IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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I. **FAO-3311-2012 (O&M)**

BHARTI AND OTHERS . . . . Appellants

Vs.

SATYAWAN AND ANOTHER . . . . Respondents

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II. **FAO-2852-2012 (O&M)**

SHRIRAM GENERAL INSURANCE COMPANY LTD. . . . . Appellant

Vs.

SATYAWAN AND OTHERS . . . . Respondents

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III. **FAO-2853-2012 (O&M)**

SHRIRAM GENERAL INSURANCE COMPANY LTD. . . . . Appellant

Vs.

SATYAWAN AND ANOTHER . . . . Respondents

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IV. **FAO-4299-2012 (O&M)**

SATYAWAN . . . . Appellant

Vs.

DHARAMBIR @ BITTU AND ANOTHER . . . . Respondents

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V. **FAO-4300-2012 (O&M)**

SATYAWAN . . . . Appellants

Vs.

BHARTI AND OTHERS . . . . Respondents

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Reserved on:16.09.2026

Pronounced on: 18.09.2026

Pronounced Fully/Operative Part: Fully

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CORAM: HON'BLE MR JUSTICE DEEPAK GUPTA

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Present: - Mr. Rajesh Bansal, Advocate, for the claimants.

Mr. Gaurav Jindal, Advocate,
for the owner-cum-driver of the offending vehicle.

Mr. Rajbir Singh, Advocate, for the Insurance Company.

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DEEPAK GUPTA, J.

These five appeals arise out of the common award dated 19.01.2012 passed by the learned Motor Accident Claims Tribunal, Panipat, and are, therefore, being decided together.

2. **FAO-3311-2012** has been filed by the claimants seeking enhancement of compensation awarded on account of death of Bijender. **FAO-2852-2012** and **FAO-2853-2012** have been filed by the Insurance Company seeking exoneration from liability, whereas **FAO-4299-2012** and **FAO-4300-2012** have been preferred by the driver-cum-owner challenging the findings of the Tribunal, whereby the insurer has been granted recovery rights on account of the alleged absence of a valid licence to drive the offending vehicle.

FACTUAL BACKGROUND

3. On 18.01.2010, Bijender and Dharambir were travelling on a motorcycle, when it was hit by an auto-rickshaw bearing registration No. HR-67-A-9533, being driven by Satyawan. The accident occurred on account of rash and negligent driving of the offending vehicle. Bijender succumbed to the injuries sustained in the accident, whereas Dharambir suffered injuries.

4. The widow, two minor children and widowed mother of deceased Bijender instituted a claim petition seeking compensation on account of his death. Dharambir filed a separate claim petition in respect of the injuries suffered by him. Both claim petitions were consolidated and decided by the Tribunal by the common award under challenge.

5. The finding of the Tribunal regarding rash and negligent driving of the offending auto-rickshaw has not been assailed before this Court and has, thus, attained finality. The controversy in the present appeals is confined essentially to the quantum of compensation payable in the death claim; and the liability of the insurer.

LIABILITY OF THE INSURER

6. Learned counsel appearing for the insurer has supported the award to the extent the Tribunal granted recovery rights to the insurer, contending that the driver possessed only a driving licence for a Light Motor Vehicle and there was no separate endorsement authorising him to drive a transport vehicle.

7. On the other hand, learned counsel for the driver-cum-owner submits that the offending vehicle fell within the definition of a Light Motor Vehicle and, therefore, no separate transport endorsement was required.

8. The issue is no longer *res integra*. In ***Mukund Dewangan v. Oriental Insurance Co. Ltd., (2017) 14 SCC 663,*** the Hon'ble Supreme Court held that a holder of a licence to drive a Light Motor Vehicle is competent to drive a transport vehicle, whose gross vehicle weight does not exceed 7,500 kg and no separate endorsement to that effect is required.

9. The correctness of ***Mukul Dewangan (supra)*** was subsequently considered by a Constitution Bench of the Hon'ble Supreme Court in ***M/s Bajaj Allianz General Insurance Co. Ltd. v. Rambha Devi & Ors., 2024 INSC 840,*** which upheld the ratio in ***Mukund Dewangan (supra)***, holding that a transport vehicle falling within the LMV category, i.e. having gross vehicle weight not exceeding 7,500 kg, can be driven by a person holding an LMV licence without a separate endorsement. The Court expressly held that the ratio of ***Mukund Dewangan (supra)*** was not required to be disturbed.

10. Thus, mere absence of a separate transport endorsement on an otherwise valid LMV driving licence cannot constitute a breach of the policy condition, provided the vehicle falls within the LMV category. The Tribunal, therefore, was not justified in granting recovery rights to the insurer merely on this ground.

