

DIGEST OF MOTOR ACCIDENT CLAIM CASE LAWS

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Accident

According to **Witherby's Insurance Dictionary** accident is unlooked-for mishap or untoward event that is neither expected or designed.

P. Ramanatha Aiyar's Law Lexicon . **3rd Edition** . , defines the expression 'accident' as:
"an event that takes place without one's foresight or expectation; and event that proceeds from an unknown cause, or is an unusual effect of a known cause, and therefore not expected, chance, causality, contingency."

The expression 'accident' in the context of an accident insurance policy has been explained in MacGillivray on Insurance Law **12th Edition**.

"In the context of an accidental insurance policy the word is usually contained in phrases such as "injury by accident", "accidental injury", "injury caused by or resulting from an accident" or "injury caused by accidental means" and in each of these phrases it has the connotation of an unexpected occurrence outside the normal course of events."

An accident is an occurrence or an event which is unforeseen and startles one when it takes place but does not startle one when it does not take place. It is the happening of the unexpected, not the happening of the expected, which is called an accident. In other words, an event or occurrence the happening of which is ordinarily expected in the normal course by almost everyone undertaking a rail journey cannot be called an "accident". But the happening of something which is not inherent in the normal course of events, and which is not ordinarily expected to happen or occur, is called a mishap or an accident." **Union of India v. Sunil Kumar Ghosh AIR 1984 SC 1737, Para 12). Smt. Alka Shukla v. Life Insurance Corporation of India AIR 2019 SUPREME COURT 2088**

'accidental means' and 'accidental death' are to be read as similar or whether in order for an accidental insurance claim to succeed, the means causing the injury or death also have to be accidental in nature. For the purposes of this case, it is not necessary to conclusively decide this question. In order to sustain a claim under the accident benefit cover, it must be established that the assured has sustained a bodily injury which resulted solely and directly from the accident. There must, in other words exist a proximate causal relationship between the accident and the bodily injury. Moreover, the accident must be caused by outward violent and visible means. The expression "outward violent and visible" signifies that the cause of the accident must be external. Moreover, the injury must be the cause of the death within the period of 180 days. There has to be proximate relationship between the injury and the death to the exclusion of all other causes. The outcome of the present case involves interpretation of the accident benefit cover. Breaking down the clause into its components, what it postulates is that:

- (i) The assured must sustain a bodily injury;
- (ii) The injury must solely and directly result from an accident;
- (iii) The accident must be caused by outward, violent and visible means;
- (iv) The injury must solely, directly and independently of all other causes result in the death of the assured;
and

(v) Death must ensue within a period of 180 days from the injury caused in the accident. **Smt. Alka Shukla v. Life Insurance Corporation of India AIR 2019 SUPREME COURT 2088** *see also* NATIONAL INSURANCE COMPANY LTD. versus THE CHIEF ELECTORAL OFFICER & ORS **2023 LiveLaw (SC) 90 : 2023 (2) BLJ 130 (SC).**

Includes any untoward, unexpected event. **2013 AIR SCW 283 "Param Pal Singh v. M/s. National Insurance Co."**

Passenger lighting from the bus as it moved abruptly which caused him to fall, resulting in serious injuries and led to his death on the following day is an accident, the benefit of future prospects in computing the income of the deceased is to be given **NUTAN RANI AND ANR VERSUS GURMAIL SINGH AND ORS 2018 0 Supreme(SC) 761**

From a bare perusal of the Insurance Policy, it is clear that only if the insured sustains any bodily injury resulting solely and directly from accident caused by outward, violent and visible means, the Insurance Company would be liable to indemnify the insured. Therefore, as per the Insurance Policy, only accidental death of the insured shall be indemnified. As noted above, the Post-Mortem Report clearly indicates that there were no injuries found on the body of the deceased. The probable cause of death as per the Final Opinion in the Post-Mortem Report is asphyxiation caused by alcohol consumption and regurgitation of food into larynx. As such, we find it difficult to conclude that the deceased's death was accidental. **Narbada Devi and Ors. v. H.P. State Forest Corporation and Anr. AIR 2021 SUPREME COURT 1541** *see also* NATIONAL INSURANCE COMPANY LTD. versus THE CHIEF ELECTORAL OFFICER & ORS **2023 LiveLaw (SC) 90**

ACCIDENTAL DEATH / INJURY

The physical disability caused due to an accident must be judged with reference to the nature of the work being done by the injured for assessing award of compensation. (Para 9) **Sarnam Singh v. Shriram General Insurance, 2023 LiveLaw (SC) 498 AIR 2023 SC 3601 : (2023) 8 SCC 193** *see also* **Jayanandan V. Varkey & Ors., Arising out of SLP (C) No.22423 of 2024 LiveLaw (SC) 44**

Loss Of One Eye's Vision Is 100% Functional Disability For A Diamond Cutter **Jayanandan V. Varkey & Ors., Arising out of SLP (C) No.22423 of 2024 LiveLaw (SC) 44**

The same injury suffered by two different persons may affect them in different ways. Loss of leg by a farmer or a rickshaw puller may be the end of the road as far as his earning capacity is concerned. Whereas, in case of the persons engaged in some kind of desk work in office, loss of leg may have lesser effect. (Para 9) **Sarnam Singh v. Shriram General Insurance, 2023 LiveLaw (SC) 498**

From a bare perusal of the Insurance Policy, it is clear that only if the insured sustains any bodily injury resulting solely and directly from accident caused by outward, violent and visible means, the Insurance Company would be liable to indemnify the insured. **Narbada Devi and Ors. v. H.P. State Forest Corporation and Anr. AIR 2021 SUPREME COURT 1541** and NATIONAL INSURANCE COMPANY LTD. versus THE CHIEF ELECTORAL OFFICER & ORS **2023 LiveLaw (SC) 90 : 2023 (2) BLJ 130 (SC).**

The standard of proof beyond reasonable doubt cannot be applied while considering the petition seeking compensation on account of death or injury in a road traffic accident. **Mathew Alexander Vs. Mohammed Shafi and Anr. (2023) AIR(SC) 3349 : (2023) 7 JT 137**

ACCIDENT FREQUENCY

A measurement of the number of accidents occurring in a given period According to **Witherby's Insurance Dictionary**

ACCIDENTAL MEANS

Accidental means is a term used to an event giving rise to a claim under a policy to indicate that an event must arise fortuitously concerning the insured as per **Witherby's Insurance Dictionary** and the accident must be external. Moreover, the injury must be the cause of the death within the period of 180 days. There has to be proximate relationship between the injury and the death to the exclusion of all other causes. **Smt. Alka Shukla v. Life Insurance Corporation of India AIR 2019 SUPREME COURT 2088 see also NATIONAL INSURANCE COMPANY LTD. versus THE CHIEF ELECTORAL OFFICER & ORS 2023 LiveLaw (SC) 90**

AGE DETERMINATION

Conflict between the dates of birth mentioned in the School Leaving Certificate and the Aadhar Card, the dates of birth mentioned in the School Leaving Certificate should be given primacy and considered as the authoritative document for determining the age of the deceased . **SAROJ & ORS. VERSUS IFFCO-TOKIO GENERAL INSURANCE CO. & ORS., 2024 LiveLaw (SC) 837 : 2024 INSC 816 C.A. No. 012077 - 012078 / 2024 Decided on 24-10-2024 see also SANJAY RAJPOOT Vs. RAM SINGH AND OTHERS 2025 INSC 188 Decided on : 11-02-2025 Docid # IndLawLib/2422398**

AMENDMENT OF MOTOR VEHICLES ACT.

The amendment has come into effect from 01.04.2022 see S.O. 859 (E) 25.02.2022.

The amendment has been explained by the Supreme Court.

Based on the guidelines issued by this Court and Delhi High Court, recommendations were made by Group of Transport Ministers (GOM) of States alongwith other stakeholders. The Central Government with an objective to 'improve road safety, facilitate citizens in their dealings with transport departments, strengthen rural transport, public transport, last mile connectivity through automation, computerization and online services' introduced 'The Motor Vehicles (Amendment) Bill, 2019'. The aforesaid Bill was passed by both the Houses as 'The Motor Vehicles Act, 1988 (59 of 1988). 22. Vide new Amendment, 'Chapter X' of the preceding Act was omitted. 'Chapter XI – Insurance of Motor Vehicles against third party risks' and Chapter XII – Claims Tribunals were amended as per the Motor Vehicle Amendment Act, 2019 which came into force w.e.f. 1.4.2022. For the purpose of this case, we are mainly concerned with Chapters XI and XII of the Amendment Act and the Rules to emphasize the necessity of insurance, duties specified to the reportofficer, registering authority, insurance companies and Clam Tribunals to determine compensation. **Gohar Mohammed v. Uttar Pradesh State Road Transport Corporation, 2022 LiveLaw (SC) 1040 : 2023 (1) PLJR 228 (SC)**

Rule 150A merely deals with the procedure for the investigation of a road accident. Thus, it has no connection with the parent statutes, namely, Sections 166, 168, 169 and 176 of the Act. The said Rule has got a laudable objective, and has to be read along with Section 159 of the Act by which the information given regarding an accident would be treated as a complaint. It also addresses the question of limitation that might arise after the period of limitation has lapsed. **The Law Association v. Director General Of Police 2024 LiveLaw (SC) 499**

APPEAL

A person dissatisfied with the amount of compensation awarded may file an appeal against the judgment and award. (*Para 12*) *Alifiya Husenbhai Keshariya v. Siddiq Ismail Sindhi*, [2024 LiveLaw \(SC\) 414](#)

The appeal filed by the claimant(s) for enhancement of compensation amount is still pending before the High Court. In that case, the High Court ought to have heard the appeal(s) filed by the Insurance Company along with the cross appeal of the claimant(s) pertaining to the same accident. **Magma HDI General Insurance Co. Ltd. v. Kulwinder Kaur and Ors. AIR 2020 SUPREME COURT 3600**

.When in an appeal the appellant could have raised any of the grounds against which he is aggrieved, we fail to understand, as to how a respondent can be denied to file cross-objection in an appeal filed by the other side challenging that part of the Award with which he was aggrieved. We find, that the said distinction as sought to be drawn by the High Court is not in tune with conjoint reading of the provisions of Section 173 of the M.V. Act; Rule 249 of the Bihar Motor Vehicle Rules, 1992; and Order XLI rule 22 of the CPC. **URMILA DEVI AND ORS.) VERSUS BRANCH MANAGER, NATIONAL INSURANCE COMPANY LTD. & ANR. AIR 2020 SC 709 : 2020 0 Supreme(SC) 96**

An appeal filed under Section 173 of the Act is akin to Section 96 of Code of Civil Procedure, 1908 (hereinafter referred to as “the Code”). The scope of the appellate powers under Section 173 of the Act, how such powers should be exercised while hearing the appeal and why it is necessary for the Courts to assign the reasons for reaching to the conclusion while passing any order/judgment was examined by this Court in the case of Uttar Pradesh State Road Transport Corporation vs. Mamta & Ors., [\(2016\) 4 SCC 172](#), G. Saraswathi & Ors. vs. Rathinammal & Ors., [\(2018\) 3 SCC 340](#) and Central Board of Trustees vs. Indore Composite Pvt. Ltd., [\(2018\) 8 SCC 443](#). **Rupa Roy – Versus The New India Assurance Company Ltd. 2019 0 Supreme (SC) 791; (Decided On : 29-07-2019)**

An appeal under Section 173 of the M.V. Act is essentially in the nature of first appeal alike Section 96 of the Code and, therefore, the High Court is equally under legal obligation to decide all issues arising in the case both on facts and law after appreciating the entire evidence. **Sudarsan Puhan VS Jayanta Ku. Mohanty & Ors. 2018 0 Supreme (SC) 902; AIR 2018 (SC) 4662**

High Court to decide the appeal keeping in view the powers conferred on it by the statute. The impugned judgment also does not satisfy the requirements of Order XX Rule 4 (2) read with Order XLI Rule 31 of the Code which requires that judgment shall contain a concise statement of the case, points for determination, decisions thereon and the reasons.. The appeal thus succeeds and is accordingly allowed in part. The impugned judgment is set aside case remanded back for fresh decision **U.P.S.R.T.C. Vs. Mamta and Ors. , AIR 2016 SC 948 2016(2) PLJR293,**

An appeal under Section 173 of the M.V. Act is essentially in the nature of first appeal alike Section 96 of the Code and, therefore, the High Court is equally under legal obligation to decide all issues arising in the case both on facts and law after appreciating the entire evidence. [See National Insurance Company Ltd. v. Naresh Kumar and Ors. ((2000) 10 SCC 198 and State of Punjab and Anr. v. Navdeep Kaur and Ors. **(2004) 13 SCC 680**]. **U. P. S. R. T. C. v. Km. Mamta and Ors . AIR 2016 SUPREME COURT 948**

Point No.(i) : The position in cases where the claimants implead the insurer as a respondent in the claim petition. if a claimant impleads the insurer as a party-respondent, for whatever reason, then as such respondent, the insurer will be entitled to urge all contentions and grounds which may be available to it. (para 8)

Point (ii) : Maintainability of a joint appeal by the owner of the vehicle (Insured) and Insurer
There is no dispute that when an award is made by the Tribunal, the owner of the vehicle (insured), being a

person aggrieved, can file an appeal challenging his liability on any ground, or challenge the quantum of compensation. An appeal which is "maintainable" when the owner of the vehicle files it, does not become "not maintainable" merely on account of the insurer being a co-appellant with the owner. When the insurer becomes a co-appellant, the owner of the vehicle does not cease to be a person aggrieved. **AIR 2012 SUPREME COURT 86 "United India Insurance Co. Ltd. v. Shila Datta": (2012) 1 SCC (Cri) 328 : (2011) 10 SCC 509**

In paragraph 19 of the United India Insurance Company Limited vs. Shila Datta and Ors., (2011) 10 SCC 509, it has been clearly laid down that where the insurer is a party-respondent, either on account of being impleaded as a party by the Tribunal under Section 170 or being impleaded as a party-respondent by the claimants in the claim petition voluntarily, it will be entitled to contest the matter by raising all grounds available to it in law, without any limitation placed under Section 149(2) of the Act. **NEW INDIA ASSURANCE CO. LTD.Vs. KRISHNA SAKHARAM BAING AND OTHERS Docid # IndLawLib/2421580 Civil Appeal No. 252 of 2025 (@ SLP (Civil) No. 8195 of 2022) Decided on : 08-01-2025 see also NATIONAL INSURANCE COMPANY LTD Vs. MASTER FREWIN SEBY DE MELO Decided on : 05-01-2026 Docid # IndLawLib/2438514**

Accident compensation - Appeal against award - Claimant seeking permission for producing additional documents in support of his claim - Permission granted as Tribunal is required to award fair compensation - Matter remanded to Tribunal for fresh consideration. **2010 AIR SCW 1615 "Meenaben Pankaj kumar Joshi v. New India Assurance Co. Ltd." : (2009)9 SCC 363,**

Against judgment of single Judge in appeal against award of Motor Accident Claims Tribunal - Not tenable - Appellant can however file SLP before Supreme Court. **2010 AIR SCW 5824 "Geeta Devi v. Puran Ram Raigar"**

High Court to dispose of the appeal by a speaking and reasoned order. **AIR 2009 SC (Supp) 586 "National Insurance Co. Ltd. v. Bharat Bhushan"**

Appeal – High Court cannot dismiss the appeal filed by the insurer on merits on the ground that the Tribunal did not assign reasons while granting permission under section 170 of the Act **National Insurance Company Ltd. Vs. Meghji Naran Soratiya and others 2009 AIR SCW 2340**

Appeal - Maintainability - Order of Tribunal awarding compensation on no fault liability basis under S. 140 - Amounts to award under S. 173 - Is appeal able. **AIR 2007 S. C. 2582 "Yallwwa v. National Insurance Co. Ltd.": (2007) 6 SCC 657**

Where the insurer is a party-respondent, either on account of being impleaded as a party by the Tribunal under Section 170 or being impleaded as a party-respondent .by the claimants in the claim petition voluntarily, it will be entitled to contest the matter by raising all grounds, without being restricted to the grounds available under S. 149(2). **2011 AIR SCW 6541 "United India Insurance Co. Ltd. v. Shila Datta"**

Appeal - Necessary party - Appeal by Insurance Company on ground that offending vehicle was not insured at time of accident - Ground raised by Insurance Company is intimately linked with entitlement of claimant to receive compensation from Insurance Company - Dismissal of appeal as against claimant as it is not required to be heard - Not proper. **AIR 2007 SUPREME COURT 1102 "National Insurance Co. Ltd. v. Mam Chand"**

In a series of other decisions too, the same view was taken. In Rita Devi (Smt.) and others v. New India Assurance Co. Ltd. and another (2000) 5 SCC 113, this Court held that if the Insurance Company had not

obtained leave from the Tribunal before filing the appeal, the appeal preferred by the Insurance Company before the High Court would not be maintainable in law. **AIR 2003 SUPREME COURT 3127 "United India Insurance Co. Ltd. v. Jyotsnaben S. Patel"**

Appeal provided under the Motor Vehicles Act, 1988 is on a limited ground for the insurers as the appeal can only be filed with regard to violation of section 149 (2) of the Motor Vehicles Act, 1988. Where appeal is barred a Civil Revision can be filed. **Sadhana Lodh Vs. National Insurance Company 2003 AIR SCW 930: (2003) 3 SCC 524: AIR 2003 S. C. 1561**

When the remedy of appeal is provided under the statute, filing a writ application cannot enlarge the grounds of the appeal. **Sadhana Lodh Vs. National Insurance Company 2003 AIR SCW 930. (2003) 3 SCC 524: AIR 2003 S. C. 1561 SEE ALSO Bijoy Kumar Dugar Vs. Bidyadhar Dutta AIR 2006 SC 1255 : (2006) 3 SCC 242**

The appellate Court not to interfere in appeal unless the Tribunal has applied a wrong principle of law or the awarded amount is too low or too high **Bihar Co-operative Motor Vehicle Insurance Society vs. Rameshwar Raut AIR 1970 Pat 172 see also Nance vs. British Columbia Electric Rly Co. Ltd. 1951 - 2 All ER 448, Nagappa Mahadev Doddaamani Vs. New India Assurance Company 1999 ACJ 1128**

Appeal has to be preferred against an order under section 140 of the Motor Vehicles Act as it is an award. **Oriental Insurance Company vs. Moiuddin Kureshi and others 1994 (1) PLJR 79. See also National Insurance Co.Ltd. Vs. Hari Narayan Ojha & others 1999 ACJ 1188; New India Assurance Vs. Janki Devi 2000 ACJ 587**

Amount paid for the maintainability of the appeal has to be adjusted with the award under challenge and released to the Claimant **United India Insurance Company Ltd. Vs. Manju Devi 1998 (3) PLJR 506**

First proviso under section 173 is a condition precedent that an appeal shall be presented and entertained on fulfilment of the condition of depositing of Rs. 25000/- as required by the proviso. There is no provision that the amount should be refunded to the Insurance Company or the person, who is required to pay the amount of compensation on the matter being dismissed. There is a purpose and policy behind such a statutory provision incorporated in the Act, 1988. It is in this context, instead of refunding the amount, as requested, the proper course would be to direct the Registry to remit the amount of Rs. 25000/- to the Tribunal concerned for being disbursed to the petitioner towards satisfaction of the amount due and payable in terms of the award recorded by the Tribunal. **THE NEW INDIA INSURANCE CO. LTD (Vs.GEETA DEVI AND OTHERS 2007 PLJR 236**

Court fee payable in appeal is Rs. 15 and not Rs. 250. **New India Assurance Company Vs. Renu Devi 1999 (2) PLJR 640 : 1999 (2) BLJR 1390.**

The quantum of compensation is not a ground available to the insurer for the purpose of filing appeal. **Chinnama George VS N.K. Raju (2000) 4 SCC 130 : 2000 ACJ 777**

Unless any of the condition Sec. 149 (2) exists i.e. there has been a breach of condition of the policy or policy is void and such defense is taken in the pleading and placed before the claims tribunal, the insurer is legally bound to satisfy the award and is barred from filing an appeal, even joint appeal with the owner of the vehicle is incompetent unless the grounds mentioned under section 149 (2) is available to it **National Insurance Company Vs. Nicolletta Rohatagi (2002) 7 SCC 456. , Chinnama George VS N.K. Raju (2000) 4 SCC 130. National Insurance Co. Ltd. Vs. Madhuri Kuer 2001 (1) PLJR 73 ; Oriental**

Insurance Company Vs. Suresh Kumar 2001 (4) PLJR 304; Oriental Insurance Company Vs. Viveka Nand Singh 2001 (4) PLJR 510

It is not necessary that permission under section 170 of the Motor Vehicles Act, 1988 is by a reasoned order. If the Insurance Company pursuant to the permission cross examined the witnesses and there after the award is passed, the Insurance Company becomes the person aggrieved within the meaning of section 170 of the Motor Vehicles Act, 1988. **United India Insurance Company Vs. Jyotsnaben Sudhirbhai Patel and others (2003) 7 SCC 212**

Insurance Company cannot be refused remedy of appeal since it falls within the ambit of any aggrieved person by the award of the of claims tribunal **United India Insurance Company vs. Bhushan Sachedeva 2002 AIR SCW 273 : (2002) 2 SCC 265**

Appeal is not maintainable against an award based on a compromised settlement **Ignatia Kujur Vs. National Insurance Co. Ltd. 2000 ACJ 381**

The Insurance Company can only file an Appeal only on the grounds as stated in section 149 (2) of the Motor Vehicles Act, 1988 **National Insurance Company Vs. Nicolletta Rohatagi (2002) 7 SCC 456. see also Branch Manager National Insurance Company vs. Arjun Prasad 2006 (1) PLJR 637**

The High Court in appeal cannot interfere in appeal, if the Tribunal has fixed the liability on two persons and one of them has paid the other persons appeal on quantum, High Court could not make out a new case and direct the appellant to pay the whole awarded amount **Administrator Bihar SRTC VS Ranjana Majhi AIR 2007 SUPREME COURT 649: (2006) 6 SCC 67 K. Ramya & Ors. versus National Insurance Co. Ltd. & Anr CIVIL APPEAL NO.7046 OF 2022 [Arising out of Special Leave Petition (C) No. 31931 of 2017 disposed of on 30.09.2022 2022 LiveLaw (SC) 816 : (2022) AIR(SC) 4802**

ACCIDENT OUT OF THE USE OF A MOTOR VEHICLE

The expression "an accident out of the use of a motor vehicle" would apparently mean and contemplate a situation where the motor vehicle had met with an accident thereby causing death or disablement to either the occupants of the vehicle or any other person who has come under the wheels of the vehicle and in no circumstances did the provision contemplate that such compensation should be paid to kidnappers or hijackers who are killed by villagers for their overt act only because they had been using a particular motor vehicle. **Senior Divisional Manager, National insurance Company Ltd.Vs. Sayeeda Khatoon 2009 (4) PLJR431**

