy. The two cannot be treated as synonymous. The absence of a capital sum insured under the owner-driver personal-accident head may establish that no separate first-party death benefit of that nature was purchased. However, it does not, ipso facto, obliterate the own-damage component of the policy.

24. In addition to this, the certificate/policy document (X/2) is the insurer’s own document, and the insurer did not produce any proposal form, endorsement, tariff extract or other material to demonstrate that the own-damage entries or the IDV were incorrectly incorporated. In such circumstances, the mere non-production of the general conditions booklet cannot efface the entries appearing on the face of the policy.

25. It now becomes necessary to consider the consequence of the finding recorded herein about the policy covering the vehicle of the deceased. The Tribunal below proceeded on the premise that, since the policy covering the vehicle was an “Act only” policy, the insurer of the Maruti car stood absolved of liability towards the deceased, who was the owner of the vehicle and was travelling therein as an occupant at the time of the accident. In view of the finding already recorded that the policy was, in fact, a comprehensive/package policy, that premise itself does not survive.

26. The legal position in this regard has also been authoritatively considered by the Hon’ble Supreme Court in the case of **National Insurance Co. Ltd. v. Smt. Thungala Dhana Laxmi & Ors., 2026 INSC 793**. The Hon’ble Supreme Court has distinguished a comprehensive/package policy from a basic third-party policy and has held that an insurer cannot avoid liability towards an occupant, including the owner himself, of the insured vehicle merely on the ground that no separate premium was shown to have been paid towards such personal risk.

27. The Hon’ble Supreme Court has further emphasised, with reference to the IRDA Circular dated 16.11.2009, that the nature and scope of a comprehensive/package policy ought not to be construed in an unduly technical manner.

28. Insofar as the present case is concerned, the deceased was the owner of the insured vehicle and was travelling in it when it was struck by the offending truck. The policy, as already held, was a comprehensive/package policy. Consequently, the Tribunal's finding that the insurer of the deceased's own vehicle was absolved merely because the deceased was its owner cannot be sustained. The liability of New India Assurance Company Limited in respect of the deceased-occupant, arising from the comprehensive nature of the policy, is distinct from the liability of the owner of the offending truck, whose negligence caused the accident.

29. The record discloses that the legal heirs of the deceased have been pursuing their claim for over 26 years since the date of the accident, without the fruits of litigation reaching them. The Motor Vehicles Act being a beneficial legislation, it is incumbent upon this Court to construe its provisions, and mould the relief, in a manner consistent with its salutary object, rather than permit the claimants to be non-suited by considerations of form.

30. The finding of the Tribunal below that the offending truck was not insured with National Insurance Company Limited has not been assailed in this appeal.

31. Respondent No. 1, Amresh Kumar Singh, being the owner of the offending truck, is liable to satisfy the compensation awarded herein, on account of the negligence established against its driver.

32. Point No. (ii) is, accordingly, answered by holding that the policy covering Maruti Car No. AS-12-6619 was a comprehensive/ package policy and not an Act-only policy. Accordingly, Respondent No. 1 and New India Assurance Company Limited are held jointly and severally liable to satisfy the compensation awarded herein.

33. The remaining question is whether the compensation determined by the learned Tribunal constitutes just compensation.

34. The learned Tribunal assessed the monthly income of the deceased at Rs. 20,000/- based on the salary certificate (Ext. 3), after taking into consideration the gross salary of Rs. 30,338.67 and giving credit for income-tax and other statutory deductions. Since the said assessment is based on the documentary material available on record, there is no reason to disturb it.

35. The age of the deceased was taken as about 47 years. However, the Tribunal below applied the multiplier of 11 with reference to the Second Schedule to S. 163-A and did not make any addition towards future prospects. It further deducted one-third towards personal expenses and awarded Rs. 2,000/-, Rs. 2,500/- and Rs. 5,000/- under the conventional heads.

36. The claim, however, is under S. 166 of the Motor Vehicles Act. Consequently, the Second Schedule to S. 163-A has no application for determining the multiplier in the present case. In terms of **Sarla Verma v. DTC, (2009) 6 SCC 121**, the appropriate multiplier for a person aged between 46 and 50 years is 13. Further, the deceased was a salaried employee of Indian Oil

Corporation and, therefore, an addition of 30% towards future prospects is warranted in terms of **National Insurance Co. Ltd. v. Pranay Sethi, (2017) 16 SCC 680**. As regards personal expenses, the deceased left behind his widow and four daughters, i.e. five dependants. The appropriate deduction is therefore one-fourth, not one-third.

37. The loss of dependency is thus worked out as follows:

Rs. 20,000/- × 12 = Rs. 2,40,000/-
Add 30% towards future prospects = Rs. 3,12,000/-
Less 1/4th towards personal expenses = Rs. 2,34,000/-
Rs. 2,34,000/- × 13 = Rs. 30,42,000/-

38. Accordingly, the loss of dependency comes to Rs. 30,42,000/-.

39. The claimants are further entitled to consortium. In terms of **Magma General Insurance Co. Ltd. v. Nanu Ram, (2018) 18 SCC 130**, consortium is payable to each eligible claimant. Accordingly, consortium at Rs. 40,000/- to each of the five claimants comes to Rs. 2,00,000/-. Funeral expenses and loss of estate are assessed at Rs. 15,000/- each. No separate amount under the head of love and affection is warranted.

40. The total compensation thus comes to Rs. 32,72,000/-. Any amount already paid towards interim compensation and statutory amount, if deposited, shall be adjusted against the aforesaid amount.

41. The progressive rate of interest awarded by the Tribunal, namely, 6% per annum, with a direction that the same would stand enhanced to 8% per annum in the event of non-payment within six months from the date of the judgment, is left undisturbed in view of the recent decision of the **Hon'ble Supreme Court in Shishu Pal @ Shish Ram v. Surjeet, 2026 INSC 634.**

42. However, the Tribunal was not justified in awarding the interest only from the date on which the evidence was closed. No delay can be attributed to the claimants. Therefore, the normal rule that the interest must be awarded from the date of the institution of the claim petition should have been applied.

43. Now, it is ordered that the interest shall run from the date of filing of the claim petition and not from 06.06.2011, which was the date on which the evidence was closed.

44. In view of the foregoing discussion, the appeal is **allowed.** The compensation is enhanced to Rs. 32,72,000/- from Rs. 10,60,000/-. The interest awarded by the Tribunal in the impugned award is maintained, but it shall run from the date of the institution of the claim petition.

45. The entire amount shall be apportioned equally amongst all the claimants. Insofar as the shares of the minor children are concerned, the widow of the deceased shall keep their respective shares in appropriate fixed deposits until they attain the age of majority.

46. New India Assurance Co. Ltd. shall deposit the amount payable in terms of this judgment before this Court within eight weeks from today, after due intimation to the learned counsel for the appellants and after adjusting the amounts, if any, already deposited.

47. Upon such deposit, the Registry shall transfer the amount to the claimants' bank accounts. The learned counsel for the appellants shall furnish the necessary identity and bank particulars before the learned Tribunal. The amounts should not be transferred except through banking channels.

48. There shall be no order as to costs. Pending Interlocutory applications, if any, will not survive and are disposed of.

(M. S. Sonak, C.J.)

08.09.2026
A.F.R.
APK/VK
Uploaded on 08.09.2026