11. Consequently, **FAO-2852-2012** and **FAO-2853-2012** filed by the insurer are liable to be dismissed, whereas **FAO-4299-2012** and **FAO-4300-2012** filed by the driver-cum-owner deserve to be allowed to the extent of setting

aside the recovery rights granted to the insurer. The insurer shall accordingly remain liable to satisfy the award.

QUANTUM OF COMPENSATION

12. The next question is with regard to the quantum of compensation payable to the legal representatives of deceased Bijender. The Tribunal assessed the annual income of the deceased at ₹1,08,000/- i.e. ₹9000/- per month.

13. Learned counsel for the claimants submits that the Tribunal failed to take into consideration the income-tax returns produced on record, which disclose the income of the deceased for successive assessment years as follows:

Exhibit	**Assessment Year**	**Declared Income**
P-31	2007-08	₹1,06,940/-
P-32	2008-09	₹1,45,438/-
P-33	2009-10	₹1,82,294/-

14. The Tribunal discarded the income-tax returns primarily on the reasoning that the deceased was a property dealer and was not shown to have a permanent source of income. The approach cannot be sustained. The deceased was self-employed and, in such a case, the fact that the income was not derived from permanent salaried employment cannot by itself constitute a ground to discard duly produced income-tax returns.

15. The income-tax returns placed on record relate to successive years immediately preceding the accident and exhibit a consistent upward trend in the declared income. There is no material noticed by the Tribunal to establish that the last return was fabricated or that the income declared therein was not genuine. In these circumstances, the income disclosed in the latest income-tax return preceding the accident, namely ₹1,82,294/- per annum, deserves to be accepted as the established income of the deceased.

FUTURE PROSPECTS

16. The deceased was self-employed and was below 40 years of age. In ***National Insurance Co. Ltd. v. Pranay Sethi, (2017) 16 SCC 680***, the

Constitution Bench of Hon'ble Supreme Court has held that, in the case of a self-employed person below 40 years, 40% of the established income is to be added towards future prospects. It further directed that the established income and the multiplier are to be determined in accordance with the principles laid down in ***Sarla Verma & Ors. v. Delhi Transport Corporation & Anr., (2009) 6 SCC 121.***

17. Accordingly, 40% is required to be added to the annual income of ₹1,82,294/-. As such, it is to be held that -

- Annual income = ₹1,82,294/-
- 40% future prospects = ₹72,917.60/-
- Income including future prospects = ₹2,55,211.60/-

PERSONAL EXPENSES

18. There are four claimants, namely, the widow, two minor children and the mother of the deceased. In terms of the principles laid down in ***Sarla Verma (Supra)***, where the number of dependent family members is four to six, deduction of one-fourth towards personal and living expenses is ordinarily to be made.

19. Accordingly, one-fourth of ₹2,55,211.60/- is liable to be deducted towards the personal expenses of the deceased. The annual contribution towards the family thus comes to: ₹2,55,211.60 × 3/4 = ₹1,91,408.70/-.

APPLICABLE MULTIPLIER

20. Another issue raised by learned counsel for the claimants concerns the multiplier. It is submitted that the deceased was about 30 years and 10 months of age on the date of the accident and, therefore, the multiplier applicable should be 17, as the next multiplier of 16 is applicable for the age group of 31 to 35. On the other hand, ld. Counsel for insurer submits that tribunal has rightly applied the multiplier of 16, as deceased was about to complete the age of 31 years.

21. The contention requires examination in the light of the precise age brackets prescribed by the Hon'ble Supreme Court in ***Sarla Verma (supra)***. After referring to various precedents, it was held as under:

> "21. We therefore hold that the multiplier to be used should be as mentioned in column (4) of the Table above (prepared by applying Susamma Thomas, Trilok Chandra and Charlie), which starts with an operative multiplier of 18 (for the age groups of 15 to 20 and 21 to 25 years), reduced by one unit for every five years, that is M-17 for 26 to 30 years, M-16 for 31 to 35 years, M-15 for 36 to 40 years, M-14 for 41 to 45 years, and M-13 for 46 to 50 years, then reduced by two units for every five years, that is, M-11 for 51 to 55 years, M-9 for 56 to 60 years, M-7 for 61 to 65 years and M-5 for 66 to 70 years."

22. Thus the multiplier table provides:

- 26 to 30 years — multiplier 17;
- 31 to 35 years — multiplier 16;
- 36 to 40 years — multiplier 15;
- 41 to 45 years — multiplier 14; and so on.