The question, which falls for consideration in this case, is as to whether the accident, for which the compensation has been claimed under the provisions of the Act, arose out of the **use of motor vehicle**. The Tribunal, by the impugned order, has held that the death of the deceased was **a murder simpliciter** and as such it cannot be termed as **a death or permanent disablement due to accident** arising out of the **use of motor vehicle** entitling payment of compensation in terms of sec. 163-A of the Act. **Ranju Rani Alias Ranju Devi Versus Branch Manager, The New India Assurance Company Limited 2002 4 PLJR 341; 2002 0 Supreme(Pat) 1024;**

'Accident arising out of use of motor vehicle' - Petrol tanker falling on Kutcha ground and came to rest after being hit by rear left side of truck - After 4 hours tanker exploded due to petrol leakage resulting in death of persons gathered to collect petrol - Cannot be said to be an accident 'arising out of use of motor vehicle' - **AIR 2011 SUPREME COURT 666 "New India Assurance Co. Ltd. v. Yadu Sambhaji More"**

The explosion took place inside the bus is an admitted fact and the usual police escort was not there. The High Court, except observing that there was no negligence, has not upset the finding of the Tribunal that the atmosphere during the period of accident was so polluted requiring care on the part of the conductor and the driver of the bus. There cannot be any doubt that the accident arose out of the use of the motor vehicle justifying the claim of the appellant.” **Samir Chanda v. Managing Director, Assam State Transport Corporation, (1998) 6 SCC 605.**

when a vehicle remains static, it cannot constitute that the driver is negligent because of his rash and negligent driving. On the contrary, it has to embody some other different types of negligence. Of course that would depend upon the facts and circumstances of each case. there was causal relationship with the accident which had resulted in the death of the claimant. **Kalim Khan & Others Versus Fimidabee & Others – AIR 2018 SC 3209; 2018 0 Supreme(SC) 688;**

ACCIDENT OUT OF THE USE OF A MOTOR VEHICLE AND RAILWAY

Taxi came in collision with train - Claim against both to pay compensation - Tenable before Motor Vehicle Claims Tribunal. **Union of India Appellant v. Bhagwati Prasad (D) and others AIR 2002 SUPREME COURT 1301**

Accident due to collision between railways and bus at unmanned level crossing and railway also found negligent due to non-exercise of duties under Railways Act, an award for compensation could be passed against Railways by the claims Tribunal under Motor Vehicles Act **Union of India Appellant v. United India Insurance Co. Ltd. and others AIR 1998 SUPREME COURT 640**

ASCERTAINMENT OF THE EFFECT OF THE PERMANENT DISABILITY

On the actual earning capacity involves three steps. The Tribunal has to first ascertain what activities the claimant could carry on in spite of the permanent disability and what he could not do as a result of the permanent ability (this is also relevant for awarding compensation under the head of loss of amenities of life). The second step is to ascertain his avocation, profession and nature of work before the accident, as also his age. The third step is to find out whether (i) the claimant is totally disabled from earning any kind of livelihood, or (ii) whether in spite of the permanent disability, the claimant could still effectively carry on the activities and functions, which he was earlier carrying on, or (iii) whether he was prevented or restricted from discharging his previous activities and functions, but could carry on some other or lesser scale of activities and functions so that he continues to earn or can continue to earn his livelihood. **SRI NAGARAJAPPA Vs. The Divisional Manager, The Oriental Insurance Co. Ltd. AIR 2011 Sc 1785 See Also Pappu Deo Yadav Vs. Naresh Kumar And Others AIR 2020 SUPREME COURT 4424 and LALAN D. @ LAL AND ANOTHER Vs. THE ORIENTAL INSURANCE COMPANY LIMITED — AIR 2020 SUPREME COURT 4508 See also RAMESH Vs. KARAN SINGH AND ANOTHER Civil Appeal No. 6365 of 2022 Decided on : 16-09-2022**

AUTHOR OF THE DOCUMENT

The only way by which documents could have been proved and hence admitted into evidence was by producing the author of the documents who could have proved the contents of the documents **National Insurance Company Limited Versus Premlata Devi 2007 3 PLJR 141 SEE ALSO The New India Assurance Co.Ltd. Versus K. Kanagasabapathy 2003 1 JLJR 109; 2002 0 Supreme (Jhk) 1202 (DB)**

The certificate in question in this case was obtained after two years. It is not known as to whether the Civil Surgeon of the hospital treated the appellant. On what basis, such a certificate was issued two years after the accident took place is not known. The **author** of the said certificate had not been examined. Unless

the author of the certificate examined himself, it was not admissible in evidence. **Rajesh Kumar @ Raju versus Yudhvir Singh & Anr. AIR 2008 (SC) 2396; 2008 AIR(SCW) 3967 see also ICICI Lombard General Insurance Co. Ltd v. Ajay Kumar Mohanty and Anr. AIR 2018 SUPREME COURT 2740**

ASSESSMENT OF COMPENSATION IN MOTOR ACCIDENT CASES —The assessment of compensation by the High Court in motor accident cases should be generally re speed unless there are clear errors of law or manifest injustice **T.C. JOHN @ YOHANNAN (DECEASED) THROUGH LRS. Vs.V.J. ANTONY AND OTHERS 2024 INSC 1016**

ASSESSMENT OF INCOME

In compensation cases Tribunals should consider while assessment of income, the proven income as per pay slips and bank statements **Prabhavathi & Ors. Versus The Managing Director, Bangalore Metropolitan, Transport Corporation 2025 LiveLaw (SC) 266**

AWARD CALCULATION

Provident Fund, Pension, Insurance and similarly any cash, bank balance, shares, fixed deposits, etc. are all a "pecuniary advantage" receivable by the heirs on account of one's death but all these have no correlation with the amount receivable under a statute occasioned only on account of accidental death. Such an amount will not come within the periphery of the Motor Vehicles Act to be termed as "pecuniary advantage" liable for deduction. **AIR 2013 SUPREME COURT 3830 "Vimal Kanwar v. Kishore Dan"**

Once the permanent disability is fixed, taking into consideration, its impact on the employment/profession of the claimant, the compensation has to be awarded. **Dinesh Singh Vs. Bajaj Allianz General Insurance Co Ltd AIR 2014 SC (Supp) 1709 : [see also ICICI LOMBARD GENERAL INSURANCE CO. LTD. Versus AJAY KUMAR MOHANTY AIR 2018 SC 2740 : (2018) 3 SCC 686 : 2018 0 Supreme(SC) 208;**

Other voluntary contributions made by the deceased, which are in the nature of savings, cannot be deducted from the monthly salary of the deceased to decide his net salary or take home salary **MANASVI JAIN Vs. DELHI TRANSPORT CORPORATION AIR 2014 SC (Supp) 1746 : [2014] 0 Supreme(SC) 52896 (3 judges) :**

The actual salary should be read as actual salary less tax. Hon'ble Apex Court in **Gestetner Duplicators Pvt. Ltd. Vs. Commissioner of Income Tax, West Bengal reported 1979 (2) SCC 354** has been pleased to held that definition of salary under Rule 2(h) of the Income Tax Act includes allowance, if the terms of the employment so provide, but excludes all other allowances and perquisites. In view of the aforesaid verdict of Bench of five judges of Hon'ble Apex Court and the verdict of Hon'ble Apex Court given in **Gestetner Duplicators Pvt. Ltd. (supra)**, the income of the person should be considered as the actual salary of the said person which includes basic pay, D.A., fixed personal pay **Sarita Rai Vs. Ramayan Singh 2018 (1) BLJ 166 : 2018 (2) PLJR 462 ; The Divisional Manager Oriental Insurance Company Vs. Manorma Sinha 2022 (4) BLJ 706 see also Sunil Sharma and Ors. Vs. Bachitar Singh and Ors. 2011 0 AIR(SCW) 2811; 2011 3 BBCJ(SC) 266 ;**

WAGE

Wages - Conveyance Allowance or Travelling Allowance - Any Travelling Allowance or the value of any travelling concession would be outside the purview of the term 'wages', **The Employees State Insurance Corporation Vs. M/S Texmo Industries (2021) 3 JLJR 30 : (2021) 3 PLJR 28 : (2021) 7 SCALE 438 : (2021) 3 SCT 181**

"income" should include those benefits, either in terms of money or otherwise, which are taken into consideration for the purpose of payment of income tax or professional tax, although some elements thereof may or may not be taxable due to the exemption conferred thereupon under the statute. **Vijay Kumar Rastogi v. Uttar Pradesh State Roadways Transport Corporation. AIR 2018 SUPREME COURT 819**

The proper date for fixing the rate of exchange at which foreign currency amount has to be converted into currency of the country. Exchange rate as prevalent on date claim petition was filed has to be applied. **AIR 2013 SUPREME COURT 2293 "Jiju Kuruvila v. Kunjamma Mohan"** see also *Shyam Prasad Nagalla v. Andhra Pradesh State Board Transport Corporation*, [2025 LiveLaw \(SC\) 351](#) : 2025 INSC 193: [Docid # IndLawLib/2422395](#)

It is not in dispute that at the time of accident, the age of the deceased was 36 years. Therefore, the Tribunal and the High Court were not right in applying the multiplier of 10. They should have adopted the **multiplier of 15** for the purpose of determining the amount of compensation. **AIR 2012 SUPREME COURT 3381 "New India Assurance Co. Ltd. v. Gopali"** see also **AIR 2012 SUPREME COURT 3381 "New India Assurance Co. Ltd. v. Gopali"**

Increase towards future prospects - Cannot be denied to those employed on fixed wages or self-employed - 30% rule has to be equally applied. **AIR 2012 SUPREME COURT 2185 "Santosh Devi v. National Insurance Company Ltd."**

Basically only three facts need to be established by the claimants for assessing compensation in the case of death : (a) age of the deceased; (b) income of the deceased; and (c) the number of dependents. The issues to be determined by the Tribunal to arrive at the loss of dependency are : (i) additions/deductions to be made for arriving at the income; (ii) the deduction to be made towards the personal living expenses of the deceased; and (iii) the multiplier to be applied with reference to the age of the deceased. If these determinants are standardized, there will be uniformity and consistency in the decisions. There will be lesser need for detailed evidence. It will also be easier for the Insurance Companies to settle accident claims without delay. To have uniformity and consistency, Tribunals should determine compensation in cases of death, by the following well settled steps **AIR 2009 SUPREME COURT 3104 "Sarla Verma v. Delhi Transport Corporation"** see also **AIR 2009 SUPREME COURT 3226 "Rani Gupta v. M/s. United India Insurance Co. Ltd."**

- (i) In the applications for compensation made under Section 166 of the 1988 Act in death cases where the age of the deceased is 15 years and above, the Claims Tribunals shall select the multiplier as indicated in Column (4) of the table prepared in Sarla Verma read with para 42 of that judgment.
- (ii) In cases where the age of the deceased is upto 15 years, irrespective of the Section 166 or Section 163A under which the claim for compensation has been made, multiplier of 15 and the assessment as indicated in the Second Schedule subject to correction as pointed out in Column (6) of the table in Sarla Verma should be followed.
- (iii) As a result of the above, while considering the claim applications made under Section 166 in death cases where the age of the deceased is above 15 years, there is no necessity for the Claims Tribunals to seek guidance or for placing reliance on the Second Schedule in the 1988 Act.
- (iv) The Claims Tribunals shall follow the steps and guidelines stated in para 19 of Sarla Verma for determination of compensation in cases of death.

- (v) While making addition to income for future prospects, the Tribunals shall follow paragraph 24 of the Judgment in Sarla Verma.
- (vi) Insofar as deduction for personal and living expenses is concerned, it is directed that the Tribunals shall ordinarily follow the standards prescribed in paragraphs 30, 31 and 32 of the judgment in Sarla Verma subject to the observations made by us in para 38 above.
- (vii) The above propositions mutatis mutandis shall apply to all pending matters where above aspects are under consideration. : **Reshma Kumari Vs. Madan Mohan : [2013] 2 Supreme 577 , [2013] 9 SCC 65, [2013] 3 BBCJ(SC) 425 : AIR 2013 SC (Supp) 474 see also Munna Lal Jain Vs. Vipin Kumar Sharma [2015] 0 Supreme(SC) 418 : 2015 AIR SCW 3105**

Income of deceased - Future prospects - Addition towards - Deceased, Sub-Inspector dying at age of 36 years - 50% to be added for future prospects. Income of deceased - Deduction towards taxes - Salary of deceased within taxable range - 30% to be deducted towards taxes. (Para 8) **2010 AIR SCW 4391 "Shyamwati Sharma v. Karam Singh" : (2010) 12 SCC378**

Dearness allowance and house rent allowance should be included for computation of income of the deceased. HRA, CCA and Medical Allowance along with EPF and GIS. **2011 AIR SCW 2811 "Sunil Sharma v. Bachitar Singh"**

Victim working as carpenter - Income per day would be Rs. 100/- - Accident taking place when his age was 40 yrs. - Considering his age and age of his wife proper multiplier would be 17. **2009 AIR SCW 6746 "National Insurance Co. Ltd. v. Khimlibai"**

The calculation of the award has to be done taking the net income and not the gross income **New India Assurance Company Vs. Charlie & others 2005 AIRSCW 1801 : 2005 (2) PLJR 249 (SC)** see also **Yerramma and Ors. v. G. Krishnamurthy and Anr. AIR 2015 SUPREME COURT 1145**

The net income will include amount paid towards LIC, Society charges, House rent along with and D.A. as they are perks beneficial for the family. **National Insurance Company Vs. Indira Srivastava 2008 AIR SCW 143 see also Raghbir Singh Matoliya Vs Hari Singh Malviya (2009) 15 SCC 363 ; MEENAKSHI Versus THE ORIENTAL INSURANCE CO. LTD., Diary No. 39746 of 2018 Citation : 2024 LiveLaw (SC) 549 ; Kavita Devi And Others vs. Sunil Kumar And Another Docid # IndLawLib/2428400 : 2025 INSC 938**

The Compensation on multiplier basis must be a **just compensation** and it should neither be a bonanza nor a source of profit **Divisional Controller KSRTC Vs. Mahadev Shetty (2003) 7 SCC 197. New India Assurance Company Vs. Charlie 2005 (2) PLJR 249 (SC) (2005) 10 SCC 720. See also Syed Basheer Ahamed and others Vs. Md. Jameel and another 2009 AIR SCW 493 AIR 2009 SUPREME COURT 1219**

Provident Fund, family pension, cash balance, etc. cannot be termed as "pecuniary advantage" **Helen Rebello vs. Maharashtra State Road Transport Corporation . (1999) 1 SCC 90 see also Kalpanaraj Vs. Tamil Nadu State Transport Corporation (2015) 2 SCC 764.**

Deductions cannot be allowed from the amount of compensation either on account of insurance, or on account of pensionary benefits or gratuity or grant of employment to kin of the deceased. The main reason is that all these amounts are earned by the deceased on account of contractual relations entered into by him with

others. It cannot be said that these amounts accrued to the dependents or the legal heirs of the deceased on account of his death in a motor vehicle accident. The claimants/dependents are entitled to 'just compensation' under the Motor Vehicles Act as a result of the death of the deceased in a motor vehicle accident. Therefore, the natural corollary is that the advantage which accrues to the estate of the deceased or to his dependents as a result of some contract or act which the deceased performed in his life time cannot be said to be the outcome or result of the death of the deceased even though these amounts may go into the hands of the dependents only after his death. **Sebastiani Lakra & Ors Versus National Insurance Company Ltd. & Anr. AIR 2018 (SC) 5034; 2019 (1) BLJ 24 (SC) see also Hanumantharaju B (Dead) By Lr. Vs. M Akram Pasha And Another 2025 INSC 682 : Docid # IndLawLib/2425705**

What would, however, be a just and reasonable compensation depends upon the fact-situation obtaining in each case. No hard and fast rule therefore can be laid down. The Court must also bear in mind that compensation should not be treated to be windfall. **"Oriental Insurance Co. Ltd. v. Deo Patodi" AIR 2009 SUPREME COURT 2442**

Motor Vehicles Act (59 of 1988), S.168 - MOTOR VEHICLES - Motor accident compensation - Computation - Claimant aged 38 years was working as carpenter and earning Rs. 4,500/- - As result of accident he became permanently disabled and lost his earning capacity - Minimum compensation payable to him - Should be considered from suffering of disability undergone by him - Selection of multiplier of '15' - Held, proper in facts and circumstances of case - Multiplier specified in Sch. II - Alteration - Strong reasons should exists. **AIR 2007 SUPREME COURT 3141 "Chief Law Officer, A. P. S. R. T. C. v. M. Pentaiah Chary"**

Amount of income-tax as was applicable should be deducted from his gross salary as he was no longer in service. **AIR 2009 SUPREME COURT 1831 "Oriental Insurance Co. Ltd. v. Ram Prasad Varma"**

For computing loss of future income - Disability assessed by doctor of left arm ought to be considered - And not disability assessed of whole body. **AIR 2011 SUPREME COURT 1785 "Nagarajappa v. Divisional Manager, Oriental Insurance Co. Ltd." See also AIR 2011 SUPREME COURT 1897 "C. Mohanraju v. Divisional Manager, United India Assurance Co. Ltd."**

The various elements of compensation are enumerated as under in cases of disability
"Pecuniary damages (Special damages)

(i) Expenses relating to treatment, hospitalization, medicines, transportation, nourishing food and miscellaneous expenditure.

(ii) Loss of earnings (and other gains) which the injured would have made had he not been injured, comprising:

(a) Loss of earning during the period of treatment;

(b) Loss of future earnings on account of permanent disability.

(iii) Future medical expenses.

Non-pecuniary damages (General damages)

(iv) Damages for pain, suffering and trauma as a consequence of the injuries.

(v) Loss of amenities (and/or loss of prospects of marriage).

(vi) Loss of expectation of life (shortening of normal longevity)" **Kajal Versus Jagdish Chand & Ors AIR 2020 Sc 776 2020 0 Supreme(Sc) 110 See Also Erudhaya Priya Vs. State Express Transport Corporation Limited AIR 2020 Supreme Court 4284 See Also Master Ayush Versus The Branch Manager, Reliance General Insurance Co. Ltd. & Anr. (2022) 7 SCC 738 : 2022 Livelaw (SC) 330 ;**

Raj Kumar v. Ajay Kumar, (2011) 1 SCC 343 see also AIR 2012 SUPREME COURT 361 "Ram Kiran Goyal v. Sub-Divisional Engineer" ; AIR 2012 SUPREME COURT 459 "Sanjay Batham v. Munnalal

Parihar : (2012) 1 SCC (Cri) 64 : (2011) 10 SCC 665 ; " AIR 2012 SUPREME COURT 534 "Ibrahim v. Raju" ; Ajay Kumar Mohanty Vs. New India Assurance Company (2012) 1 SCC (Cri) 82 : (2011) 10 SCC 683 ; AIR 2012 SUPREME COURT 2893 "Kavita v. Deepak" [Abhimanyu Partap Singh — Vs. Namita Sekhon And Another](#) (2022) 9 SCALE 733 Civil Appeal No. 4648 Of 2022 (Arising Out Of SLP (C) No.18886 Of 2019) Decided On : 06-07-2022 ; [T. J. Parameshwarappa @ Parameshwarappa @ J.T. Parameshwarappa @ Talalkena Gowdra Parameshwarappa Vs. The Branch Manager, New India Assurance Co. Ltd. And Others](#) — Civil Appeal Nos. 8598-8599 of 2022 (Arising Out of SLP (C) Nos.11730-11731 of 2021) Decided on : 18-11-2022 ; [SHARAD SINGH \(DEAD\) THROUGH LR. Vs. H. D. NARANG AND ANOTHER](#) 2025 INSC 1164 : [Docid # IndLawLib/2433215](#) Decided on : 26-09-2025

There cannot be straight jacket formula. It depends upon the facts and circumstances of each case and it varies from person to person who has suffered [Benson George vs Reliance General Insurance Co.Ltd. | CA 1540 OF 2022 | 25 February 2022 Citation: 2022 Live Law \(SC\) 214](#) see also [Sarnam Singh Vs. Shriram General Insurance Co. Ltd. 2023 LiveLaw \(SC\) 498](#) [JAKARIA MONDAL @ JAKAI @ JIKAI Vs. THE NATIONAL INSURANCE CO.LTD. AND ANOTHER](#) 2025 INSC 238 ; [Docid # IndLawLib/2422655](#)

A government servant having no permanent disability, he wasn't immobilized and he continued to work even after the accident the compensation reduced [New India Assurance Company Ltd v Satish Chandra Sharma & Anr CA 1579/2022 decided on 23.2.2022](#) (2022) ACJ 1211 see also [Lalit Kumar and others Vs. Siya Gope and others M.A. No.42of 2015 decided on 16.01.2023. 2023 \(1\) BLJ 713](#)

Where Doctor assessed disability suffered by claimant at 75% and nothing adverse to interest of claimant was elicited though Doctor was cross-examined at length by Insurance Company, it was held that taking 50% disability into account while calculating loss of income was not proper and loss of earning capacity of claimant was calculated to be Rs. 6,12,000/- by taking disability suffered by claimant at 75%. [D. Sampath v. United India Insurance Co. Ltd." AIR 2012 SUPREME COURT 544 "](#)

The Orthopedic Surgeon, deposed that the appellant had suffered nine injuries, and. The whole body disability was medically assessed at 32% The appellant is entitled to loss of future earning on basis of the whole body disability of 32% [SAVITHA — Appellant Vs. M/S. CHODAMANDALAM M.S. GENERAL INSURANCE CO. LTD. AND OTHERS AIR 2020 SUPREME COURT 3224](#)

In the context of loss of future earning, any physical disability resulting from an accident has to be judged with reference to the nature of work being performed by the person suffering the disability. This is the basic premise and once that is grasped, it clearly follows that the same injury or loss may affect two different persons in different ways. Take the case of a marginal farmer who does his cultivation work himself and ploughs his land with his own two hands; or the puller of a cycle-rickshaw, one of the main means of transport in hundreds of small towns all over the country. The loss of one of the legs either to the marginal farmer or the cycle-rickshaw-puller would be the end of the road insofar as their earning capacity is concerned. But in case of a person engaged in some kind of desk work in an office, the loss of a leg may not have the same effect. The loss of a leg (or for that matter the loss of any limb) to anyone is bound to have very traumatic effects on one's personal, family or social life but the loss of one of the legs to a person working in the office would not interfere with his work/earning capacity in the same degree as in the case of a marginal farmer or a cycle-rickshaw-puller. [AIR 2012 SUPREME COURT 782 "Mohan Soni v. Ram Avtar Tomar" \(2012\)2SCC267, see also AIR 2014 SC \(Supp\) 22 "V. Mekala Vs. M. Malathi"](#)