23. The Hon'ble Supreme Court explained the progression by observing that the multiplier starts with 18 and is reduced by one unit for every five years. The same table was subsequently approved by the Constitution Bench of the Hon'ble Supreme Court in ***Pranay Sethi (supra).***

24. The expression *"reduced by one unit for every five years"* cannot be read in isolation from the age brackets specifically set out in the table. The table itself makes the legal position clear. Multiplier 17 applies to the age group of 26 to 30 years, while multiplier 16 applies to the age group of 31 to 35 years. The Hon'ble Supreme Court has repeatedly reproduced and applied these very age brackets.

25. Thus, the completion of 30 years does not, by itself, place the deceased in the 31-to-35-years bracket. A person aged 30 years and 10 months has not yet attained the age of 31 years. The next multiplier becomes applicable upon entering the next prescribed age bracket, namely, upon attaining 31 years.

26. The expression "every five years" in ***Sarla Verma (supra)*** is, therefore, descriptive of the successive five-year age brackets incorporated in the table. It does not mean that immediately upon completion of the upper numerical limit of an age bracket, the multiplier prescribed for the succeeding bracket is to be applied, irrespective of the deceased having actually attained the first year of that succeeding bracket.

27. There is consequently no interregnum or absence of a multiplier. A deceased aged 30 years and 10 months continues to fall within the 26–30 years bracket for purposes of the ***Sarla Verma (supra)*** table. Multiplier 16 becomes applicable only when the deceased has attained 31 years.

28. In present case, the age of deceased Bijender being about 30 years and 10 months on the date of the accident, the appropriate multiplier is, therefore, 17 and not 16.

29. The loss of dependency consequently works out as under:

- ₹1,82,294 + 40% = ₹2,55,211.60/-
- After 1/4th deduction: ₹2,55,211.60 × 3/4 = ₹1,91,408.70/-
- Applying multiplier = 17
- Total loss of dependency ₹1,91,408.70 × 17 = ₹32,53,947.90/-

Thus, the claimants are entitled to ₹32,53,947.90/- towards loss of dependency.

CONVENTIONAL HEADS

30. The accident took place in the year 2010. Keeping in view the period of the accident and the basis on which the claimants have pressed the appeal, compensation under the conventional heads is confined to the figures of ₹40,000/- towards consortium to each eligible claimant, and ₹15,000/- each towards loss of estate and funeral expenses.

31. There being four claimants, namely, the widow, two children and the mother, compensation towards consortium is accordingly assessed at:

₹40,000 × 4 = ₹1,60,000/-

32. The claimants are further entitled to ₹15,000/-for loss of estate; and ₹15,000/-for funeral expenses.

33. The total compensation payable, therefore, comes to:

Head	**Amount**
• Loss of dependency	₹32,53,947.90
• Consortium	₹1,60,000/-
• Loss of estate	₹15,000/-
• Funeral expenses	₹15,000/-
• Total	₹34,43,947.90/-

The amount is rounded off to ₹34,43,000/-.

34. The Tribunal had awarded a sum of ₹13,11,000/-. The claimants are, therefore, entitled to an enhanced amount of ₹21,32,000/- over and above the amount already awarded.

35. The enhanced compensation shall carry interest at the rate of 7.5% per annum from the date of filing of the claim petition till its realization, subject to adjustment of the amount, if any, already deposited/paid by the insurer.

CONCLUSION

36. For the reasons recorded above:

(i) **FAO-3311-2012,** filed by the claimants seeking enhancement of compensation, is allowed. The compensation awarded by the Tribunal is enhanced from ₹13,11,000/- to ₹34,43,000/-, with the enhanced amount carrying interest at the rate and for the period indicated above.

(ii) **FAO-2852-2012** and **FAO-2853-2012**, filed by the insurer, are dismissed.

(iii) **FAO-4299-2012** and **FAO-4300-2012**, filed by the driver-cum-owner, are allowed to the extent that the recovery rights granted in favour of the insurer are set aside. The insurer shall be liable to satisfy the award.

37. As far as apportionment is concerned, out of enhanced compensation of ₹21,32,000/-; ₹6,00,000/- each i.e. ₹18,00,000/- shall be

payable to the widow and two children of the deceased along with the proportionate interest; whereas the remaining enhanced amount along with the proportionate interest shall be payable to the mother of the deceased. The amount falling to the share of the minor claimants shall be dealt with in accordance with the directions of the Tribunal.

38. All the five appeals stands disposed of accordingly. Pending application(s), if any, also stands disposed of. A photocopy of this order be placed on the files of connected case.

(DEEPAK GUPTA)
JUDGE

18.09.2026
Vivek

Whether Speaking/reasoned *Yes*
Whether reportable *No*

Uploaded on: 18.09.2026