ARBITRATION

Arbitration clause not available to the insured after payment made in full and final settlement and acceptance of insurance claim. **New India Assurance Company Ltd. vs. Anand Electricals (1995) 2 BLJR 975.**

AWARD

Compensation should be awarded on the basis of the principles contained in the Second Schedule to the Act **2011 AIR SCW 2685 "Sant Singh v. Sukhdev Singh"**

Court must take a realistic view - Particular claim possible on material on record - Should not be denied on hyper technical pleas. Claim for compensation in respect of vehicle - Value put on vehicle at time of renewal of policy - Cannot be disowned by Insurance Company on one pretext or the other - Claimant cannot be asked to produce evidence to prove that surveyors report was on lower side. **AIR 2009 SC (Supp) 1377 "Dharmendra Goel v. Oriental Insurance Co. Ltd."**

A decision that a claim application is not maintainable is an award **Gariapati Veeraya vs. N. S. Choudhary AIR 1957 SC 540.**

Award of compensation must be just and reasonable and it generally means that the sum awarded has to be actually paid by the insurer **Bihar Co operative Motor Vehicle Insurance Society vs. Rameshwar Raut AIR 1970 Pat 172**

Amount paid for the maintainability of the appeal has to adjusted from the award under challenge **United India Insurance Company Ltd. Vs. Manju Devi 1998 (3) PLJR 506.**

An Execution Court cannot modify an award; only it has to see that the award is executed in toto. **State of Punjab Vs. Krishna Dayal Sharma AIR 1990 Supreme Court 2177.**

Award under Section 140 of the Motor Vehicles Act, 1988 is interim in nature and an interim compensation **New India Assurance Company Vs. Yasoda Devi (1996) 2 BLJR 1000**

An award of the Motor Vehicles Claims Tribunal doesnot have a force of a decree though the award is recoverable as land revenue **New India Assurance Company Vs. Renu Devi 1999 (2) PLJR 640.**

In cases of injuries which has not laid to permanent disability. The compensation is to be awarded on a lump-sum basis. **New India Assurance Company VS Jainath Singh 2000 (2) PLJR 776**

An award granting lump some compensation cannot be modified on the assumption that the victim was going to be selected in government service as the number of post and number application was same **.Chandeshwari Prasad Vs. Oriental Insurance Company 2001 (2) PLJR 675.**

Award of compensation—Long term fixed deposit of amount of compensation is mandatory only in case of minors, illiterate claimants and widows—In case of literate persons, it is not mandatory to invest amount of compensation in long term fixed deposits—Sufficient discretion has been given to Tribunal not to insist on investment of compensation amount in long term fixed deposit and to release even who amount in case of literate persons— **A.V. Padma Vs. R. Venugopal [2012] 3 SCC 378/**

Preparation of award - The reasons recorded by the Claims Tribunal for deciding the claim application itself is to be treated as an award, The distinction between the 'Judgment' and the 'Award' drawn by the practices is not tenable. Section 168 of the Motor Vehicles Act, 1988 contemplates an 'award' determining amount of

compensation. It is not separate from a 'judgment'. The formal reasons for determining amount of compensation may be called 'judgment' or an 'award' but it is the judgment alone which is an award and executable as such - It is held that the expression 'judgment' and 'award' are inter changeable and that the Tribunal shall announce award on completion of inquiry, which shall be executable and appealable. The amount of court fee shall be affixed by the tortfeasor, which would be recoverable as arrears of land revenue along with the amount of compensation. **M/S United India Insurance Company Limited Vs. Most. Mangli Devi (2017) 2 PLJR 9**

BACHELOR

In case of the death of a bachelor the age of the deceased and not the age of the dependents is to be the basis for multiplier. *Giasi Ram v. ICICI Lombard General Insurance Co.*, [2022 LiveLaw \(SC\) 828](#)

Multiplier and deduction on account of personal and living expenses – Applicable deduction on account of personal and living expenses in case of **bachelors** – **Normally 50%** – No reason to deviate – Addition to income towards future prospects in case of self-employed below 40 years of age – Normally 50% – Multiplier, in the case of the age of the deceased between 26 to 30 years is taken as 17 **Munna Lal Jain Vs. Vipin Kumar Sharma (2015)6SCC347**

General Rule to deduct half in case of bachelor and 1/3 in case of married person. **Syed Basheer Ahmed Vs. Md. Jameel (2009) 2 SCC 225**

Family of victim consisting only of his father and mother - Deduction of personal expenses - 50% is to be made **2012 AIR SCW 3901 "Amrit Shali v. National Insurance Co. Ltd."**

Deduction towards personal expenses - Victim bachelor - Deduction of 50% should be made from his income. **AIR 2014 SC (Supp) 1004 "M. Mansoor Vs. United India Insurance Co. Ltd"** where the family of the bachelor is large and dependents on the income of the deceased, as in a case where he has a widowed mother and large number of younger non-earning **sisters** or brothers, his personal and living expenses may be restricted to one-third and contribution to the family will be taken as two-third. **Radhakrishna and Anr. Vs. Gokul and Ors. 2017(2)PLJR141**

BEGINNING OF LIABILITY

Liability of the Insurance Company will start when the policy becomes operative i.e. on the date and time the premium is paid. **National Insurance Co. Ltd. Jikubhai Nathuji Dabhi (1997) 1 SCC 66. see also National Insurance Co. Ltd. Vs. Sobina Lakai (2007) 7 SCC 786 ; J. Kalaivani Vs. K. Sivashankar (2007) 7 SCC 792.**

The date of issuance of the policy would be the relevant date for all the purposes and not the date of proposal or the date of issuance of the receipt. **RELIANCE LIFE INSURANCE COMPANY LTD. & ANR. versus JAYA WADHWAN 2024 LiveLaw (SC) 19**

BEYOND REASONABLE DOUBT.

In motor accident claim case courts cannot apply the test of proof beyond reasonable doubt rather may use , the principle of preponderance of probability. **Mangla Ram vs. Oriental Insurance Co. Ltd., (2018) 5 SCC 656** see also **Sajeena Ikhbal & Ors. Versus Mini Babu George & Ors., CIVIL APPEAL NO(s). 7881 OF 2024 : 2024 LiveLaw (SC) 810 : 2024 INSC 787 ; Kuncham Lavanya And Others Vs. Bajaj Allianz General Insurance Co. Ltd. And Another 2025 INSC 452 : Docid # IndLawLib/2424336**

It is on preponderance of probabilities that the proof of accident is looked at in a motor accidents claim. An FIR registered as against the driver of the offending vehicle can be relied on to find the accident having been caused by the driver of the offending vehicle, that too by his rash and negligent driving as reported at the first instance. However, the preponderance of probabilities that arise from such an FIR registered would not have the same probity if there is a valid suspicion raised on the registration of the FIR and the falsity of the claim being clearly discernible from the evidence led itself. **RAJAMMA AND OTHERS Vs. M/S. RELIANCE GENERAL INSURANCE CO. LTD. AND ANOTHER 2025 INSC 1176 : Docid # IndLawLib/2433217**

BODILY INJURY

Colinvaux's Law of Insurance explains the expression " thus: "It is usual for the policy to require an accident to manifest itself as "bodily injury" to the assured. The most obvious form of bodily injury is external trauma causing physical injury, but the phrase is not limited to injury to the exterior of the body: the term "bodily injury", when used in a personal accident policy, is not limited to lesions, abrasions or broken bones. Nor is it essential that there should be an external mark of injury on the assured's body...

BORROWER OF VEHICLE

Borrower of the vehicle is not a third party as he steps in the shoes of the owners **Ninagamma Vs. United India Insurance Company 2009 AIRSCW 4916 : AIR 2009 SC 3056 : (2009) 13 SCC 710 see also HDFC Bank Ltd. Vs. Kumari Reshma 2015 0 AIR(SC) 290; 2015 2 JLJR(SC) 9; 2015 2 PLJR(SC) 283; MANJUSHA AND OTHERS Vs. UNITED INDIA ASSURANCE COMPANY LIMITED AND ANOTHER Docid # IndLawLib/2428058 : 2025 INSC 896**

CIVIL PROCEDURE CODE

Claims tribunals are a civil court for purpose of S. 25, Civil P.C. Supreme Court can transfer claim case from one tribunal to another. **Bhagwati devi v. M/s. I.S. Goel. 1983 ACJ 123: 1983 TAC 332 (SC).**

A Claim petition – Amendment- Order 6 Rule 17 of the Code Of Civil Procedure--- Permanent disability to the extent of 50% discovered after filing the original claim -- amendment-seeking enhancement of original claim should be allowed. **Anna Kaman Jain v. Union of India. AIR 1986 SC 1125: (1986) 2 SCC 275: (1985) 9 Delhi Rep J 217. See also Nagappa Vs. Gurudayal Singh 2002 AIR SCW 5348: (2003) 2 SCC 274**

Amendment of written statement necessitated after detecting the manipulation in the cover note. The authenticity and genuineness of the cover note has to be tested by the Trial Court amendment seeking correction of written statement rightly allowed. **Amit Singh @ Ajit Singh Vs. Ful Kumari Kuer 2019 (1) BLJ 178**

Normally it is for the plaintiff to prove negligence but as in some cases considerable hardship is caused to the plaintiff as the true cause of the accident is not known to him but is solely within the knowledge of the defendant who caused it, the plaintiff can prove the accident but cannot prove how it happened to establish negligence on the part of the defendant. This hardship is sought to be avoided by applying the principle of res ipsa loquitur. **Pusshpabai Pashottam Udeshi v. M/s. Ranjit Ginning and Pressing Co. Pvt. Ltd. AIR 1977 SC 1735 :(1977) 2 SCC 745 : (1977) 2 SCWR 174 : (1977) 2 SCJ 442.**

High Court decision holding pauper provisions in O.33. CPC applicable to proceedings before Claims Tribunal -- Decision affirmed and special leave to appeal refused. See constitution of India, Art. 136. **AIR**

1979 SC 855.

High court is a first appellate Court, it was the duty of the High Court to have decided the appeal keeping in view the powers conferred on it by the statute. The impugned judgment also does not, in our opinion, satisfy the requirements of Order XX Rule 4 (2) read with Order XLI Rule 31 of the Code which requires that judgment shall contain a concise statement of the case, points for determination, decisions thereon and the reason **U.P.S.R.T.C.Vs. Mamta and Ors. MANU/SC/0185/2016**

The Code of Civil Procedure, 1908 is not applicable to the proceedings before the Claims Tribunal except to the extent provided in sub-section (2) of Section 169 and the rules. Section 169 makes a provision that the Claims Tribunal shall follow the summary procedure subject to any rules that may be made in this behalf. The whole object of summary procedure is to ensure that claim application is heard and decided by the Claims Tribunal expeditiously. The inquiry under Section 168 and the summary procedure that the Claims Tribunal has to follow do not contemplate the controversy arising out of claim application being decided in piecemeal. The Claims Tribunal is required to dispose of all issues one way or the other in one go while deciding the claim application **Bimlesh and Ors v. New India Assurance Co. Ltd AIR 2010 SUPREME COURT 2591**

CALCULATION

In compensation cases Tribunals should consider while assessment of income, the proven income as per pay slips and bank statements. **Prabhavathi & Ors. Versus The Managing Director, Bangalore Metropolitan, Transport Corporation 2025 LiveLaw (SC) 266**

The High Court relied upon the driving licence of the deceased and the training certificate of the deceased issued by Bajaj Auto Limited and determined the notional income Deceased at the time of accident at Rs.10,000/- per month. Neither the driving licence nor the certificate could per se be made the basis to assume or infer that the deceased was gainfully employed at the relevant time and more so was earning income of Rs.10,000/- per month., the reason assigned by the High Court for enhancing the notional income of the deceased from Rs. 3000/- to Rs.10,000/- per month is irrational and tenuous. No tangible logic has been assigned to discard the just finding recorded by the Tribunal in the backdrop of lack of evidence regarding the monthly income of the deceased **Rani & Ors. Versus National Insurance Company Ltd. & Ors. 2018 0 Supreme (SC) 746;**

'Income from House Property and Agricultural Land' entirely need not be deducted merely because properties have been bequeathed to dependents- compensation towards loss of managerial skills can be awarded. [Para 22] **K. Ramya v. National Insurance Co. Ltd., 2022 LiveLaw (SC) 816 : AIR 2022 SC 4802**

Mere fact that the Deceased's share of ownership in these businesses ventures was transferred to the Deceased's minor children just before his death or to the dependents after his death is not a sufficient justification to conclude that the benefits of these businesses continue to accrue to his dependents. [Para 17] **K. Ramya v. National Insurance Co. Ltd., 2022 LiveLaw (SC) 816 : AIR 2022 SC 4802 see also Sushma H.R. & Anr. v Deepak Kumar Jha & Ors.) 2022 SCC On Line SC 2166.; S. Vishnu Ganga & Ors. Vs. M/S Oriental Insurance Company Limited 2025 Live Law (SC) 132 : AIR 2025 SC 808 : 2025 INSC 123**

CHILD

Determination of a just and proper compensation to the appellants with regard to the deceased child, in the entirety of the facts and circumstances of the case does not persuade us to enhance the same any further from Rs.2,95,000/- by granting any further compensation under the separate head of "future prospects"

.RAJENDRA SINGH AND OTHERS Vs. NATIONAL INSURANCE COMPANY LIMITED AND OTHERS AIR 2020 SC 3144 2020 (5) BLJ 153 (SC)

We deem it appropriate to take notional income of the deceased at Rs.25,000/- (Rupees twenty five thousand only) per annum. Accordingly, when the notional income is multiplied with applicable multiplier '15', as prescribed in Schedule-II for the claims under Section 163-A of the Motor Vehicles Act 1988, it comes to Rs.3,75,000/- (Rs.25,000/- x Multiplier 15) towards loss of dependency. The appellants are also entitled to a sum of Rs.40,000/- each towards filial consortium and Rs.15,000/- towards funeral expenses. Thus, the appellants are entitled to the following amounts towards compensation: **Kurvan Ansari Alias Kurvan Ali And Another Vs. Shyam Kishore Murmu And Another (2022) 1 SCC 317 see also Meena devi vs. Nunu Chand Mahto @ nemchand mahto and others [2022 LiveLaw \(SC\) 841](#) : AIR 2022 SC 5006:2023 (1) BLJ 294 (SC)**

Age of the Child- 12 years, annual income to be considered as Rs.15,000/- and multiplier of 20 is to given, and Rs.50,000/- towards traditional head and the total awarded amount is to be Rs.3,50,000/- **Lal Babu Prasad @ Lal Bahadur Prasad Vs. Jai Prakash 2018 (1) BLJ 122 (PHC) see also Babloo Dubey Vs. Nagendra Thakur and Anr 2019 (4) BLJ 772 and Oriental Insurance Company Vs. Ramjee Singh 2020 (3) BLJ 80**

Age of the Child- 14 years the monthly notional income can be adopted as per the Minimum Wages Act, 1948, which both learned Counsel agree, for a Class B city is at Rs.5400/- per month. A 40% increase has to be adopted for future prospects and the multiplier is 15 as held in **Reshma Kumari (supra)** and one-half deduction for personal expenses. The provision of Rs.50,000/- as medical expenses is retained. The claimants are further entitled to loss of estate and funeral expenses at the rate of Rs.15,000/- each and loss of filial consortium at the rate of Rs.40,000/- each **Devendra Kumar Tripathi And Others Vs. The Oriental Insurance Company Ltd. And Another. Docid # IndLawLib/2436878 : 2025 INSC 1429**

Claim can be raised for the death of the unborn child **National Insurance Company Vs. Kusum & others (2011) 13 SCC 306 : (2012) 1 SCC (Cri) 859 : 2012 AIR SCW 266 .**

The claimants shall be entitled to a sum of Rs.1 lakh each instead of Rs. 50,000/- as awarded by the High Court for loss of foetus. **Shiv Kumar And Others Vs. Gainda Lal And Others** Civil Appeal No. 7629 of 2022 Decided on : 21-10-2022

That in case of death of children the compensation will not be more than Rs.50,000/- **The Oriental Insurance Co.Ltd. vs. Hema Dutta 1999 (3) PLJR 119.**

By the passage of time the awarded amount has been increased by Rs,80,000/- considering the future prospect of the minor, standard and status of the family in the society and the upbringing of the minor by the parents. **M/s Oriental Insurance Company Vs. Viveka Nand Singh 2001 (4) PLJR 510**

Further on the death of a 13-year-old child the lump sum compensation is awarded at **Rs1,00,000/- Rajnath Singh Vs. Atul Kumar Sharma 2002 (2) PLJR 767.**

The supreme Court in case of minors has further increased the award and has directed to take the notional income of Rs15,000 for minors and give a multiplier of 15 **Manju Devi Vs. Musafir Paswan 2003 (2) PLJR 120 (SC) see also AIR 2009 SUPREME COURT 2506 "R. K. Malik v. Kiran Pal"**

Claimant child had suffered 10% disability - Loss of future earning - Could not be decided on any legal principle - Compensation granted on basis of notional income - Plea that notional income should be calculated on basis that claimant would have earned Rs. 4,000/-per month - Not tenable - Compensation of Rs. 1,20,000/- granted by High Court held was adequate even as per structural formula. **AIR 2010**

SUPREME COURT 40 "Priya Vasant Kalgutkar v. Murad Shaikh" See also AIR 2009 SC (Supp) 179 "Asraf Alli v. M/s. Naveen Hotel Ltd."

Claim for compensation - Compensation to be awarded must be 'just' - Should not be bonanza - **Death of child of 9 years** - Rs. 1,80,000/ awarded as compensation. **AIR 2007 SUPREME COURT 324 "New India Assurance Co. Ltd. v. Satender" see also AIR 2009 SC (Supp) 759 "Harijan Mangri Siddakka v. Oriental Insurance Co. Ltd."**

Child of 8 years injured in accident - Suffering severe injury in leg - Leading to permanent disability - Considering sufferings undergone by injured child - And deprivation of better prospects in life suffered because of disability - Child held entitled to Rs. 4 lacs as compensation. **AIR 2014 SC (Supp) 597 "Kum Michael Vs. Regional Manager, Oriental Insurance Co. Ltd."**

The children together are entitled to compensation of Rs. 1,00,000/- towards loss of love, care, guidance and protection. **Bhogireddi Varalakshmi and Ors. Vs.: Mani Muthupandi and Ors. MANU/SC/0227/2017 : 2017 0 Supreme(SC) 211; (no more a good law as per National Insurance Company Vs. Pranay Sethi AIR 2017 SUPREME COURT 5157)**

We are also of the view that the High Court has erred in granting Rs. 50,000/- as loss of love and affection to each of the claimants. **New India Assurance Co. Ltd. Versus Vinish Jain & Ors. 2018 0 Supreme (SC) 168;**

CHILD LABOUR

When there is clear prohibition under Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 for engagement of children and the definition of "child" therein takes in children who have not completed their fourteenth year of age within its fold, there is certainly justification for selecting a lower multiplier of '15' in the case of victims belonging to the age group upto 15 years. (Para 10.1.4) **Divya v. National Insurance Co. Ltd., [2022 LiveLaw \(SC\) 892](#)**

COMPASSIONATE APPOINTMENT

Provident Fund, Pension, Insurance and similarly any cash, bank balance, shares, fixed deposits, etc. are all a "pecuniary advantage" receivable by the heirs on account of one's death but all these have no correlation with the amount receivable under a statute occasioned only on account of accidental death. Such an amount will not come within the periphery of the Motor Vehicles Act to be termed as "pecuniary advantage" liable for deduction. **AIR 2013 SUPREME COURT 3830 "Vimal Kanwar v. Kishore Dan"**

The source from which compensation on account of the accident is claimed and the source from which the compassionate employment is offered, are completely separate and there is no co-relation between these two sources. Since the tort feisor has not offered the compassionate appointment, we are of the view that an amount which a claimant earns by his labour or by offering his services, whether by reason of compassionate appointment or otherwise is not liable to be deducted from the compensation which the claimant is entitled to receive from a tort feisor under the Act. In such a situation, we are of the view that the financial benefit of the compassionate employment is not liable to be deducted at all from the compensation amount which is liable to be paid either by the owner/ the driver of the offending vehicle or the insurer. **National Insurance Co. Ltd. Versus Rekhaven & Ors. AIR 2017 SUPREME COURT 2580 : 2017 0 Supreme(SC) 446; SEE ALSO Rajasthan State Road Transport Corporation Versus Danish Khan AIR 2019 (SC) 4954**

CONTRIBUTORY NEGLIGENCE

Contributory negligence must be established through direct or corroborative evidence. Tribunal's assessment of negligence, based on evidence and spot inspection, should be upheld unless demonstrably erroneous. **Jiju Kuruvila v. Kunjamma Mohan, (2013) 9 SCC 166 see also Prabhavathi & Ors. Versus The Managing Director, Bangalore Metropolitan, Transport Corporation 2025 LiveLaw (SC) 266**

Sudden use of brake on Highway without Warning Signals —is a negligent act, as drivers have a responsibility to provide adequate warning to vehicles following them —failing to maintain a sufficient distance from the vehicle ahead constitutes contributory negligence. **S. MOHAMMED HAKKIM Vs. NATIONAL INSURANCE CO. LTD. AND OTHERS 2025 INSC 905 : Docid # IndLawLib/2428098**

The fact remains that there was a collision, and that the car was dragged to a distance of 20 feet after the collision, clearly indicating rash and negligent driving on the part of the lorry driver. We are hence inclined to find that the contributory negligence on the drivers will be equal, since there is fault on the part of the car driver in not taking sufficient care when overtaking, while the impact could have been avoided or gravity lessened, if the lorry had been driven in normal speed. Hence, apportionment of liability can be fixed at 50% for each. **Smt. M. Sabitha And Others Vs. Brahma Swamulu And Another 2025 INSC 601 : Docid # IndLawLib/2425261**

No finding of fact arrived at that claimant was driving two-wheeler rashly and negligently when met with accident with mini-truck - Thus only because he was not having a licence, he could not be held to be guilty of contributory negligence. **AIR 2008 SUPREME COURT 2405 "Sudhir Kumar Rana v. Surinder Singh": (2008)12 SCC 436. See also Srikrishna Kanta Singh Versus The Oriental Insurance Company Ltd. & Ors. 2025 LiveLaw (SC) 352**

The contributory negligence on the part of a driver of the vehicle involved in the accident cannot be vicariously attached to the passengers so as to reduce the compensation awarded to the passengers or their legal heirs as the case may be. claimants cannot be denied their rightful compensation on the ground that the driver of the car was jointly responsible for the accident with the person in control of the offending truck and hence, their claims should be reduced on the principle of contributory negligence. **SushmaAppellant(S) Versus Nitin Ganapati Rangole & Ors. 2024 INSC 706 : 2024 LiveLaw (SC) 720**

The question of contributory negligence is to be decided on the same principle on which the question of the defendant's negligence is decided. The standard of a reasonable man is as relevant in the case of a plaintiff's contributory negligence as in the case of a defendant's negligence. But the degree of want of care which will constitute contributory negligence, varies with the circumstances and the factual situation of the case. **Rasikbhai Jhaveri vs. Karamasey Kunvargi Tak & Ors., (2002) 6 SCC 455 see also Municipal Corporation of Greater Bombay vs. Laxman Iyer & Anr., (2003) 8 SCC 731; Prem Lal Anand And Others Vs. Narendra Kumar And Others Civil Appeal NOs.....of 2024 (Arising out of SLP(C) Nos. 30188-30189/2018) Decided on : 07-08-2024 Docid # IndLawLib/1604327 2024 INSC 585**

The sample test is what was the cause or what were the cause of the damage. The act or omission amounting to want of ordinary care or in defiance of duty or obligation on the part of the complaining party which conjointly with the other party's negligence was the proximate cause of the accident renders it one to be the result of contributory negligence. **Municipal Corporation of Greater Bombay v. Shri Laxman Iyer and another .2003 AIR SCW 5505**

Where the violation of the law, either the accident could have been averted or the impact could have been minimized, that the principle of contributory negligence could be invoked. It is not the case of the insurer

that the accident itself occurred as a result of three persons riding on a motor cycle. It is not even the case of the insurer that the accident would have been averted, if three persons were not riding on the motor cycle **MOHAMMED SIDDIQUE & ANR. –Versus NATIONAL INSURANCE COMPANY LTD. & ORS. AIR 2020 SC 520 : 2020 0 Supreme(SC) 38**

There was no justification for the MACT to proceed on the basis of conjecture in arriving at a finding of contributory negligence. **Jumani Begam Versus Ram Narayan & Ors 2019 0 Supreme(SC) 1404 ; AIROnline 2019 SC 1944**

The question of contributory negligence would arise when both parties are involved in the accident due to rash and negligent driving. **Nishan Singh & Others . Versus Oriental Insurance Company Ltd. Through Regional Manager & Others AIR 2018 (SC) 2118**

A case of contributory negligence arises when an accident occurs not only owing to a negligent act on the part of the driver of the concerned vehicle, the owner and insurer in respect whereof become liable for payment of compensation, but also owing to facts of negligence on the part of the victims thereof meaning thereby if the deceased or the driver of the vehicle wherein he was travelling was also negligent to a certain extent as a result whereof the accident occurred **ORIENTAL FIRE AND GENL. INS. CO. LTD. Vs. SUDHA DEVI AND OTHERS (1991) ACJ 4**

PW-1 was neither present at the scene of occurrence, nor travelling in the car along with her husband. The statement of PW-1 was based on an information given to her by an eyewitness. In addition, to the fact that no reliance can be placed on a statement under Section 161, Cr.P.C, the eyewitness who gave such information to PW-1 was also not examined. . **Smt. M. Sabitha And Others Vs. Brahma Swamulu And Another 2025 INSC 601 : Docid # IndLawLib/2425261**

To prove the contributory negligence, there must be cogent evidence In the absence of any cogent evidence to prove the plea of contributory negligence, the said doctrine of common law cannot be applied"**Meera Devi Vs. H. R. T. C AIR 2014 SC (Supp) 1881 . / [2014] 4 SCC 511 see also G. DHANASEKAR Vs. M.D., METROPOLITAN TRANSPORT CORPORATION LIMITED [2014] 0 Supreme(SC) 52685 [2014] 3 JT 146 / [2014] 2 JCR(SC) 251**

It is settled principle of law that in the case of contributory negligence, owner, insurer and driver are necessary parties in the claim case. It appears from FIR (Ext. 1) and the charge-sheet also that there is allegation of contributory negligence against both the vehicles i.e. maruti van and commander jeep. After investigation charge-sheet has also been filed and it has been found that both the drivers were negligent in driving the vehicles. Considering all these materials, it appears that owner and insurer of Maruti van are the necessary parties who should be impleaded as opposite parties before the learned Tribunal. Neither the claimants have added them as parties nor any direction has been given by the learned Tribunal to implead them as parties for just decision of the claim case. **[2014] 1 BBCJ 430 National Insurance Company Gaya Vs. Lily Hembrum**

Accident between two buses - Claimant bus driver on right side of road - Other bus was partly on wrong side - Collision, however, was head-on - Claimant thus was not diligent, as he neither slowed down bus nor swerved to his left, on seeing oncoming bus - Claimant was partly responsible for accident - Responsibility fixed at 25% on claimant and 75% on driver of other bus - **AIR 2008 SC (Supp) 1646 "T. O. Antony v. Karvarnan"**

Contributory negligence - Proof - Accident between truck and bus - Spot memo showed that left side of truck collided with right side of bus - F.I.R., inspection report and oral evidence clearly established that it was truck driven by appellants which had come in rash and negligent manner from behind - Accident was not caused on account of rash and negligent driving of bus - Appellants would be liable to pay amount of compensation. **2009 AIR SCW 5425 "Vijay Kumar Kulhar v. Rajasthan State Road Transport Corpn."**

The bus hit the lamp post, injury to the Claimant doesnot show that he had not put his hand out side the bus thus it is not a case of contributory negligence **G. Gnanam Alias Gnanamoorthy Vs. Metropolitan Transport Corporation 2009 AIRSCW 407**

Collusion between car and truck evidence shows that the truck was being driven at a high speed and the car was on its own side, no evidence that there was any failure on the part of the car driver. It is not a case of Contributory negligence **Usha Rajkhowa and others Vs. M/S Paramount Industries and others 2009 AIR SCW 1576**

Motorcycle driven by two persons sitting on the rear seat. Mere this fact cannot lead to inference that there was negligence on the part of the motor cyclist only. Insurance Company can get benefit when conditions mentioned in section 149 (2) of the Motor Vehicle Act, 1988 is violated **New India Assurance Company Ltd. vs. Savitri Devi (1996) 1 BLJR 519: 1996 (1) ALLPLR 476.**

Negligence of the bus driver not in dispute proportion of the negligence will be of the ratio of 60% and 40% **Karnataka State Road Transport Corporation vs. K.V. Sakeena (1996) 3 SCC 446 : 1996 AIR SCW 1760**

Contributory negligence, negligence can be apportioned as 60% and 40%. Accordingly, insurer liable to pay compensation of Rs.60,000. **Indrani Raja Durai & others vs. Madras Motor & General Insurance Company and Others (1996) 2 SCC 157.**

When composite negligence is there and when there is no scope of determination as to which of the vehicle was more liable than the ratio of liability is to be fixed at 50% each. **National Insurance Company vs. Malti Devi & others (1996) 2 BLJR 1239**

seeing the road conditions of Bihar award for death falling from the roof of bus reduced by 30% **United India Insurance Co.Ltd. vs. Most. Nirmala Devi 2000 (4) PLJR 45 : 2000 BRLJ 30**

Traveling on the roof of the bus amounts to contributory negligence **The New India Assurance Company Vs. Most. Gagar Devi 2000 (3) PLJR 684**

In case of collusion between two vehicles due to negligence of drivers of both vehicles entire responsibility cannot be thrust on any one driver of one vehicle if the owner and Insurer of the other vehicle if exonerated should be added as party and the award liability is to be fixed 50% each on both the vehicles **Bijoy Kumar Dugar Vs. Bidyadhar Dutta 2006 (2) PLJR 287 see also United India Insurance Company Limited Vs. Shila Devi 1997 (1) PLJR 271.**

In case of collusion between two vehicles due to negligence of drivers of both vehicles entire responsibility cannot be thrust on any one driver of one vehicle, **if the other vehicle was not insured**
Oriental Insurance Company Sasaram vs. Ramesh Kumar Upadhaya 2020 (5) BLJ 640

CONSORTIUM

The amount of compensation to be awarded as consortium will be governed by the principles of awarding compensation under 'Loss of Consortium' as laid down in **National Insurance Company Vs. Pranay Sethi AIR 2017 SUPREME COURT 5157**

In the present case, we deem it appropriate to award the father and the sister of the deceased, an amount of Rs. 40,000 each for loss of Filial Consortium. **Magma General Insurance Co. Ltd. Versus Nanu Ram Alias Chuhru Ram & Ors. 2019 1 Supreme 262: (2018) 18 SCC 130 see also UNITED INDIA**

INSURANCE COMPANY LIMITED Vs. SATINDER KAUR @ SATWINDER KAUR AND OTHERS 2020 (5) BLJ 124 AIR 2020 SUPREME COURT 3076 presently stayed by The National Insurance Company Vs. Ramesh Chand Vide SLP (Civil) Diary No. 11709/2020 dated 06.08.2020. see also **The New India Assurance Company Limited Vs. Smt. Somwati And Others 2020 (5) BLJ 533 (SC)** SLP(C) No. 8250 Of 2020) Decided On : 07-09-2020

CONTRACTUAL LIABILITY

Claim based on personal accident cover is a contractual liability, not a statutory one — The question is whether the liability was limited or not, which depends on the terms specified in the policy. (Para 10) **MANJUSHA AND OTHERSVs. UNITED INDIA ASSURANCE COMPANY LIMITED AND ANOTHER Docid # IndLawLib/2428058: 2025 INSC 896**

CONTRIBUTORY NEGLIGENCE AND COMPOSITE NEGLIGENCE

There is a difference between contributory and composite negligence. In the case of contributory negligence, a person who has himself contributed to the extent cannot claim compensation for the injuries sustained by him in the accident to the extent of his own negligence; whereas in the case of composite negligence, a person who has suffered has not contributed to the accident but the outcome of combination of negligence of two or more other persons **Khenyei Vs. New India Assurance Co. Ltd. and Ors AIR 2015 SC 2261**

It would be open to the claimants to recover the entire amount from any of the Respondents, that is from owner, driver and insurer of the Maruti car or Respondent No. 4, driver of the tempo as their liability is joint and several with respect to claimants. It would be open to the Respondents to settle their *inter se* liability **Kamlesh and Ors. Vs. Attar Singh and Ors. 2016 (1)J.L.J.R.36, 2016(1)PLJR187,**

Composite negligence' refers to negligence on part of two or more persons. Where a person is injured as a result of negligence on part of two or more wrong doers, it is said that the person was injured on account of the composite negligence of those wrongdoers. In such a case, each wrongdoer, is jointly and severally liable to the injured for payment of the entire damages and the injured person has the choice of proceeding against all or any of them. On the other hand where a person suffers injury, partly due to the negligence on the part of another person or persons, and partly as a result of his own negligence, then the negligence on the part of the injured which contributed to the accident is referred to as his contributory negligence. Where the injured is guilty of some negligence, his claim for damages is not defeated merely by reason of the negligence on his part but the damages recoverable by him in respect of the injuries stands reduced in proportion to his contributory negligence. **AIR 2008 SC (Supp) 1646 "T. O. Antony v. Karvarnan" 2008 AIR SCW 2045 : (2008) 3 SCC 748 SEE ALSO Andhra Pradesh State Road Transport Corporation and Anr. v. K. Hemlatha and Ors. [MANU/SC/2753/2008 : 2008 (6) SCC 767].**

Where the injured is himself partly liable, the principle of "composite negligence" will not apply nor can there be an automatic inference that the negligence was 50:50 as has been assumed in this case. The Tribunal ought to have examined the extent of contributory negligence of the appellant and thereby avoided confusion between composite negligence and contributory negligence. The High Court has failed to correct the said error." **AIR 2014 SC (Supp) 1922 "Pawan Kumar Vs. M/s. Harkishan Dass Mohan Lal"**

COURT

Motor Accident Claims Tribunal is a court with a limited jurisdiction and not merely a Tribunal and all persons, who are qualified for appointment as District Judge and Addl. Dist. Judges are qualified for appointment as members of the Tribunal and subordinate as well as under the control of the High Court **Anirudh Prasad Ambastha and others vs. State Of Bihar AIR1990 Pat 49 (FB).**

CLAIMANT

Society in which the deceased lived may also be claimants, if it proves its dependence on the deceased **MONTFORD BROTHERS OF ST.GABRIEL Vs. UNITED INDIA INSURANCE [2014] 3 SCC 394 / [2014] 2 JCR (SC) 199 / [2014] 1 Supreme 377 see also SADHANA TOMAR & ORS. VERSUS ASHOK KUSHWAHA & ORS. 2025 Live Law (SC) 309**

Entitlement to compensation - Married daughter of deceased - Though not dependent on deceased is entitled to compensation - She is 'legal representative' under S. 166. The statutory compensation could constitute part of his estate. His legal representative, namely, his daughter has inherited his estate. She was entitled to inherit his estate **Manjuri Bera v. Oriental Insurance Co. Ltd. AIR 2007 S. C. 1474 : (2007) 10 SCC 643**

Once a daughter is married, logical presumption is that she now has rights on her matrimonial household and is also financially supported by her husband or his family, unless proven otherwise. It is more than likely that her dependence on her natal family, including her mother has now ceased. Sections 166 and 168 of the Motor Vehicles Act, 1988 focus on the financial relationship between the deceased and the Claimant. A married daughter may be considered a legal representative, as per Manjuri Bera, but she will not be eligible for loss of dependency compensation unless it is proven by the daughter that she was financially dependent on the deceased. **Deep Shikha Vs. National Insurance Company Ltd And Others Docid # IndLawLib/2425639 : 2025 INSC 675 : AIR 2025 SC 2929**

In case the mother is the claimant while passing an award the age of the mother is to be taken consideration while considering the award. **Oriental Insurance Company vs. Shaji Devi and others 1999 (1) PLJR 872; H.S. Ahammed Hussain vs. Irfan Ahammed and Others 2002 AIR SCW 2788.**

In case where the deceased has died without leaving behind any direct dependent Claimant the brother/ sister can raise a claim for compensation on account of loss of consortium, shock, funeral expenses and a lump some compensation only **Pappu Mehtar vs. Subash Pd. Yadav 2001 (2) PLJR 500.**

If the parents are the claimants it is not the age of deceased alone but the age of the claimants as well are the relevant factors **Municipal Corporation Of Greater Bombay Vs. Laxman Iyer 2003 AIR SCW 5505 : AIR 2003 SC 4182: (2003) 8 SCC 731 : Bijoy Kumar Dugar Vs. Bidyadhar Dutta & others 2006AIR SCW 1116**

CLAIM CASES

Under the Motor Vehicles Act, 1988, claimants must choose between seeking compensation under Section 163A (structured formula) or Section 166 (fault-based claim), as both are alternative and not cumulative remedies. Section 163A provides no-fault liability, enabling claimants to receive compensation on a fixed formula based on the second schedule without proving negligence or wrongful conduct of the driver or owner, whereas Section 166 requires the claimant to prove negligence and just compensation is then determined as per the guidance provided by judicial decisions pronounced from time to time_ **ICICI Bank Limited And Others Vs. Era Infrastructure (India) Limited And Others 2026 INSC 201 : . Docid # IndLawLib/2440042**

In motor accident claim cases, the principle of preponderance of probability and must be applied by the courts. It cannot apply the test of proof beyond reasonable doubt. **Sajeena Ikhbal & Ors. Versus Mini Babu George & Ors., CIVIL APPEAL NO(s). 7881 OF 2024 : 2024 LiveLaw (SC) 810 : 2024 INSC 787** The claimants must establish the specific identity of the vehicle/driver, with the caveat that the connection of the accident with the said vehicle must be established through cogent and reliable evidence. The standard of

proof required is that of preponderance of probabilities. The claimants must prove three elements under Section 166 of the Motor Vehicles Act, 1988 in order to establish their claim: (i) occurrence of accident; (ii) involvement of the vehicle; and (iii) rash and negligent act of the offending vehicle. **Sithara N.S. And Others Vs. Sai Ram General Insurance Company Limited Docid # IndLawLib/2436751 :2025 INSC 1425**

Difference in the make of the vehicle cannot be a ground to deny a rightful claim when the vehicle's registration number and other key details are consistent and correctly mentioned. **Parameshwar Subray Hegde Versus New India Assurance Co. Ltd. & ANR 2025 LiveLaw (SC) 334**

CLAIM PETITION

The application is filed under Section 163A of the MV Act. However, the compensation claimed was Rs.7,40,000/-(Rupees seven lakhs and forty thousand) and the averments itself indicates that the contention was that the accident occurred because of the rash and negligent manner in which the bus of the Corporation was being driven. Hence, we are of the opinion that though Section 163A of the MV Act was mentioned in the application, the claim is one under Section 166 of the MV Act. **S. SHAKUL HAMEED Vs. TAMIL NADU STATE TRANSPORT CORPORATION LIMITED 2026 INSC 29 : Docid # IndLawLib/2437794**

It is not mandatory to lodge an application for compensation under Section 166 before the MACT having jurisdiction over the area where the accident has occurred - Claimants can approach the MACT within the local limits of whose jurisdiction they reside or carry on business or the defendant resides **PRAMOD SINHA versus SURESH SINGH CHAUHAN & ORS 2023 Live Law (SC) 596**

A claim petition filed under Section 166 of the Motor Vehicles Act, 1988, the Tribunal has to determine the amount of fair compensation to be granted in the event an accident has taken place by reason of negligence of a driver of a motor vehicle. A holistic view of the evidence has to be taken into consideration by the Tribunal and strict proof of an accident caused by a particular vehicle in a particular manner need not be established by the claimants. The claimants have to establish their case on the touchstone of preponderance of probabilities. The standard of proof beyond reasonable doubt cannot be applied while considering the petition seeking compensation on account of death or injury in a road traffic accident. **Bimla Devi vs. Himachal Road Transport Corporation (2009) 13 SCC 530 see also Dulcina Fernandes vs. Joaquim Xavier Cruz, (2013) 10 SCC 646 ; Mathew Alexander Vs. Mohammed Shafi and Anr. (2023) AIR(SC) 3349 : (2023) 7 JT 137.**

Claim for compensation - Claimants have option either to proceed under S.166 or S. 163A. **AIR 2007 SUPREME COURT 1609 "Oriental Insurance Co. Ltd. v. Meena Variyal"= 2007 AIR SCW 2362**

Claim for compensation - Remedy under Ss. 163A and S. 166 being final and independent of each other, claimant cannot pursue them simultaneously - Claim petition finally determined under S. 163A - Claimant would be precluded from proceeding further with petition filed under S. 166. **AIR 2011 SUPREME COURT 1138 "Oriental Insurance Co. Ltd. v. Dhanbai Kanji Gadhvi" see also Veena Devi and others Vs. Ram Nandan Prasad and others 2013 (2) PLJR 123 ; Jit Narayan Singh @ Satya Narayan Singh and others Vs. The Bihar State Transport Corporation M.A. NO.285 OF 2016 DISPOSED OF ON 06.02.2023.**

The claimants are merely to establish their case on the touchstone of preponderance of probability and standard of proof beyond reasonable doubt cannot be applied by the Tribunal while dealing with the motor accident cases. The standard of proof beyond reasonable doubt could not have been applied. **Sunita And**

Others Versus Rajasthan State Road Transport Corporation And Another AIR 2019 SUPREME COURT 994 : 2019 0 Supreme(SC) 161 see also Mathew Alexander Vs. Mohammed Shafi and Anr. Criminal Appeal No. 1931 of 2023 (Arising out of SLP (Crl.) No.8211 of 2022) dated JULY 13, 2023 (2023) AIR(SC) 3349 : (2023) 7 JT 137

A motor accident claim petition does not abate even after the death of the injured claimant. The right to sue survive to his heirs and legal representatives in so far as loss to the estate is concerned the loss of estate would include expenditure on medicines, treatment, diet, attendant, Doctor's fee, etc. including income and future prospects which would have caused reasonable accretion to the estate but for the sudden expenditure which had to be met from and depleted the estate of the injured, subsequently deceased. **The Oriental Insurance Company Limited VS. Kirti @ Jasmal Singh Kahlon (deceased) through his Legal Representative Narinder Kahlon Gosakan and Another AIR 2021 SUPREME COURT 3913 : (2022) 13 SCC 494**

Despite the death of the injured, the legal representatives of the deceased can pursue the claim since the property under the Act would have a much wider connotation than the conventional definition and would include the estate left behind by the deceased. It was held that if the legal heirs can pursue claims in case of death, there is no reason to prohibit the legal representatives to pursue claims for loss of a property, akin to estate of the injured, if the injured dies subsequently. We see, absolutely no reason to differ from the declaration of law and the insurer also raises no objection on the same. We would consider the enhancement sought by the original applicant, which if granted before her death would have accrued to her estate or rather compensated the loss of her estate; caused by reason of the accident, which the legal heirs are entitled to succeed to. **MEENA (DEAD) REPRESENTED THR. LRS.Vs. PRAYAGRAJ AND OTHERS Docid # IndLawLib/2427827 : 2025 INSC 820 Civil Appeal No.of 2025 (@Special Leave Petition (C) No. 12187 of 2019) Decided on : 14-07-2025**

The deceased was the victim of his own action of rash and negligent driving. A Claimant, , cannot maintain a claim on the basis of his own fault or negligence and argue that even when he himself may have caused the accident on account of his own rash and negligent driving, he can nevertheless make the insurance company to pay for the same. Therefore, the respondents being the LRs of the deceased could not have maintained the claim petition filed under Section 166 of the Motor Vehicles Act. **NATIONAL INSURANCE CO. LTD. VERSUS ASHALATA BHOWMIK AND ORS. AIR 2018 SC 4133 : 2018 0 Supreme (SC) 858; see also United India Insurance Company Ltd Versus Sumitra Devi M. A. No.674 of 2013 disposed of on 29-01-2019 ; United India Insurance Company Ltd Versus Sanjeev Kumar Singh M. A. No.122 of 2015 disposed of on 26-03-2019**

Once the Claimants approach the Tribunal under Section 166 of the Act, they have necessarily to take upon themselves the burden of establishing the negligence of the driver or owner of the vehicle concerned. **AIR 2012 SUPREME COURT 1918 "Surinder Kumar Arora v. Manoj Bisla"**

If Claimants proceed under Section 163-A of the Act, the compensation will be awarded in terms of the Schedule without calling upon the victim or his dependents to establish any negligence or default on the part of the owner of the vehicle or the driver of the vehicle." **AIR 2012 SUPREME COURT 1918 "Surinder Kumar Arora v. Manoj Bisla"**

Claim is made under section 166 of the Motor Vehicles Act, the principles for determining compensation as per Section 163-A can be used as a guide. Thus, the Second Schedule can be used as a reference for determining compensation in a claim under Section 166 of the Act. **2011 AIR SCW 2685 "Sant Singh v. Sukhdev Singh"**

No fault compensation - Claim for - Does not get lost if not raised in beginning of claim proceedings - S.140

though appears harsh to owner/insurer of motor vehicles - Is not arbitrary and unreasonable. **2010 AIR SCW 4918 "Eshwarappa v. C. S. Gurushanthappa"** see also **Nishan Singh & Others – Appellant(s) Versus Oriental Insurance Company Ltd. Through Regional Manager & Others AIR 2018 (SC) 2118**

Rejection of claim against insurance company without examining causal connection between cause of death and use of vehicle is bad **AIR 2009 SC (Supp) 759 "Harijan Mangri Siddakka v. Oriental Insurance Co. Ltd."**

Victim of accident himself at fault and cause of accident does not deprive him from no fault compensation - Claim made on fault basis getting rejected - Order directing insurance company to recover from claimants amount paid on no fault basis is not proper. **AIR 2010 SUPREME COURT 2913 "Indra Devi v. Bagada Ram"**

No fault compensation - Claim for - Does not get lost if not raised in beginning of claim proceedings **AIR 2010 SUPREME COURT 2907 "Eshwarappa v. C.S. Gurushanthappa"**

The Claim petition has to be filed under section 166 of the Motor Vehicles Act, 1988, a direct application under section 140 is not **maintainable Oriental Insurance Company vs. Chulchul Devi 1999 (1) PLJR 747; Oriental Insurance Company vs. Guljari 1999(1) PLJR 872**

A no fault claim can be made under section 140 of the Motor Vehicles Act, 1988 can be made without filing a petition under section 166 of the Motor Vehicles Act, 1988 **New India Assurance Company Vs. Faida Hussain 2001 (4) PLJR 557** This judgment holds no good now as per the decision of the Supreme Court in **Deepal Girishbhai Soni and others Vs. United India Insurance Company 2004 AIR SCW 1864: (2004) 5 SCC 385**

The Scheme of the provisions under section 163 A and 166 of the Motor Vehicles Act, 1988 are distinct and separate in nature. **Deepal Girishbhai Soni and others Vs. United India Insurance Company 2004 AIR SCW 1864**

A no fault claim can be made under section 163 A of the Motor Vehicles Act, 1988 can be made without filing a petition under section 166 of the Motor Vehicles Act, 1988 **Deepal Girishbhai Soni and others Vs. United India Insurance Company 2004 AIR SCW 1864**

Both Sections i.e. Sections 140 and 163A are based on the concept of 'no fault liability' and have been enacted as measures of social security. It was further noted that in a proceeding under Section 163A of the Act the Tribunal may be required to adjudicate upon various disputed questions like age, income, etc. unlike in a proceeding under Section 140 of the Act.

Compensation under Section 140 of the Act was thus understood to be in the nature of an interim payment pending the final award under Section 166 of the Act. Section 163-A, on the other hand, was introduced in the New Act for the first time to remedy the situation where determination of final compensation on fault basis under Section 166 of the Act was progressively getting protracted. under Section 163A of the Act it is not open for the Insurer to raise any defence of negligence on the part of the victim. **United India Insurance Co. Ltd. Versus Sunil Kumar & Anr. AIR 2017 (SC) 5710; 2017 0 Supreme(SC) 1121; see also SHIVAJI AND ANR.VERSUS DIVISIONAL MANAGER, UNITED INDIA INSURANCE CO. LTD. AND ORS. 2018 0 Supreme(SC) 796;**

A claim petition for compensation for the killing of the driver by miscreants is maintainable as it is covered under the definition of accident under the Motor Vehicles Act, 1988 **Rita Devi Vs. New India Assurance**

Company (2000) 5 SCC 113 : 2001 (1) PLJR 30 (SC) See also National Insurance Company Vs. Sindhu Devi 2001 (1) PLJR 534; Oriental Insurance Company Vs. Archana Ranjan 2001(1) PLJR 163.(D.B)

COMPENSATION OF VICTIMS OF MOTOR VEHICLE ACCIDENT

The M.V. Act is a beneficial legislation, the primary objective being to provide a statutory scheme for compensation of victims of motor vehicle accidents; or, their family members who are rendered helpless and disadvantaged by the untimely death or injuries caused to a member of the family, if the claim is found to be genuine [The New India Assurance Co. Ltd. vs. C. Padma and Ors. [\(2003\) 7 SCC 713](#); Deepal Girishbhai Soni and Ors. v. United India Insurance Co. Ltd. [\(2004\) 5 SCC 385](#)]. The Act provides a summary procedure for claiming compensation for the loss sustained in an accident, which is otherwise applicable to suits and other proceedings while prosecuting a claim before a civil court. [Vimla Devi and Ors. vs. National Insurance Company Limited and Ors. [\(2019\) 2 SCC 186](#)] **see also The State Of Arunachal Pradesh Ramchandra Rabidas @ Ratan Rabidas & Anr. 2019 0 Supreme(SC) 1132; AIR 2019 (SC) 4954 : 2020 (3) BLJ 196 (SC)**

CREDIBLE EVIDENCE

Liability under the Motor Vehicles Act must be established through credible evidence. **Sithara N.S. And Others Vs. Sai Ram General Insurance Company Limited [Docid # IndLawLib/2436751](#) :2025 INSC 1425**

CHARGESHEET

Proof of Negligence - chargesheet is one of the factors in assessing the preponderance of probabilities, it cannot be treated as gospel truth and is insufficient on its own to prove the involvement of the vehicle, especially when other substantial evidence, such as the Motor Vehicle Inspector's report contradicts the claim. **Sithara N.S. And Others Vs. Sai Ram General Insurance Company Limited [Docid # IndLawLib/2436751](#) :2025 INSC 1425**

CRIMINAL CASE AND MOTOR VEHICLE ACCIDENT

Principles of proof in criminal case are not attracted **AIR 2011 SUPREME COURT 1504 "Parmeshwari v. Amir Chand"**

Accident claim - Strict principles of proof in criminal case, not attracted Sunita and Ors. v. Rajasthan State Road Transport Corporation and Anr AIR 2019 SUPREME COURT 994

, There is no bar under the M.V. Act or otherwise, to try and prosecute offences under the IPC for an offence relating to motor vehicle accidents. **The State Of Arunachal Pradesh Versus Ramchandra Rabidas @ Ratan Rabidas & Anr. – AIR 2019 SUPREME COURT 4954 : 2019 0 Supreme(SC) 1132;**

Offences under Chapter XIII of the MV Act are compoundable in nature in view of Section 208(3) of the MV Act, whereas offences under Section 279, 304 Part II and 304A IPC are not.

If the IPC gives way to the MV Act, and the provisions of CrPC succumb to the provisions of the MV Act as held by the High Court, then even cases of culpable homicide not amounting to murder, causing death, or grievous hurt, or simple hurt by rash and negligent driving, would become compoundable. Such an interpretation would have the consequence of letting an offender get away with a fine by pleading guilty,

without having to face any prosecution for the offence committed. **The State Of Arunachal Pradesh Versus Ramchandra Rabidas @ Ratan Rabidas & Anr. AIR 2019 SUPREME COURT 4954– 2019 0 Supreme(SC) 1132;**

DATE OF BIRTH

Conflict between the dates of birth mentioned in the School Leaving Certificate and the Aadhar Card, the dates of birth mentioned in the School Leaving Certificate should be given primacy and considered as the authoritative document for determining the age of the deceased . **SAROJ & ORS. VERSUS IFFCO-TOKIO GENERAL INSURANCE CO. & ORS., 2024 LiveLaw (SC) 837 : 2024 INSC 816 C.A. No. 012077 - 012078 / 2024 Decided on 24-10-2024**

DRUNKEN DRIVING

Motor Vehicles Act, 1988 - Sections 185, 203 and 204

A. Firstly, in the MLC, in regard to the driver, the Report, inter alia, indicates that smell of alcohol (+);

B. Pertinently, the very same Report is there in regard to the co-passenger. Both the driver and the passenger were in the late twenties;

C. The smell of alcohol has been discerned by a Medical Practitioner;

D. Though the case was set up by the respondent that the driver had not consumed alcohol, the driver, in his evidence (Affidavit evidence) , has not even stated that he has not consumed alcohol, as was the specific case set up in the complaint. On the other hand, the alternate case, which was set up that he was not under the influence of alcohol, alone was deposed to. This is even though the respondent had reiterated in the Rejoinder Affidavit that the driver of the vehicle had not consumed alcohol or any other intoxicating drink/drug;

E. Even the NCDRC has proceeded on the basis that the driver had consumed some alcohol. Therefore, the conclusion is inevitable that the appellant has established that the driver had consumed alcohol and was driving the vehicle, when the accident took place;

F. There is no evidence as to the quantity of alcohol consumed. It is also true that there is no evidence other than the smell of alcohol being detected on both the driver and the co-passenger, of any other effects of consumption of alcohol;

G. The requirement under Section 185 of the Motor Vehicles Act is not to be conflated to what constitutes driving under the influence of alcohol under the policy of insurance in an Own Damage Claim. Such a claim must be considered on the basis of the nature of the accident, evidence as to drinking before or during the travel, the impact on the driver and the very case set up by the parties.

H. The other aspect, which is pressed is, as regards the manner in which the accident itself occurred. In this regard, it is clear that in any such case, this is an important circumstance, which may establish that the driver was under the influence of alcohol. Driving, while under the influence of alcohol, is to be understood as driving when, on account of consumption of alcohol, either before commencement of driving or during the driving and before the accident, when consumption of alcohol by the driver would affect (influence) his faculties and his driving skills. We would expatiate and hold that it means that the alcohol consumed earlier was the cause or it contributed to the occurrence of the accident.

I. The respondent has no case that the accident occurred as a result of a sudden event which took place, which necessitated the car being driven into the footpath. For instance, if there was sudden attempted human or animal crossing, and the driver to obviate any such accident, may drive in the manner, which culminated in the accident. It would be a case where the driver would still be in control of his faculties even while having caused the accident. There is material (particularly, in the nature of the Summary Proceedings) under the Consumer Protection Act, in the form of the FIR. The Police Officer, who has lodged the information has specifically stated that the car was being driven in a very fast manner;

J. The driver, in his chief examination, has not given any explanation, whatsoever, for the happening of the accident. He does not have a case that there was any breakdown in the car or of the brakes.

K. The driver has pleaded guilty and stands convicted under Section 279 of the IPC, which penalises rash or negligent driving.

A person, who is not under the influence of alcohol, can be rash and negligent. But a person, who is under the influence of alcohol, can also be rash and negligent. In other words, they are not wholly incompatible. On the other hand, being under the influence of alcohol, aggravates the possibility of rash and negligent driving as it can be the proximate cause. The car was driven by the driver aged about 27. Both, he and his companion had, indeed, consumed alcohol. The accident took place when the road would have been wholly free from any traffic (There is no case whatsoever that the accident was caused by another vehicle being driven in any manner or any person or animal attempting to cross the road or otherwise deflecting the attention of the driver). The accident has no apparent cause, even according to the respondent and the driver and his companion (PW3), yet we are asked to believe that the driver was in full control of his senses. If the State Commission, in the circumstances, believed the version of the respondent, in a summary proceeding, we would believe that NCDRC erred in interfering, on the reasoning, which we find as erroneous. [Iffco Tokio General Insurance Company Limited Vs. Pearl Beverages Limited](#) Civil Appeal No. of 2021 [Arising out of SLP (Civil) No. 12489 of 2020] Decided on : 12-04-2021

DEDUCTIONS

Deductions cannot be allowed from the amount of compensation either on account of insurance, or on account of pensionary benefits or gratuity or grant of employment to a kin of the deceased. The main reason is that all these amounts are earned by the deceased on account of contractual relations entered into by him with others. It cannot be said that these amounts accrued to the dependents or the legal heirs of the deceased on account of his death in a motor vehicle accident.. Therefore, the natural corollary is that the advantage which accrues to the estate of the deceased or to his dependents as a result of some contract or act which the deceased performed in his life time cannot be said to be the outcome or result of the death of the deceased even though these amounts may go into the hands of the dependents only after his death. **SEBASTIANI LAKRA & ORSVERSUS NATIONAL INSURANCE COMPANY LTD. & ANR. AIR 2018 (SC) 5034; 2019 (1) BLJ 24 (SC) : Hanumantharaju B (Dead) By Lr. Vs. M Akram Pasha And Another 2025 INSC 682 : Docid # IndLawLib/2425705**

DEDUCTION OF PENSIONARY BENEFITS

Pension receivable on discharge from service is a statutory right independent of the accident and cannot be deducted from salary when calculating loss of earning capacity. **Hanumantharaju B (Dead) By Lr. Vs. M Akram Pasha And Another 2025 INSC 682 : Docid # IndLawLib/2425705**

Principle of Non-Deductibility of Collateral Benefits — Pecuniary benefits accruing to the dependents or legal heirs consequent to the death of an individual, which arise from sources independent of the motor accident (such as family pension, provident fund, life insurance, gratuity, or compassionate employment), cannot be deducted from the compensation amount computed under the Motor Vehicles Act — These benefits stem from the deceased's contractual relations (contract of employment, insurance) or service conditions and are often earned through the deceased's own contributions or service tenure. **PRAMOD KUMAR TIWARI Vs. PREMLAL GAUTAM AND OTHERS** Docid # IndLawLib/2424849

DETERMINATION OF COMPENSATION

Where the deceased was married, the deduction towards personal and living expenses of the deceased, should be one-third (1/3rd) where the number of dependent family members is 2 to 3, one-fourth (1/4th) where the number of dependant family members is 4 to 6, and one-fifth (1/5th) where the number of dependent family members exceed six. **Smt. Sarla Verma and Ors v. Delhi Transport Corporation and Anr AIR 2009 SUPREME COURT 3104** see also **NEW INDIA ASSURANCE CO. LTD. vs SONIGRA JUHI UTTAMCHAND 2025 INSC 15**

Multiplier and deduction on account of personal and living expenses – Applicable deduction on account of personal and living expenses in case of **bachelors** – **Normally 50%** – No reason to deviate – Addition to income towards future prospects in case of self-employed below 40 years of age – Normally 50% – Multiplier, in the case of the age of the deceased between 26 to 30 years is taken as 17 **Munna Lal Jain Vs. Vipin Kumar Sharma (2015)6SCC347**

Award of compensation without considering price-index prevailing at moment - Suffers from improper assessment of compensation awarded by Tribunal and High Court on conventional heads, i.e. 'loss of consortium' to the spouse, 'future prospects of deceased **AIR 2014 SC (Supp) 275 "Smt. Savita Vs. Bindar Singh"**

Accident compensation - Determination - Foreign Exchange rate to be applied - Victim of accident earning in foreign currency - Claim made by dependents in Indian currency - Exchange rate as prevalent on date claim petition was filed has to be applied. **Jiju Kuruvila v. Kunjamma Mohan AIR 2013 SUPREME COURT 2293** see also **Shyam Prasad Nagalla And Others Vs. The Andhra Pradesh State Board Transport Corporation And Others 2025 INSC 193** Civil Appeal No .2324 of 2025 (Arising Out of SLP(C) No. 818 of 2025) Decided on : 11-02-2025 : Docid # IndLawLib/2422395

Determination - Losses and gains arising to claimant out of accidental death of victim - Ought to be balanced - Claimant, wife of victim given compassionate appointment - Non-Consideration of this benefit in assessing compensation - Improper **Bhakra Beas Management Board v. Kanta Aggarwal "AIR 2008 SUPREME COURT 3118"**

The family of a deceased in a motor accident cannot seek "**double benefits**". If the family has received benefits from the State Government on account of the death of the deceased, then such benefits are liable to be deducted from the compensation payable under the Motor Vehicles Act. **Krishna & Ors. Versus Tek Chand & Ors. 2024 LiveLaw (SC) 116** see also **Reliance General Insurance Company Limited vs. Kanika And Others 2026 INSC 188** : Docid # IndLawLib/2439910

The general principle is that the pecuniary loss can be ascertained only by balancing on the one hand the loss to the claimants of the future pecuniary benefit and on the other any pecuniary advantage which from whatever source comes to them by reason of the death that is, the balance of loss and gain to a dependent by

the death must be ascertained.

The balance of loss and gain to a dependent by the death must be ascertained. The burden is certainly on the plaintiffs to establish the extent of their loss. When the courts below have, on relevant material placed before them, ascertained the said amount as damages the Supreme Court cannot in second appeal disturb the said finding except for compelling reasons. **"Gobald Motor Service Ltd. v. R. M. K. Veluswami" (3 judges) AIR 1962 SUPREME COURT 1**

Refusal to award any amount towards loss of future earning in injury cases is not proper **AIR 2010 SUPREME COURT 3741 "Yadava Kumar v. Divisional Manager, National Insurance Co. Ltd."**

Victim a housewife, services rendered by her is invaluable and it cannot be compared with service rendered by house-keeper/servant - Compensation to be paid by applying criteria in Cl.6 of Sch.2 and applying appropriate multiplier. **AIR 2010 SUPREME COURT 3426 "Arun Kumar v. National Insurance Co. Ltd."**

Determination - Claimant was paralysed due to head injury in accident - Owned agricultural lands - But there is no convincing evidence to prove the income out of that - That apart, since he owned the land it cannot be said that there is total loss of income due to injury suffered by him - Thus calculation of amount of compensation on basis of notional income - Not liable to be interfered with. **AIR 2008 SUPREME COURT 2014 "Ponnumany v. V.A. Mohanan" see also AIR 2011 SUPREME COURT 2572 "Rudra v. Divisional Manager, National Insurance Co. Ltd." SEE ALSO harpreet Kaur Vs. Mohinder Yadav. AIR 2023 (SC) 111**

Compensation - Determination - Salary of deceased not revised with retrospective effect on date of death of deceased - Only because such salary was revised at a later point of time, same by itself would not have been factor which could have been taken into consideration for determining amount of compensation - What would have been income of deceased on date of retirement was not relevant factor. **AIR 2008 SUPREME COURT 1734 "Oriental Insurance Company Ltd. v. Jashuben"**

Multiplier - Choice of - Deceased aged 35 years at time of death - None of claimants above that age - Multiplier applicable as per Sch.2 would be 16 - However considering fact that claimant would get only 6% interest - And also fact that increase has been made in notional income of deceased - Proper multiplier held, would be 14. Even if we ignore the exaggeration, the figure arrived at by the High Court at **Rs. 100/- per day and Rs. 3,000/-per month appears to be correct .AIR 2008 SUPREME COURT 1858 "Laxmi Devi v. Mohammad Tabbar": (2008) 12 SCC 165**

The Compensation on multiplier basis must be a **just compensation** and it should neither be a bonanza nor a source of profit **Syed Basheer Ahmed Vs. Md. Jameel (2009) 2 SCC 225** see also **Divisional Controller KSRTC Vs. Mahadev Shetty (2003) 7 SCC 197. New India Assurance Company Vs. Charlie 2005 (2) PLJR 249 (SC) (2005) 10 SCC 720 ; New India Assurance Company Vs. Yogesh Devi (2012) 3 SCC 613 : (2012) 2 SCC (cri) 215: AIR 2012 SUPREME COURT 945 . see also R. VALLI AND OTHERS Vs. TAMIL NADU STATE TRANSPORT CORPORATION LIMITED Civil Appeal No. 1269 of 2022 Decided on : 10-02-2022 2022 (2) BLJ 160 : [2022 LiveLaw \(SC\) 152](#) AIR 2022 SC 1096 : (2022) 5 SCC 107**

There is no fixed Rule thus Compensation must be based on certain data , establishing reasonable nexus between loss incurred and compensation **Syed Basheer Ahmed Vs. Md. Jameel (2009) 2 SCC 225**

General Rule to deduct half in case of bachelor and 1/3 in case of married person. **Syed Basheer Ahmed Vs. Md. Jameel (2009) 2 SCC 225**

Family of victim consisting only of his father and mother - Deduction of personal expenses - 50% is to be made **2012 AIR SCW 3901 "Amrit Shali v. National Insurance Co. Ltd."**

Deduction towards personal expenses - Victim bachelor - Deduction of 50% should be made from his income. **AIR 2014 SC (Supp) 1004 "M. Mansoor Vs. United India Insurance Co. Ltd"**

Principles of proof in criminal case are not attracted **AIR 2011 SUPREME COURT 1504 "Parmeshwari v. Amir Chand"**

Accident claim - Strict principles of proof in criminal case, not attracted **Sunita and Ors. v. Rajasthan State Road Transport Corporation and Anr AIR 2019 SUPREME COURT 994 see also Prabhavathi And Others vs. The Managing Director, Bangalore Metropolitan, Transport Corporation Docid # IndLawLib/2423001 : 2025 INSC 293**

For computing loss of future income - Disability assessed by doctor of left arm ought to be considered - And not disability assessed of whole body. **AIR 2011 SUPREME COURT 1785 "Nagarajappa v. Divisional Manager, Oriental Insurance Co. Ltd."**

No reliable document having been produced to show that the deceased was earning an income of Rs. 12,500/- per month, as claimed. The High Court, in our opinion, cannot be held to have, thus, committed any grave error in this behalf. There is no dispute as regards application of the multiplier. In a case of this nature, some guess work is inevitable. This Court could have gone into the question provided there was some materials had been brought on record by the appellants upon which reliance could be placed. There being no such material available on record, we are not in a position to interfere with the impugned judgment of the High Court. **AIR 2008 SUPREME COURT 1256 "V. Subbulakshmi v. S. Lakshmi"**

DETERMINATION OF DISABILITY

Disability Assessment — Expert Evidence — Functional Disability — Neuro-psychologist's assessment of 41.77% functional disability based on validated testing was not rebutted or doubted by any contrary medical evidence — Tribunal and High Court adopted 35% without any reasoning — the unimpeached expert evidence for assessing functional disability will be accepted (Para 8) **Lokesh B Vs. Suryanarayana Raju Jaggaraju And Another Docid # IndLawLib/2428399 : 2025 INSC 939**

The disability to be assessed for the purpose of awarding compensation arising from a motor accident is the functional disability which reduces the earning capacity of the claimant and not strictly the medical disability. In the present case, admittedly the claimant was running a business, and the claimant has already been fitted with a prosthetic limb to ensure his mobility. In the above circumstances, the order of the High Court holding the disability to be 50% for the purpose of computing loss of income as relatable to the loss of earning capacity is correct and within the parameters to be considered for assessing the loss of income arising from a motor accident which led to disability of the victim. The disability assessed at 50% is the functional disability and it is quite reasonable. **ANOOP MAHESHWARI Vs. ORIENTAL INSURANCE COMPANY LTD. AND OTHERS Docid # IndLawLib/2432312 : 2025 INSC 1076**

When the Medical Board had certified that the appellant was rendered unfit for labour, there was no perversity in the decision in awarding compensation by treating the disability as total on account of functional disability. the High Court erred in assessing the disability as 40% instead of 100%, as assessed. **INDRA BAI Vs. ORIENTAL INSURANCE COMPANY LTD. & ANOTHER** Civil Appeal No. 4492 of 2023; (Arising Out of SLP (Civil) No.138 Of 2023) Decided on : 17-07-2023 **Docid # IndiaLawLib/1603379**

see also **R. LOGESHKUMAR Vs. P. BALASUBRAMANIAM AND ANOTHER** Docid # IndLawLib/2436485 2025 INSC 1392

The Orthopedic Surgeon, deposed that the appellant had suffered nine injuries, and. The whole body disability was medically assessed at 32% The appellant is entitled to loss of future earning on basis of the whole body disability of 32% **SAVITHA — Appellant Vs. M/S. CHODAMANDALAM M.S. GENERAL INSURANCE CO. LTD. AND OTHERS** 2020 (4) BLJ 515 (SC) Civil Appeal No(s). 2611 of 2020 (Arising out of SLP (Civil) No(s). 9689 of 2018) Decided on : 16-06-2020 see also *Sidram v. Divisional Manager United India Insurance Co. Ltd.*, [2022 LiveLaw \(SC\) 968](#) Civil Appeal No. 8510 of 2022 (Arising out of S.L.P. (Civil) No. 19277 of 2018) Decided on : 16-11-2022

DOUBLE BENEFITS

No double benefit should be passed on to the claimants in the matter of award of compensation. Section 168 of the Act of 1988 makes the first principle explicit. Sub-section (1) of that provision makes it clear that the amount of compensation must be just. **Krishna & Ors. Versus Tek Chand & Ors.:** 2024 Livelaw (Sc) 116 see also **Reliance General Insurance Company Limited vs. Kanika And Others** 2026 INSC 188 : Docid # IndLawLib/2439910

DRIVING LICENCE

If the insurance company proves that there was an absence of due diligence in the employment of the driver or the entrustment of the vehicle, the liability would shift to the insured-vehicle owner. a vehicle owner is not expected to verify the credentials of the driver's license from the issuing authority whether it is fake or not. Order of pay and recover set aside. **Hind Samachar Ltd. (Delhi Unit) Versus National Insurance Company Ltd. & Ors.** 2025 LiveLaw (SC) 987 : 2025 INSC 1204

The driver had no valid license and the licence was not renewed. The insurance company was entitled to take a valid defence in that regard under Section 149 (2)(a)(ii) as the driver of the offending vehicle was not duly licensed, to avoid its liability to pay the compensation. The conditions in law are satisfied to absolve the insurance company from the payment of compensation. The Insurance Company may pay and recover. **M/S AMIT MINERALS THROUGH INCHARGE OFFICER/ COMPETENT OFFICER AND ANOTHER** Docid # IndLawLib/2433178

An endorsement under Rule 9 of Central Motor Vehicles Rules, 1989 is mandatory in the driving license for driving a vehicle carrying any dangerous or hazardous goods. **M/S. CHATHA SERVICE STATION VERSUS LALMATI DEVI & ORS.** 2025 LiveLaw (SC) 408 : 2025 INSC 468

Once the owner is satisfied that the driver is competent to drive the vehicle, it is not expected from the owner thereafter to verify the genuineness of the driving license issued to the drive. (Para 10) **Rishi Pal Singh v. New India Assurance Co Ltd.**, [2022 LiveLaw \(SC\) 646](#)

Merely producing a valid insurance certificate in respect of the offending Truck was not enough for the respondent No.1 to make the Insurance Company liable to discharge his liability arising from rash and negligent driving by the driver of his vehicle. The Insurance Company can be fastened with the liability on the basis of a valid insurance policy only after the basic facts are pleaded and established by the owner of the offending vehicle -that **the vehicle was not only duly insured but also that it was driven by an authorised person having a valid driving licence.** Without disclosing the name of the driver in the Written Statement or producing any evidence to substantiate the fact that the copy of the driving licence produced in support

was of a person who, in fact, was authorised to drive the offending vehicle at the relevant time, the owner of the vehicle cannot be said to have extricated himself from his liability. The Insurance Company would become liable only after such foundational facts are pleaded and proved by the owner of the offending vehicle. **PAPPU AND ORS. Versus VINOD KUMAR LAMBA AND ANR. AIR 2018 SUPREME COURT 592 :2018 0 Supreme (SC) 42**

Tribunal recorded finding that the driver did not possess valid Driving License on the date of the accident and fixed the liability of payment on the insurance company is wrong and liability will be borne by the owner of the vehicle. **D.M.. National Insurance Co.Ltd. Vs. Rebi Devi 2012 (4) PLJR 993.**

Driving without licence - Minor driving motorcycle - Hit a scooter - Liability to pay compensation shifts on owner of motorcycle - Since it was duty of owner to ensure that his motorcycle was not misused - Defence by owner that keys of motorcycle were taken by minor without his knowledge held, not probable. **AIR 2011 SUPREME COURT 2436 "Jawahar Singh v. Bala Jain"**

Driver of offending tractor did not have valid driving licence on date of accident i.e. 27-1-1996, his licence had already expired - His licence was renewed only on and from 7-2-1996 - And not within 30 days from date of expiry thereof as provided by proviso to S.15(1) - Renewal of licence would not take effect from retrospective date - But from date of its renewal - Breach of contract of insurance is thus established - Insurer is not liable to indemnify insured. **AIR 2009 SC (Supp) 1264 "Ram Babu Tiwari v. United India Insurance Co. Ltd."**

As on 5-01-2001 the appellant was not duly licensed as his learner's licence expired on 22-12-2000. He filed an application for grant of licence much later. Insurance Company, was not bound to reimburse him in terms of the Contract of Insurance. **2009 AIR SCW 2865 "Bhuwan Singh v. M/s. Oriental Insurance Co. Ltd."**

Liability of insurer - Car accident resulting in death of driver - Driving licence of deceased driver had expired four months prior to date of accident - Claimant not claiming that driver had applied for renewal of licence within 30 days - Since deceased had no valid and effective driving licence on date of accident, insurer is not liable to indemnify claimant for loss. **AIR 2009 SUPREME COURT 2987 : 2009 AIR SCW 4801 "New India Assurance Co. Ltd. v. Suresh Chandra Aggarwal"**

Vehicle driven by minor at time of accident - Insurance company gets absolved of its liability - **AIR 2009 SUPREME COURT 24 "United India Insurance Co. Ltd. v. Rakesh Kumar Arora"**

No finding of fact arrived at that claimant was driving two-wheeler rashly and negligently when met with accident with mini-truck - Thus only because he was not having a licence, he could not be held to be guilty of contributory negligence. **AIR 2008 SUPREME COURT 2405 "Sudhir Kumar Rana v. Surinder Singh": (2008)12 SCC 436. See also Srikrishna Kanta Singh Versus The Oriental Insurance Company Ltd. & Ors. 2025 LiveLaw (SC) 352**

Driver, brother of owner of motor vehicle - Holding fake licence at time of accident - Insurer is not liable to pay compensation **AIR 2008 SUPREME COURT 1073 "Premkumari v. Prahlad Dev"**

Driver of offending vehicle, alleged to be not having valid and operating driving licence - Evidence of witness who produced official records clearly established that no driving licence was issued to said driver in order to enable and legally permit him to drive motor vehicle - There was no cross-examination of said witness - Liability could not be saddled on Insurance Company. **AIR 2008 SUPREME COURT 1408 "Oriental Insurance Co. Ltd. v. Prithvi Raj"**

Liability of insurer - Deceased died in road accident when scooterist hit his bicycle - Accident occurred due to rash and negligent driving of scooter - Driver of scooter had admittedly no valid licence to drive vehicle - He was holding licence for driving Heavy Motor Vehicle only - Act of driving totally different class of vehicle was in violation of S.10 (2) **AIR 2008 SUPREME COURT 2218 "Oriental Insurance Co. Ltd. v. Zaharulnisha" : (2008) 12 SCC 385:**

Driver of offending vehicle was holder of licence of three wheeler i.e. autorickshaw delivery van - Licence was not meant for driving 'transport vehicle' but for goods carrying public carrier - Fact that licence was granted for 20 years and not 3 years shows that driving licence was not for transport vehicle - Insurer is, therefore, not liable. **AIR 2008 SUPREME COURT 2266 "New India Assurance Co. Ltd. v. Roshanben Rahemansha Fakir"**

Driving licence not effective on the date of accident renewed after the grace period. It cannot be said that the driver had a driving licence at the time of accident. **National Insurance Company Vs. Vidyadhar Mahariwala (2008) 12 SCC 701; AIR 2009 SUPREME COURT 208 "** see also **Ram Babu Tiwari Vs. United India Insurance Company (2008) 8 SCC 165 ; New India Assurance Company Vs. Suresh Chand Agrawal AIR 2009 SC 2987 : (2009) 15 SCC 761**

Vehicle involved in accident driven by driver holding L. M. V. licence - No endorsement on licence to drive transport vehicle - Permit issued by Transport Authority clearly showing that vehicle in question was a 'transport vehicle' - Yet holding vehicle to be L. M. V. on basis of unladen weight and fact that it was not carrying goods at relevant time - And saddling liability on insurance company - Improper. **AIR 2008 SUPREME COURT 614 "New India Assurance Co. Ltd. v. Prabhu Lal"**

Ground, driver of offending vehicle possessing forged licence - Renewal of forged licence - Would not fasten any liability on insurer to indemnify owner - Same does not amount to deficiency in service - Order holding insurer liable to indemnify owner for losses suffered by him - Set aside. **AIR 2008 SUPREME COURT 329 "United India Insurance Co. Ltd., M/s. v. Davinder Singh"**

Driving licence - Renewal - Cannot cure fatality inherent in fake licence - Once initial burden on insurer to show that licence is fake is satisfied - Natural consequences have to flow. **AIR 2007 SUPREME COURT 1563 "National Insurance Co. Ltd. v. Laxmi Narain Dhut" = 2007 AIR SCW 2279**

Motor Vehicles Act (59 of 1988), S.149, S.15 - MOTOR VEHICLES - INSURANCE - Liability of insurer - Defence that driver did not have valid licence - Has to be established on facts of case **"Ishwar Chandra v. Oriental Insurance Co. Ltd." AIR 2007 SUPREME COURT 1445 : (2007) 10 SCC 650**

licence had lapsed before the accident thus it is in violation of the policy conditions as per the Supreme Court Judgment in **Ishwar Chandra & others The Oriental Insurance Co. 2007 (2) PLJR 168 (SC) and National Insurance Company Ltd. Vs. Laxmi Narain Dhut (2007) 3 SCC 700**

The question of licence only comes into play, when there is an accident **Jitendra Kumar Vs. Oriental Insurance Company (2003) 6 SCC 420.**

The driving licence found fake - this includes cases where the original licence was found fake but subsequently renewal by other district transport authorities. The Supreme Court is of the opinion that the insurer must prove that the owner was guilty of the willful breach of the policy conditions of insurance. To avoid its liability the insurance company must prove that the owner was guilty of willful breach of contract of insurance and if it is able to prove then it can recover the amount from the owner of the vehicle. If the court gives a finding in favour of the insurer then it can recover it by filing an execution

case or a certificate proceeding **National Insurance Company Vs. Baljit Kaur AIR 2004 SCW 212.**

The driver holding a learner's licence: - Even if the driver the vehicle was driven by a person having a learner licence the Insurance Company will be liable to satisfy the award.

Expiry of Driving licence:- This issue has been left open by the Supreme Court.

No Driving licence :- The person driving the vehicle without licence is liable for prosecution under section 181 of the Motor Vehicles Act, 1988 and if the licence has lapsed the law it self gives a grace of 30 days for renewal it will treated that the driver was having a driving licence.

Vehicle driven at the time of accident was of a different class:- If the driver has been given a licence to drive a particular type of a vehicle i.e. light motor vehicle he can drive all types of light motor vehicle. **National Insurance Company Vs. Swaran Singh and others and various other cases AIR 2004 SCW 663 : (2004) 3 SCC 297**

A fake driving licence cannot be transformed as a genuine licence even if it has been renewed. **New India Assurance Company vs. Kamla 2001 AIR SCW 1340: (2001) 4 SCC 342 SEE ALSO National Insurance Company Ltd. Vs. Geeta Bhat and others (2008) 12 SCC 426**

The burden of proof that the driver of the vehicle meeting with accident did not have a proper licence lies with the Insurance Company challenging the same. **Suresh Mohan Chopra vs. Lakhi Prabhu Dayal 1990 Supp SCC 696: AIR 1990 SC 1979.**

If licence not produced before the Tribunal the liability will be of the owner New India Assurance Company Vs. Most. Lahaso Devi 2002 (3) PLJR 166

It becomes immaterial as to whether the driver was having a valid Driving Licence or not if the deceased was the driver of the vehicle in question and was a workman **Oriental Insurance Company vs. Smt. Manjeet Kaur 2000 (4) PLJR 225 see also Smt. Dariyao Kanwar & others Vs. United India Insurance Company Docid # indlawlib/1603493 Civil Appeal No. 5416 of 2012 decided on 23.08.2023.**

The findings of the initial lack of care by the driver in not renewing the driving licence would be present, but the lack of care of the appellant as the employer would also arise. We have penned down the aforesaid views as such a situation is quite likely to arise in proceedings under the MV Act where a third party is claiming the amount. Proceedings here being under the Compensation Act, the consequences are not flowing to the first respondent as the initial negligent **BELI RAM – Versus RAJINDER KUMAR & ANR. AIR 2020 SUPREME COURT 4453**

Liability of the Insurance Company cannot be taken away even though the vehicle was not driven by a proper licensed persons as the liability will be of the owner and the owner is insured by the Insurance Company thus both liable. **SOHAN LAL PASSI VS. P. SESH REDDY (1996) 5 SCC 21:**

Merely showing that the driver did not have a driving licence is not sufficient for the Insurance Company to discard its liability unless it proves that the owner/insured was aware of the fact that the driver did not have a driving licence and allowed the vehicle to be driven by him. **United India Insurance Company Vs. Lehru (2003) 3 SCC 338. See also NIRMALA KOTHARI Vs. UNITED INDIA INSURANCE CO. LTD. AIR 2020 SC 1193 :2020 (3) BLJ 305 (SC)**

Vehicle damaged due to accidental fire, the Insurance Company repudiated the claim on the ground that the driver did not have a valid driving licence at the time of the incidence. Section 149(2) of the Motor Vehicles Act, 1988 doesnot empower the Insurance Company to repudiate the claim on the ground of

driving licence **Jitendra Kumar Vs. Oriental Insurance Company (2003) 6 SCC 420 : AIR 2003 SUPREME COURT 4161**

In the finding of fact it is found that the that the insured had given the vehicle for driving to an unlicensed driver, the Insurance Company gets exonerated of its liabilities **United India Insurance Company vs. Gain Chand & others (1997) 7 SCC 558: AIR 1997 SC 3824 see also National Insurance Co. Ltd. Vs. Debrat Kumar (1998) 1 BLJR 32.**

If the driver was holding a proper driving licence earlier and it had lapsed before the date of accident but if there is a subsequent renewal it cannot be held that the driver was not having a proper driving licence at the time accident. **National Insurance Company Limited Versus Smt. Abha Singh (1998) 2 BLJR 1292: 1998 (2) PLJR 337**

Light Motor Vehicle neither having a permit for goods carriage nor carrying any goods on the date of the accident, even though designed to be used as a goods carriage or transport vehicle remains a Light Motor Vehicle. Diving licence issued under form 6, is effective and valid licence to drive such vehicle. **Ashok Gangadhar Maratha Vs. Oriental Insurance Company (1999) 6 SCC 620 : 2000 ACJ 319**

Production of a photocopy of a driving licence doesnot prove that the driver had a valid driving licence **United India Insurance Co. Ltd. Vs. Anbari and others 2000 ACJ 469**

A person having a valid driving licence to drive a particular category of vehicle (Tractor) does not become disabled to drive that vehicle merely because a trailer is added to it. This is in case of a tractor. **Nagasetty Vs. United India Insurance Company (2001) 8 SCC 56: AIR 2001 SC 3364**

The word effective in the expression “Effective Driving Licence” in section 3 of Motor Vehicles Act, 1988 means a valid licence both as regards the period and type of vehicle **Ashok Gangadhar Maratha Vs. Oriental Insurance Company (1999) 6 SCC 620 : 2000 ACJ 319 see also Mahesh Kumar Vs. Khurshid Anwar 2002 (4) PLJR 350**

The licence if expired but not renewed within the stipulated period and the accident has occurred after the lapse of driving licence and the driver not having a driving licence at the time of accident the Insurance Company is not liable to pay the claim **Malla Prakashroa vs. Malla Janaki and Others (2004) 3 SCC 343 see also National Insurance Company Vs. Kusum Rai 2006 (2) PLJR 306 (SC): 2006 AIR SCW 1649: (2006) 4 SCC 250; Ishwar Chand & others Vs. The Oriental Insurance Co. 2007 (2) PLJR 168 (SC) and National Insurance Company Ltd. vs. Laxmi Narain Dhut (2007) 3 SCC 700; The Oriental Insurance Co. Vs. Syed Ibrahim (2007) 11 SCC 512: AIR 2008 SUPREME COURT 103**

Driver of a commercial Vehicle not holding the licence to drive commercial vehicle i.e. valid licence Insurance Company not liable to pay the claimed amount **National Insurance Company Vs. Kusum Rai 2006 (2) PLJR 306 (SC) : 2006 AIR SCW 1649 : (2006) 4 SCC 250; The Oriental Insurance Co. Vs. Syed Ibrahim (2007) 11 SCC 512**

if the owner of the vehicle has satisfied himself that the driver had a licence and was driving competently there is no breach of section 149 (2) (a) (ii) of the Motor Vehicle's Act, 1988 and the Insurance Company liable to pay the compensation. **Lal Chand Vs. Oriental Insurance Company 2006 AIR SCW 4832: (2006) 7 SCC 318 : AIR 2008 SUPREME COURT 103**

A driver having valid licence to drive ‘light motor vehicle’ is authorised to drive ‘light goods vehicle’ as well. No additional endorsement is required. **KULWANT SINGH Vs. ORIENTAL INSURANCE COMPANY [2014] 0 Supreme(SC) 53350**

DRIVING LICENCE (LIGHT MOTOR VEHICLE)

(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. **Mukund Dewangan vs. Oriental Insurance Company Limited AIR 2017 (SC) 3668 : MANU/SC/0797/2017 : 2017(7)SCALE731**

The law which has been laid down by a three Judge Bench of this Court in Mukund Dewangan (supra) binds this Court. As a matter of judicial discipline, we are duty bound to follow that decision which continues to hold the field. **M.S. BHATI Vs. NATIONAL INSURANCE COMPANY LTD [IndiaLawLib/1424882](#) (2019) 2 CPJ 79**

- (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, e rickshaws, 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 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. **M/S Bajaj Alliance General Insurance Co. Ltd Versus Rambha Devi & Ors. 2024 INSC 840 CIVIL APPEAL No. 841 of 2018 (5 Judges) see also SUNITA AND OTHERS Vs. UNITED INDIA INSURANCE CO. LTD. AND OTHERS 2025 INSC 867 Docid # IndLawLib/2427891 Civil Appeal No. 9538 of 2025 (Arising out of Special Leave Petition (Civil) No. 1412 of 2024)Decided on : 17-07-2025**

Can drive such a transport vehicle of LMV class and there is no necessity to obtain separate endorsement, since tractor attached with the trolley was transport vehicle of the category of light motor vehicle. Hence, there was no breach of the conditions of the policy. **Sant Lal v. Rajesh and Ors AIR 2017 SUPREME COURT 4054**

Materials on record showing that the driver proved his licence – Secondly at that time Insurance Company not raising any objection – Thirdly Insurance Company not adducing any evidence to prove that the licence was either fake or invalid – Not open to Insurance Company to now contend that driver did not possess valid licence. Rakesh Kumar & Etc. Etc. – Appellants Versus United India Insurance Company Ltd 2016 4 PLJR(SC) 100 : 2016 14 SCC 219 : 2016 0 Supreme(SC) 541;

Under Section 149 of the Motor Vehicles Act, the insurer can defend the action inter alia on the grounds, namely,

- (i) the vehicle was not driven by a named person,
- (ii) it was being driven by a person who was not having a duly granted licence, and (iii) person driving the vehicle was disqualified to hold and obtain a driving licence. Hence, in our considered opinion, the insurer cannot disown its liability on the ground that although the driver was holding a licence to drive a light motor vehicle but before driving light motor vehicle used as commercial vehicle, no endorsement to drive commercial vehicle was obtained in the driving licence. In any case, it is the statutory right of a third party to recover the amount of compensation so awarded from the insurer. It is for the insurer to proceed against the insured for recovery of the amount in the event there has been violation of any condition of the insurance policy. **AIR 2013 SUPREME COURT 2262 "S. Iyyapan v. United India Insurance Company Ltd" SEE ALSO KULWANT SINGH & ORS. VERSUS ORIENTAL INSURANCE COMPANY LTD. 2015 1 PLJR(SC) 206 : 2014 12 Scale 356: 2015 2 SCC 186 : [2014] 0 Supreme(SC) 772**

There is a distinction between light motor vehicle and transport vehicle , a transport vehicle may be light transport vehicle but for the purpose of driving the same a distinct licence is required for the same **Oriental Insurance Company Ltd. Vs. Angad Kol and others 2009 AIR SCW 2747 : (2009) 11 SCC 356 : AIR 2009 SC 2151**

DEPENDENTS

where the family of the bachelor is large and dependents on the income of the deceased, as in a case where he has a widowed mother and large number of younger non-earning **sisters** or brothers, his personal and living expenses may be restricted to one-third and contribution to the family will be taken as two-third. **Radhakrishna and Anr. Vs. Gokul and Ors. 2017(2)PLJR141**

elder brother

elder brothers of deceased not dependents_The New India Assurance Company Limited Appellant(S) Versus Anand Pal & Ors. 2023 LiveLaw (SC) 1047

father

The father is likely to have his own income and will not be considered as a dependent and the mother alone will be considered as a dependent **Sarla Verma (Smt.) and Ors. v. Delhi Transport Corporation and Anr. MANU/SC/0606/2009 : (2009) 6 SCC 121** see also **Munna Lal Jain and Ors.Vs. Vipin Kumar Sharma and Ors.**

sister

- In the absence of evidence to the contrary, brothers and **sisters** will not be considered as dependants, because they will either be independent and earning, or married, or be **dependent** on the father. :**Radhakrishna and Anr Vs. Gokul and Ors. 2017(2) PLJR 141** see also **United India Insurance Company Ltd Versus Sanjeev Kumar Singh M. A. No.122 of 2015 disposed of on 26-03-2019**

Major sons

- The major sons have their own source of income and were not dependent on the deceased and the two grand-daughters are primarily dependent on their father and not on their grand-father. We feel that 50% deduction is called for and if this factor is taken into consideration then the loss of dependency is Rs.1,82,250/- and if multiplier of 5 is used, the compensation works out to Rs.9,11,250/-. In addition, the claimants would be entitled to Rs.70,000/- for love and affection and funeral expenses etc. as per the judgment of this Court passed in the case of Pranay Sethi (AIR 2017 SC 5157) (supra). Accordingly, the amount of compensation is reduced to Rs.9,81,250/- along with interest awarded by the Tribunal. **New India Assurance Co. Ltd v. Vinish Jain and Ors. AIR 2018 SC (Supp) 1227** see also **National Insurance Company Limited Versus Birender and Ors. AIR 2020 (SC) 434 : (2020) 1 JLJR 328 : (2020) 1 PLJR 372 .**
- Major married and earning sons, as well as married daughters, of the deceased can be considered 'dependents' for compensation purposes, if they were 'partially dependent' on the deceased's earnings and 'resided with them', notwithstanding their marital or employment status. **SEEMA RANI AND OTHERS Vs. THE ORIENTAL INSURANCE CO. LTD. AND OTHERS daughter 2025 INSC 192 Docid # IndLawLib/2422396, Civil Appeal No. 2323 of 2025 (Arising Out of SLP(C) No. 444 of 2025) Decided on : 11-02-2025**

Legal representative

Married daughter of deceased

Entitlement to compensation - Married daughter of deceased - Though not dependent on deceased is entitled to compensation - She is 'legal representative' under S. 166. The statutory compensation could constitute part of his estate. His legal representative, namely, his daughter has inherited his estate. She was entitled to inherit his estate **Manjuri Bera v. Oriental Insurance Co. Ltd. AIR 2007 S. C. 1474 : (2007) 10 SCC 643**

Once a daughter is married, logical presumption is that she now has rights on her matrimonial household and is also financially supported by her husband or his family, unless proven otherwise. It is more than likely that her dependence on her natal family, including her mother has now ceased. Sections 166 and 168 of the Motor Vehicles Act, 1988 focus on the financial relationship between the deceased and the Claimant. A married daughter may be considered a legal representative, as per Manjuri Bera, but she will not be eligible for loss of dependency compensation unless it is proven by the daughter that she was financially dependent on the deceased. **Deep Shikhavs. National Insurance Company Ltd And Others Docid # IndLawLib/2425639 : 2025 INSC 675 : AIR 2025 SC 2929**

Society in which the deceased lived may also be claimants, if it proves its dependence on the deceased **MONTFORD BROTHERS OF ST.GABRIEL Vs. UNITED INDIA INSURANCE [2014] 3 SCC 394 / [2014] 2 JCR(SC) 199 / [2014] 1 Supreme 377 AIR 2014 SUPREME COURT 1550 see also Manjuri Bera v. Oriental Insurance Co. Ltd. AIR 2007 S. C. 1474 ; Gujarat State Road Transport Corporation, Ahmedabad Petitioner v. Ramanbhai Prabhatbhai and another AIR 1987 SC 1690**

As per Section 166 of the M.V. Act, person, who happens to be legal representative may file petition under the said Section of the Act. Though, the word legal representative has not been defined in the said Act, but in my considered opinion, it means, the person who represents the estate of the deceased even without title either as executors or administrators in possession of the estate of the deceased. Dependents may be the legal representative of the deceased, but legal representative may not necessarily be dependents. In case of claim case filed under Section 166 of M.V. Act, the amount of compensation is worked out on the basis of loss of dependency, but as the claimants-appellants do not happen to be dependent of the deceased. So, no question of loss of dependency arises and in my considered view, the claimants appellants are not entitled to get compensation under Section 166 of M.V. Act. they may get compensation as provided under no fault liability to the tune of Rs. 50,000/- being legal representative of the deceased. . **Shyam Nath Sah Versus Sri Shankar Kumar Gupta** Miscellaneous Appeal No.1016 of 2010 disposed of on 21-08-2018

the legal representatives of the deceased have a right to apply for compensation. Having said that, it must necessarily follow that even the major married and earning sons of the deceased being legal representatives have a right to apply for compensation and it would be the bounden duty of the Tribunal to consider the application irrespective of the fact whether the concerned legal representative was fully dependent on the deceased and not to limit the claim towards conventional heads only. **Shyam Nath Sah Versus Sri Shankar Kumar Gupta** Miscellaneous Appeal No.1016 of 2010 disposed of on 21-08-2018

mother – in – law

Mother-in- law living with the deceased and his family is a dependent and a legal representative **N. Jayasree Vs. Cholamandalam General Insurance Company Civil AIR 2021 SC 5218**

Married Siblings

The compensation awarded to the married siblings is therefore found to be unmerited. The appeal is accordingly allowed by setting aside the impugned award of the Motor Accident Claims Tribunal As Upheld By The High Court Under The Impugned Judgment.” **The New India Assurance Company Limited Appellant(S) Versus Anand Pal & Ors. Respondent(S)_Civil Appeal No. Of 2023 (Arising Out Of Slp (Civil) No. 7805 Of 2022) decided on 04.12.2023 2023 LiveLaw (SC) 1047**

DUTY OF POLICE

Duty of the police explained by the Supreme Court in **Gohar Mohammed v. Uttar Pradesh State Road Transport Corporation, 2022 LiveLaw (SC) 1040** 2023 : (1) PLJR 228 (SC)

Subsection (6), which was added by way of amendment in 1994 to Section 158 casts a duty on the officer incharge of the police station to forward a copy of the information (FIR)/report regarding any accident involving death or bodily injury to any person within 30 days from the date of information to the Claim Tribunal having jurisdiction and also send one copy to the concerned insurer. This subsection also casts a duty on the owner of the offending vehicle, if a copy of the information is made available to him, to forward the same to the Claims Tribunal and the insurer of the vehicle. **Vimla Devi & Ors. Versus National Insurance Company Limited & Ors. 2018 0 Supreme(SC) 1140; see also Smt. Rekha Devi Vs. Shyam Sunder Singh 2019 (2) PLJR 563**

DOCUMENT

The income tax return is a statutory document on which reliance may be placed to determine the annual income of the deceased. **Malarvizhi & Ors. Versus United India Insurance Company Limited & Anr. 2019 0 Supreme(SC) 1338; see also Ranjana Prakash Vs. Divisional Manager (2011) 14 SCC639 ; Smt. Anjali And Others Vs. Lokendra Rathod And Others AIR 2023 SC 44: 2022 (1) BLJ 28 (SC) Vijayalaxmi @ Roopa V. Shenoy And Another Vs.National Insurance Co. Ltd. And Others 2025 INSC 186 : Docid # IndLawLib/2422399 Civil Appeal No. 2320 of 2025 (Arising out of SLP(C)No.12067 of 2024) Decided on : 11-02-2025**

Documents such as income tax returns and audit reports are reliable evidence to determine the income of the deceased. [Para 14] **K. Ramya & Ors. versus National Insurance Co. Ltd. & Anr AIR 2022 SC 4802 : 2022 LiveLaw (SC) 816**

DOCUMENT TO BE READ AS A WHOLE.

- **Narmada Bachao Andolan v. State of M. P 2011 AIR SCW 4473**
- **Commr. I.T., W.B., III, Calcutta v. Sri Jagannath Jew (through Shebait) AIR 1977 SUPREME**

COURT 1523

- clause in the contract must be read as a whole **State of Orissa and another etc Appellant v. Sri Damodar Das Respondent AIR 1996 SUPREME COURT 942 ; SEE ALSO AIR 2022 SC 3036 ; General Insurance Society Vs. Chandumull Jain AIR 1966 SC 1644**
- The evidence of the witnesses have to be read as a whole. Words and sentences cannot be truncated and read in isolation. **Mustak alias Kanio Ahmed Shaikh v. State of Gujarat AIR 2020 SUPREME COURT 279**
- The averments of the plaint have to be read as a whole to find out whether the averments disclose a cause of action or whether the suit is barred by any law **AIR 2020 SUPREME COURT 2721**
- The insurance contract must be read as a whole and every attempt should be made to harmonise the terms thereof, keeping in mind that the rule of contra proferentem does not apply in case of commercial contract, for the reason that a clause in a commercial contract is bilateral and has mutually been agreed upon. (para 30) **NATIONAL INSURANCE COMPANY LTD. versus THE CHIEF ELECTORAL OFFICER & ORS 2023 LiveLaw (SC) 90 : 2023 (2) BLJ 130 (SC).**
see also **Oriental Insurance Co. Ltd. v. Sony Cheriyan (1999) 6 SCC 451, Polymat India (P) Ltd. v. National Insurance Co. Ltd. (2005) 9 SCC 174, Sumitomo Heavy Industries Ltd. v. ONGC Ltd. (2010) 11 SCC 296 and RashtriyaIspat Nigam Lid. v. Dewan Chand Ram Saran (2012) 5 SCC 599.**

ENHANCEMENT OF COMPENSATION

Court to examine only the issue of enhancement of compensation, not the cause of accident as concurrently held by Tribunal and High Court. **Kavita Devi And Others vs. Sunil Kumar And Another Docid # IndLawLib/2428400 : 2025 INSC 938** see also **RANI @ RAJ KUMARI AND OTHERSVs. KAMLAKAT GUPTA AND OTHERS Docid # IndLawLib/2436484 : 2025 INSC 1393**

Loss of income and future prospect - Claimant aged about 16 years was a brilliant student at time of accident - Suffering permanent total disablement of both her legs due to accident - Claimant held, is entitled to 50% increase under head of loss of income and future prospects. **AIR 2014 SC (Supp) 22 "V. Mekala Vs. M. Malathi"**

There is no restriction that Tribunal / Court cannot award compensation exceeding the amount claimed. **AIR 2008 SUPREME COURT 1221 "A.P.S.R.T.C. v. M. Ramadevi"**

Under the MV Act, there is no restriction that the Tribunal/Court cannot award compensation amount exceeding the claimed amount. The function of the Tribunal/Court is to award "just" compensation which is reasonable on the basis of evidence produced on record. Further, in such cases there is no question of claim becoming time-barred or it cannot be contended that by enhancing the claim there should be change of cause of action. It is also to be stated that as provided under sub-section (4) to S. 166, even the report submitted to the Claims Tribunal under sub-section (6) of S. 158 can be treated as an application for compensation under the MV Act. If required, in appropriate cases, the Court may permit amendment to the claim petition." **Nagappa v. Gurdial Singh and Ors. (2003 (2) SCC 274) : 2002 AIR SCW 5348**

Reduced the compensation only on the ground that the deceased was aged 50 years 3 months on the date of the accident, as such the compensation is to be calculated on account of loss of dependency by granting future prospects at 15 % and not 30% When the age of the deceased was considered in the group of 40 to 50 years - High Court has committed error in granting only 15% towards future prospects instead of 30%. **M.H. Uma Maheshwari and others Vs. United India Insurance Company Ltd. C**

EVIDENCE ACT

Liability under the Motor Vehicles Act must be established through credible evidence. **Sithara N.S. And Others Vs. Sai Ram General Insurance Company Limited Docid # IndLawLib/2436751 :2025 INSC 1425**

Documents mentioned in Section 74 of the Evidence Act only can be said to be public documents, the certified copies of which are to be given by the concerned police officer having the custody of such a public document. Copy of the chargesheet along with the necessary documents cannot be said to be public documents within the definition of Public Documents as per Section 74 of the Evidence Act. As per Section 75 of the Evidence Act all other documents other than the documents mentioned in Section 74 of the Evidence Act are all private documents. Therefore, **the chargesheet/documents along with the chargesheet cannot be said to be public documents under Section 74 of the Evidence Act, reliance placed upon Sections 74 & 76 of the Evidence Act is absolutely misplaced. Saurav Das versus Union of India & Ors. WRIT PETITION (CIVIL) No.1126 of 2022; JANUARY 20, 2023 2023 LiveLaw (SC) 52**

Proceedings before the Motor Vehicles Claims Tribunal, the rule of evidence to prove charges in a criminal trial cannot be used while deciding an application under Section 166 of the Motor Vehicles Act, 1988 which is summary in nature. There is no reason to doubt the veracity of the statement of the Claimant who suffered injuries in the accident. The application under the Act has to be decided on the basis of evidence led before it and not on the basis of evidence which should have been or could have been led in a criminal trial. **Janabai Dinkarrao Ghorpade & Ors. Versus M/S. I.C.I.C.I. Lambord Insurance Company Ltd Civil 2022 LiveLaw (SC) 666 : AIR 2022 SC 3731: (2022) 7 JT 598 : (2022) 11 SCALE 907 see also Rajwati Vs. United India Insurance Company 2023 (1) BLJ 190 (SC) : (2022) 12 JT 211**

Vehicles Act is a summary proceeding thus provisions of the Evidence Act will not be applicable in such proceedings **National Insurance Company vs. Mahendra Prasad 1997 PLJR (1) 907.**

User of vehicle has to be established by cogent evidence **FAHIM AHMAD Vs. UNITED INDIA INSURANCECO.LTD [2014] 2 Supreme 633**

As the claimant has assessed the age of the deceased and mentioned it in the claim petition with date of birth in precise, hence the evidence deduced by the claimant against its aforesaid case is not admissible in the eyes of law as no evidence can be given against the pleading. **National Insurance Company Ltd. Vs. Sri Laleswar Prasad Sharma 2019 (1) BLJ 107**

A holistic view of the evidence has to be taken into consideration by the Tribunal and strict proof of an accident caused by a particular vehicle in a particular manner need not be established by the claimants. The claimants have to establish their case on the touchstone of preponderance of probabilities. The standard of proof beyond reasonable doubt cannot be applied while considering the petition seeking compensation on account of death or injury in a road traffic accident. **Bimla Devi vs. Himachal Road Transport Corporation (2009) 13 SCC 530 see also Dulcina Fernandes vs. Joaquim Xavier Cruz, (2013) 10 SCC 646 ; Mathew Alexander Vs. Mohammed Shafi and Anr. Criminal Appeal No. 1931 of 2023 (Arising out of SLP (Crl.) No.8211 of 2022) dated JULY 13, 2023 (2023) AIR(SC) 3349 : (2023) 7 JT 137**

The claimant herein is to establish negligence on the part of the driver of the tanker lorry in the petition filed by him seeking compensation on account of death of his son in the said accident. Thus, the opinion in the final report would not have a bearing on the claim petition for the aforesaid reasons. This is because the

claimant herein is seeking compensation for the death of his son in the accident which occurred on account of the negligence on the part of the driver of the tanker lorry, causing the accident on the said date. **Mathew Alexander Vs. Mohammed Shafi and Anr. Criminal Appeal No. 1931 of 2023 (Arising out of SLP (Crl.) No.8211 of 2022) dated JULY 13, 2023 (2023) AIR(SC) 3349 : (2023) 7 JT 137**

ESTOPPEAL

Tribunal was right in holding that the driver of the offending vehicle possessed a valid driving license at the time of accident and that the Insurance Company failed to adduce any evidence to prove otherwise. The Insurance Company had no right to raise any objection about the admissibility and manner of proving of the license at a later stage (See **Oriental Insurance Company Ltd. Vs. Premlata Shukla & Ors., (2007) 13 SCC 476**) the High court was not right in reversing the finding of the Tribunal. **Rakesh Kumar & Etc. Etc. Versus United India Insurance Company Ltd. & Ors. Etc. Etc. 2016 0 Supreme(SC) 541;**

FAKE CLAIM

Dharampal driver had by his negligent act run over Ram Kanwar, the most natural conduct would have been to lodge a complaint. . Complaint was not lodged for nearly one month is a significant omission in the case. The High Court has also noticed that there were no hospital records to indicate, from the nature of the injuries, that death had occurred due to an accident of the nature alleged. . The fact that proper medical records were not available has, in this background, weighed with the High Court. Besides the above aspects, the High Court has found that the assessment of compensation by the Tribunal is perverse.

On a careful analysis of the judgment of the High Court and the material on the record, we find no reason to take a view at variance with that of the High Court. The reasoning contained in the award of the Tribunal was perfunctory. The Tribunal failed to notice crucial aspects of the case which have a bearing on the question as to whether the death of Ram Kanwar was caused as a result of the accident caused by the tractor. Each of the circumstances relied upon by the High Court is germane to the ultimate conclusion that **a false case was set up to support a claim for compensation**. The appellants have not been able to displace the careful analysis of the evidence by the High Court and the findings which have been arrived at. **ANIL & ORS Versus NEW INDIA ASSURANCE CO. LTD. & ORS 2018 0 Supreme(SC) 43**

FUTURE PROSPECT

The addition of future prospects cannot be denied in cases of self-employed persons or those employed on a fixed salary. **KAVITA NAGAR & ORS. Versus THE ORIENTAL INSURANCE CO. LTD. 2024 LiveLaw (SC) 894**

In cases of permanent disablement caused by a motor accident, the claimant is entitled to not just future loss of income, but also future prospects - "Just compensation" must be interpreted in such a manner as to place the claimant in the same position as he was before the accident took place. Even if the income of the claimant had increased after the accident, it would not be enough grounds to disable him from claiming compensation for future prospect as the rise in income may be attributed to multiple other factors (*Para 18-20 Mohd Sabeer @ Shabir Hussain v. Regional Manager UPSRTC, 2022 LiveLaw (SC) 1017*)

The granting of future prospects, on the notional income calculated in such cases, is a component of just compensation. **Kirti and Anr. Etc. v. Oriental Insurance Company Ltd. AIR 2021 SUPREME COURT 353 see also Sidram vs Divisional Manager United India Insurance Co. Ltd. | 2022**

Deceased aged 42 years – Self-employed – Future prospects cannot be denied in light of in National Insurance Company Limited v Pranay Sethi, AIR 2017 SUPREME COURT 5157) :[\(2017\) 13 SCALE 12](#) settles the issue. The deceased was self-employed. In such a case, future prospects cannot be denied. The grant must be in accordance with the following principle set down in the judgment:

“(iv) In case the deceased was self-employed or on a fixed salary, an addition of 40% of the established income should be the warrant where the deceased was below the age of 40 years. An addition of 25% where the deceased was between the age of 40 to 50 years and 10% where the deceased was between the age of 50 to 60 years should be regarded as the necessary method of computation. The established income means the income minus the tax component.” **RELIANCE GENERAL INSURANCE COMPANY LTD VERSUS SHALU SHARMA AND ORS AIR 2018 SUPREME COURT 712 : 2018 0 Supreme(SC) 102 see also New India Assurance Company Ltd. Vs. Urmila Shukla Civil Appeal No.4634 of 2021 (Arising out of S.L.P. (Civil) No. 26687 of 2018 decided on 06.08.2021.**

Deceased, unmarried aged 21 years at time of accident - Working as contract worker - High Court taking established income of deceased at Rs. 4,000/- p.m. but not providing for future prospects while computing compensation under head of loss of dependency - 40% of future prospects granted towards established income of deceased - Compensation towards loss of dependency modified to Rs. 6,04,800/- - Claimants held entitled to enhanced compensation of Rs. 6,74,300/- along with interest of 9% p.a. **Munusamy and Ors. v. Managing Director, Tamil Nadu State Transport Corporation (Villupuram) Ltd. AIR 2018 SUPREME COURT 816**

The judgment of a Constitution Bench of this Court in National Insurance Company Limited v Pranay Sethi, [\(2017\) 13 SCALE 12](#) settles the issue. The deceased was self-employed. In such a case, future prospects cannot be denied. The grant must be in accordance with the following principle set down in the judgment:

(iii) While determining the income, an addition of 50% of actual salary to the income of the deceased towards future prospects, where the deceased had a permanent job and was below the age of 40 years, should be made. The addition should be 30%, if the age of the deceased was between 40 to 50 years. In case the deceased was between the age of 50 to 60 years, the addition should be 15%. Actual salary should be read as actual salary less tax.

“(iv) In case the deceased was self-employed or on a fixed salary, an addition of 40% of the established income should be the warrant where the deceased was below the age of 40 years. An addition of 25% where the deceased was between the age of 40 to 50 years and 10% where the deceased was between the age of 50 to 60 years should be regarded as the necessary method of computation. The established income means the income minus the tax component.”

Since the deceased was 42 years of age, an addition of 25% on the ground of future prospects would be warranted instead of 30% computed by the Tribunal. **RELIANCE GENERAL INSURANCE COMPANY LTD VERSUS SHALU SHARMA AND ORS 2018 AIR (SC) 712; 2018 0 Supreme (SC) 102;**

the ITRs for the assessment years 2005-06 and 2006-07, filed prior to the death of the deceased, which reflect the income of approximately Rs. 1,00,000 p.a. (as assessed by the MACT in its Award dated 22.12.2009), we make this the basis for computing the compensation payable to the Claimants. The Courts below have not awarded any amount towards future prospects, as mandated by the judgment of the Constitution Bench in National Insurance Company Limited v. Pranay Sethi and Ors. Accordingly, we award future prospects @40% of the income of the deceased. **SMT. SANGITA ARYA AND OTHERS Vs. ORIENTAL INSURANCE CO. LIMITED AND OTHERS 2020 (4) BLJ 455 (SC) AIR 2020 SUPREME COURT 2877**

FAKE POLICY/ COVER NOTE/ NO POLICY

When it was brought on record in review that upon a verification of the policy, its period did not cover the date when accident occurred, it would subserve the ends of justice if the appellant-Insurance Company is allowed to recover 50% of the compensation from the owner and the driver in accordance with law.

NEW INDIA ASSURANCE CO. LTDVs. NARAYAN SINGH AND OTHERS 2025 INSC 1178 : [Docid # IndLawLib/2433222](#)

If the Insurance Company wanted to prove that the vehicle was not insured then it would have produced the appropriate register of the said year, **Branch Manager, National Insurance Company Ltd., Patna Versus Maheshwar Prasad Singh 2007 1 PLJR 301; 2006 0 Supreme(Pat) 672;**

If it is proved by evidence that on the date and time of accident the offending vehicle was not insured with the insurance company and the insurance policy found to be fake and forged after enquiry, the compensation is to be paid by the owner of the vehicle. **United India Insurance Company Ltd. Vs. Kum Kum Devi 2019 (5) BLJ 863 see also Manoj Kumar vs. Ram Sagar Yadav 2023 (1) BLJ 164**

The Tribunal has absolved the insurance company on the finding that no premium was received by the insurance company nor any insurance policy was ever issued by the insurance company in relation to the offending vehicle. The respondents no.2 and 3 had relied on a Cover Note which according to respondent No.1 - Insurance Company was fraudulently obtained from the then Development Officer, who was later on sacked by respondent No.1 Insurance Company. The possibility of misuse of some cover notes lying with him could not be ruled out. **Mangla Ram Versus Oriental Insurance Co. Ltd. & Ors. AIR 2018 (SC) 1900**

FRAUD

Allegations of fraud require specific pleading and proof.. The insurance company was held liable to indemnify the owner and compensate the claimants. **National Insurance Company Ltd. v. Maya Devi, [2025 LiveLaw \(SC\) 58 : 2024 INSC 1050](#)**

FRAMING OF ISSUES

The High Court is equally under legal obligation to decide all issues arising in the case both on facts and law after appreciating the entire evidence. [See National Insurance Company Ltd. v. Naresh Kumar and Ors. ((2000) 10 SCC 198 and State of Punjab and Anr. v. Navdeep Kuur and Ors. (2004) 13 SCC 680]. **U.P.S.R.T.C.Vs. Mamta and Ors. , AIR 2016 SC 948 : 2016 (2) PLJR293,**

It is settled principle of law that framing of issues are essential part of adjudication in view of Rules 236, 237 of Bihar Motor Vehicle Rules, 1992 and Rules 16, 17 and 19 of Bihar Motor Vehicles Accident Claims Tribunal Rules, 1961. **Anita Devi Vs. Krishna Sharma 2014 (3) PLJR 708 See Also Oriental Insurance Company Vs. Awadhesh Kumar Sharma and Ors 2015 (2) PLJR 777; Oriental Insurance Co. Vs. Superintendent, Bihar State Road Transport Corporation and Ors. 2015 (2) BLJ 278 , New India Assurance Company Vs. Bibi Kuresha Khatoon 2019 (2) BLJ 152**

The inquiry under Section 168 and the summary procedure that the Claims Tribunal has to follow do not contemplate the controversy arising out of claim application being decided in piecemeal. **The Claims Tribunal is required to dispose of all issues one way or the other in one go while deciding the claim**

application. The objection raised by the Insurance Company about maintainability of claim petition is intricately connected with its liability which in the facts and circumstances of the case is dependent on determination of the effect of the additional premium paid by the insured to cover the risk of the driver and other terms of the policy including terms of the policy contained in para 5. Since all issues (points for determination) are required to be considered by the Claims Tribunal together in light of the evidence that may be let in by the parties and not in piecemeal, "**Bimlesh v. New India Assurance Co. Ltd.**" AIR 2010 SUPREME COURT 2591

Liability of Insurance Company - Defence raised by Insurance Company that driver of vehicle had no licence - However, before the Tribunal Insurance Company neither pleaded nor led any evidence to show that driver of truck had no licence - Insurance company fails to discharge burden of proof that driver had no licence- Insurance company liable to pay compensation awarded by Tribunal. "**Punam Devi v. D. M. New India Assurance Co. Ltd.**" AIR 2004 SUPREME COURT 1742

If no issue is framed and no evidence is given to substantiate the plea the contention raise cannot be accepted **G. Rama vs. T.G. Seshagiri Rao (2008) 12 SCC 392**

As per Rule 19 of the Motor Vehicles Accident Claims Tribunal Rules , the Tribunal to answer each of the issues framed. **Oriental Insurance Company Ltd. Vs. Thakuni Devi and others 2002 (2) PLJR 780**

The policy was against a dead person, the issue not supported by evidence that the insurer had no knowledge of the death of the owner of the vehicle , insurer cannot deny his liability **United India Insurance Company Vs. Santro Devi and others 2009 AIR SCW 647 : (2009) 1 SCC 558**

There is no need of framing of specific issue if the point raised is proved by the fact that the owner while driving the vehicle was not having an effective driving licence **AIR 2009 SUPREME COURT 2177 "Bhuvan Singh v. M/s. Oriental Insurance Co. Ltd." 2009 AIR SCW 2865**

Simply the involvement of the bus in the accident cannot make the respondent liable to pay compensation unless it can be held on the basis of materials on record that the accident was caused by rash and negligent act of the driver-respondent No. 2. On this issue, on comparing the reasons given by the Tribunal while discussing the issue No.1 **AIR 2014 SC (Supp) 1218 "Lachoo Ram Vs. Himachal Road Transport Corpn"**

An appeal under Section 173 of the M.V. Act is essentially in the nature of first appeal alike Section 96 of the Code and, therefore, the High Court is equally under legal obligation to decide all issues arising in the case both on facts and law after appreciating the entire evidence. [See **National Insurance Company Ltd. v. Naresh Kumar and Ors. ((2000) 10 SCC 198** and **State of Punjab and Anr. v. Navdeep Kaur and Ors. (2004) 13 SCC 680**]. **U. P. S. R. T. C. v. Km. Mamta and Ors .AIR 2016 SUPREME COURT 948**

FIRST INFORMATION REPORT

We see from the FIR that based on the Medico Legal (Murg) report an investigation was carried out in the course of which the eyewitness was detected and Annexure P-2 FIR was registered. We do not find any reason to disbelieve the FIR, especially since the insurance company did not make any attempt to examine the investigating officer before the Tribunal. **Sanju Bai Prajapati And Others Vs. The New India Assurance Company Ltd. And Others Docid # IndLawLib/2427830 : 2025 INSC 823 Civil Appeal No.of 2025 (@Special Leave Petition (C) No. 13455 of 2023) Decided on : 14-07-2025**

If F.I.R. is a part of the claim case, it cannot be ignored. **National Insurance Company Vs. Rattani and others (2009) 2 SCC 75 : 2009 AIR SCW 992 : AIR 2009 SC 1499** see also **National Insurance Company Limited Vs. Chamundeswari And Others Civil Appeal No. 6151 of 2021 (Arising out of SLP (c) No. 4705 of 2019) Decided on : 01-10-2021 Docid # IndiaLawLib/1600465**

The complaint/FIR has to be read as a whole. **M/s. Neeharika Infrastructure Pvt. Ltd. v. State of Maharashtra** and Ors. **AIR 2021 SUPREME COURT 1918**

GENERAL CLAUSES ACT, 1897

Section 27 of the General Clauses Act, 1897 gives rise to a presumption that service of notice has been affected when it is sent to the correct address by registered post. Unless and until the contrary is proved by the addressee, service of notice is deemed to have been affected at the time at which the letter would have been delivered in the ordinary course of business. Section 114 of the Evidence Act, 1872 enables the Court to presume that in the common course of natural events, the communication sent by the post would have been delivered at the address of the addressee. **Ajeet Seeds Ltd. K. Gopala Krishnaiah (2014) 12 SCC 12** see also **The IFFCO - TOKIO General Insurance Company Limited Versus Shamima Khatoon 2024 (5) BLJ 472**

Section 26 of the General Clauses Act, 1897 provides, “Where an act or omission constitutes an offence under two or more enactments, then the offender shall be liable to be prosecuted and punished under either or any of those enactments, but shall not be liable to be punished twice for the same offence.”

It is well settled that an act or an omission can constitute an offence under the IPC and at the same time, be an offence under any other law. **The State Of Arunachal Pradesh Versus Ramchandra Rabidas @ Ratan Rabidas & Anr. – 2019 0 Supreme(SC) 1132;**

If a statutory instrument has devised a formula which affords better or greater benefit, such statutory instrument must be allowed to operate unless the statutory instrument is otherwise found to be invalid.

If an indicia is made available in the form of a statutory instrument which affords a favourable treatment, the decision in *Pranay Sethi* cannot be taken to have limited the operation of such statutory provision specially when the validity of the Rules was not put under any challenge. **NEW INDIA ASSURANCE CO. LTD. Vs. URMILA SHUKLA AND OTHERS** Civil Appeal No. 4634 of 2021 and (Arising out of S.L.P. (Civil) No.26687 of 2018) Decided on : 06-08-2021**(2021) ACJ 2081**

GRATUITOUS PASSENGER

The law is well settled that when a tractor and trailer are involved, both the tractor as well as the trailer are required to be insured. Therefore, in a normal circumstance, when the appellant/claimant was travelling in the trailer which was not insured, the liability on the Insurance Company cannot be fastened **DHONDUBAI versus HANMANTAPPA BANDAPPA GANDIGUDE SINCE DECEASED THROUGH HIS LRS. & ORS. AUGUST 28, 2023 CIVIL APPEAL NOS.5459-5460 OF 2023 (@ SLP (C) No.4672-4673 OF 2019) 2023 LiveLaw (SC) 725**

The evidence on record unambiguously pointed out that neither was any trailer insured nor was any trailer attached to the tractor. Thus, it would follow that the appellant travelled in the tractor as a passenger, even though the tractor could accommodate only one person namely the driver. As a result, the Insurance Company (respondent No.2) was not liable for the loss or injuries suffered by the appellant or to indemnify the owner of the tractor. That conclusion reached by the High Court, in our opinion, is unexceptionable in the

fact situation of the present case. **Shivaraj Versus Rajendra & Anr. 2018 0 Supreme (SC) 863; AIR 2018 SUPREME COURT 4252**

the tractor was insured for agricultural purpose, the victim was coming on the trailer of the tractor with brick for the construction of his building itself shows that the tractor was being used for commercial purposes and for that no extra premium was paid to the Insurance Company result is that the deceases was a gratuitous passenger inasmuch as the tractor owner by engaging the tractor in non-agricultural purpose itself violated the terms of the insurance policy will not liable the Insurance Company to indemnify the insurer. **The United India Insurance Company Limited Vs.: Biltan Sao and Ors. [MANU/BH/0908/2015](#)**

When a tractor and trailer are involved, **both the tractor as well as the trailer are required to be insured** - However, invoking Article 142 powers, Insurance Company directed to pay the amount awarded by the High Court as compensation with the accrued interest and recover the same from the owner of the vehicle. **DHONDUBAI versus HANMANTAPPA BANDAPPA GANDIGUDE SINCE DECEASED THROUGH HIS LRS. & ORS. 2023 LiveLaw (SC) 725**

The Court endorsed the High Court's ruling in United India Insurance Co. Ltd. v. Koduru Bhagyamma, 2007 SCC OnLine AP 830, confirming that a trailer attached to an insured tractor does not require separate insurance. The quantum of compensation and the insurer's liability were upheld. (Para 11 & 14) **Royal Sundaram Alliance Insurance v. Honnamma, [2025 LiveLaw \(SC\) 533](#) : 2025 INSC 625 : AIR 2025 SC 2641**

A driver employed on another vehicle of the same employer, travelling in cabin of vehicle meeting accident - Claim for compensation - Merely travelling in cabin does not make his case different from any other gratuitous passenger - Claim not maintainable. **Manager, National Insurance Co. Ltd. Vs. Santosh [2013] SCC 41 : AIR 2013 (SC) 1064: [2013] 1 Supreme 108**

The statutory policy only covers employees of the insured - Does not cover someone traveling not being an authorised agent in place of the owner of goods - Employee of owner of goods thus not covered. **2013 AIR SCW 301 "Sanjeev Kumar Samrat v. National Insurance Co. Ltd.": AIR 2013 (SC) 1125**

Gratuitous passenger travelling in goods carriage - Insurance Company cannot be held liable to settle claim. **AIR 2008 SC (Supp) 1631 "National Insurance Co. Ltd. v. Prema Devi"**

Policy of insurance in respect of scooter was Act policy - Scooter met with accident - Death of pillion rider, a gratuitous passenger in accident - Claim for compensation - Insurance Company would not be liable to pay compensation. **AIR 2009 SUPREME COURT 626 "General Manager, United Insurance Co. Ltd. v. M. Laxmi"**

Marriage Party traveling in a goods carriage Deceased thus was gratuitous passenger and policy would not cover his life - Insurance Company not liable. **National Insurance Company Vs. Rattani and others (2009) 2 SCC 75 : 2009 AIR SCW 992 : AIR 2009 SC 1499**

Deceased travelling in truck – Not owner of goods carried in truck - Driver of truck also not holding valid licence to drive goods carriage - Liability to pay compensation is of owner and not insurer. **AIR 2008 SUPREME COURT 2252 "National Insurance Co. Ltd. v. Kaushalya Devi"**

Goods carriage carrying passengers - Accident - Evidence of one of passengers showing that he was travelling in vehicle with his goods as owner and not the deceased - Deceased thus was gratuitous passenger and policy would not cover his life - Insurance Company not liable. **AIR 2008 SUPREME COURT 484**

"National Insurance Co. Ltd. v. Cholleti Bharatamma" see also National Insurance Company Vs. Kaushalaya Devi 2008 (4) PLJR 72 (SC)

Passenger travelling in goods carriage - Insurer have no liability therefore. **AIR 2008 SUPREME COURT 245 "Thokchom Ongoi Sangeeta v. Oriental Insurance Co. Ltd."**

Gratuitous passenger in a private vehicle is not covered in the policy **United India Insurance Company Vs. Tilak Singh (2006) 4 SCC 404 see also Oriental Insurance Company Vs. Sudhakaran K.V. and others (2008) 7 SCC 428**

Granting of ad interim compensation to a passenger of a truck, an unauthorized passenger is illegal **New India Assurance Company vs. Smt. Mamta Devi (1995) 1 BLJR 332.**

Goods Vehicle cannot be considered to be a passenger vehicle used for carrying passenger for hire or reward, on death of owners of goods Insurance Company is not liable for payment of compensation. **Smt. Mallawwa vs. Oriental Insurance Company &ors. (1999) 1 BLJR 1 : AIR 1999 S.C. 589 : 1999 ACJ 1 See also Krishna Kumar Agrawal vs. Most. Komiya Devi 1999 (1) PLJR 870 THESE CASES HAVE BEEN DISTINGUISHED BY THE SUPREME COURT IN New India Assurance Company VS. Satpal Singh (2000) 1 SCC (Over Ruled)**

Gratuitous passenger cannot be excluded after the 1994 amendment of the Motor Vehicles Act, **1988 New India Assurance Co. Vs. Asha Rani 2002 AIR SCW 5259 : (2003) 2 SCC 223 ; see also National Insurance Company Ltd. Vs. Bhukya Tara (2010) 14 SCC 768 : (2012) 2 SCC (Cri) 349**

Insurance Company not liable to pay compensation for death of passengers traveling in goods Vehicle. **Oriental Insurance Company Vs. Devireddy Konda Reddy and others 2003 AIR SCW 513 : Oriental Insurance Company Vs. Jogi Subbamma and others 2003 AIR SCW 513 : (2003) 2 SCC 339 National Insurance Company Vs. Bommithi Subbhayamma (2005) 12 SCC 243**

Goods vehicle - Passenger travelling in - Compensation - Liability of insurer - Definition of 'goods carriage; under new Act does not include passengers unlike old Act - Insurer not liable to pay compensation in case of injury or death of gratuitous passenger. **"New India Assurance Co. Ltd. v. Vedwati" AIR 2007 S.C. 1334 : (2007) 9 SCC 486 see also National Insurance Company Vs. Prema Devi (2008) 5 SCC403**

even though a trailer is drawn by a motor vehicle, it by itself being a motor vehicle, the tractor-trailer would constitute a "goods carriage" under S. 2(14) and consequently, a "transport vehicle" under S. 2(47). The test to be applied in such a case is whether the vehicle is proposed to be used for transporting goods from one place to another. When a vehicle is so altered or prepared that it becomes apt for use for transporting goods, it can be stated that it is adapted for the carriage of goods. Applying the above test, the tractor-trailer in the present case falls under S. 2(14) as a "goods carriage" and consequently, it falls under the definition of "transport vehicle" under S. 2(47) of the M. V. Act, 1988. **AIR 2005 SUPREME COURT 3428 "Natwar Parikh and Co. Ltd., M/s. v. State of Karnataka"= 2005 AIR SCW 4361**

Deceased travelling as '**gratuitous passenger**' not covered under insurance policy - Insurer directed to pay amount of compensation to claimants and recover same from insured. **Manuara Khatun and Ors. v. Rajesh Kr. Singh and Ors AIR 2017 SUPREME COURT 1204 see also Anu Bhanvara Etc. v. IFFCO Tokio General Insurance Company Limited and Ors. AIR 2019 SUPREME COURT 3934**

HIRED ON AGREEMENT

If an insured vehicle is plying under an agreement with the Corporation on the route as per permit granted in favour of the Corporation and in case of any accident during that period, the Insurance Company would be liable to pay compensation thus through the definition of "vicarious liability" it can be inferred that the person supervising the driver is liable to pay the compensation to the victim. During such time, however, it will be deemed that that vehicle was transferred along with the insurance policy, even if it were insured at the instance of the original owner. Thus, the Insurance Company would not be able to escape its liability to pay the amount of compensation. **Uttar Pradesh State Road Transport Corporation v. Kulsum and Others (2011) 8 SCC 142: (2012) 1 PLJR 281 : (2012) 1 JLJR 41** see also **CIVIL APPEAL NOS.18490-18491 of 2017 UTTAR PRADESH STATE ROAD TRANSPORT CORPORATION ...Appellant(s) Vs. NATIONAL INSURANCE CO. LTD. & ORS. ...Respondent(s)** Live Law 2021 SC 313 decided on July 14, 2021.

HIT AND RUN CASE –

Claimants would be entitled to compensation of at least Rs.25,000/-as per provisions of S.161(3)(a) of Act. **"Saroj v. Het Lal" AIR 2011 SUPREME COURT 671**

Compensation for Victims of Hit and Run Under Motor Accidents Scheme, 2022 - Section 161 - the Police report concluding that it is a case of hit and run accident, the Police must inform the victim or the legal representatives of the victim, as the case may be, about the availability of the Scheme. *(Para 6) S. Rajasekaran v. Union of India, 2024 LiveLaw (SC) 35 : AIR 2024 SC 583*

HOUSE / HOME MAKER

Monthly income – Deceased house maker – Not possible to monetize domestic work done by house maker – Reasonable to fix her income at Rs.3,000/- per month. **JITENDRA KHIMSHANKAR TRIVEDI & ORS. Versus KASAM DAUD KUMBHAR & ORS. –2015 4 SCC 237;**

Her deemed monthly income could not be anything less than given under the Minimum Wages Act. **ARVIND KUMAR PANDEY vs. GIRISH PANDEY., 2024 LiveLaw (SC) 152**

The alternative to imputing money values is to measure the time taken to produce these services and compare these with the time that is taken to produce goods and services which are commercially viable. One has to admit that in the long run, the services rendered by women in the household sustain a supply of labour to the economy and keep human societies going by weaving the social fabric and keeping it in good repair. If we take these services for granted and do not attach any value to this, this may escalate the unforeseen costs in terms of deterioration of both human capabilities and social fabric. **Arun Kumar Agrawal & Anr. vs. National Insurance Company Ltd. & Ors. [2010] 9 SCC 218** see also **Kirti and another Vs. Oriental Insurance Company** decided on 05.01.2021 AIR 2021 SUPREME COURT 353

HUSBAND

Claimant husband not dependent on wife's income

the husband would be getting a lump sum payment which but for his wife's death would have been available to him in dribs and drabs over a number of years. Allowance must be made for the uncertainties and the total figure scaled down accordingly. The deceased might not have been able to earn till the age of retirement for some reason or other, like illness or for having to spend more time to look after the family which was expected to grow. Thus the amount assessed has to be reduced taking into account these imponderable factors **M.P. State Road Transport Corporation, Bairagarh, Bhopal Appellant v. Sudhakar and others, etc Respondents. AIR 1977 SUPREME COURT 1189**

Since there was **no employment specified of the husband**, it cannot be assumed that he would not have been least partially dependent on the income of the deceased. Hence the family has to be comprised of 4 in which circumstances the deduction for personal expenses shall be at 1/4th. *Malakappa v. Iffco Tokio General Insurance Company*, [2025 LiveLaw \(SC\) 511](#) : 2025 INSC 590

Income Tax Return

The income tax return is a statutory document on which reliance may be placed to determine the annual income of the deceased. **Malarvizhi & Ors. Versus United India Insurance Company Limited & Anr. 2019 0 Supreme(SC) 1338**; see also **Ranjana Prakash Vs. Divisional Manager (2011) 14 SCC639** see also **SMT. ANJALI AND OTHERS Vs. LOKENDRA RATHOD AND OTHERS AIR 2023 (SC) 44**

A person who had an income of Rs.95,000/- (Rupees Ninety-five Thousand only) per month would definitely be liable to pay income tax. There were no income tax returns produced by the claimants, which assumes much relevance insofar as the claim of income exceeding the taxable limit as per the Income Tax Act. There is no basis for such an assumption, and the computation of annual income is on mere surmises and conjectures. **M/S National Insurance Co. Ltd. Vs. Neeru Devi And Others Docid # IndLawLib/2436877 : 2025 INSC 1430**

INDIAN PENAL CODE

Chapter XIII of the M.V. Act, 1988 deals with “Offences, Penalties and Procedure”. It deals with offences relating to contraventions of the provisions of the M.V. Act, or any rule, regulation or notification made thereunder. It primarily deals with offences relating to licenses, driving of vehicles by unauthorized persons, control of traffic, maintenance of motor vehicles, using a vehicle in an unsafe condition, or without registration or permit, driving beyond speed limits, driving dangerously or driving by a drunken person, or by a person under the influence of drugs,

The IPC, on the other hand, is punitive and deterrent in nature. The principal aim and object is to punish offenders for offences committed under the IPC. The relevant provisions of the IPC which are necessary to advert to are extracted herein below:

5. Certain laws not to be affected by this Act.-Nothing in this Act shall affect the provisions of any Act for punishing mutiny and desertion of officers, soldiers, sailors or airmen in the service of the Government of India or the provisions of any special or local law.

279. Rash driving or riding on a public way.- Whoever drives any vehicle, or rides, on any public way in a manner so rash or negligent as to endanger human life, or to be likely to cause hurt or injury to any other person, shall be punished with imprisonment of either description for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

304. Punishment for culpable homicide not amounting to murder.

Whoever commits culpable homicide not amounting to murder, shall be punished with imprisonment for life, or imprisonment of either description for a term which may extend to ten years, and shall also be liable to fine, if the act by which the death is caused is done with the intention of causing death, or of causing such bodily injury as is likely to cause death;

or with imprisonment of either description for a term which may extend to ten years, or with fine, or with both, if the act is done with the knowledge that it is likely to cause death, but without any intention to cause death, or to cause such bodily injury as is likely to cause death.

304A. Causing death by negligence - Whoever causes the death of any person by doing any rash or negligent act not amounting to culpable homicide, shall be punished with imprisonment of either description for a term which may extend to two years, or with fine, or with both.

337. Causing hurt by act endangering life or personal safety of others.- Whoever causes hurt to any person by doing any act so rashly or negligently as to endanger human life, or the personal safety of others, shall be punished with imprisonment of either description for a term which may extend to six months, or with fine which may extend to five hundred rupees, or with both.

338. Causing grievous hurt by act endangering life or personal safety of others. -Whoever causes grievous hurt to any person by doing any act so rashly or negligently as to endanger human life, or the personal safety of others, shall be punished with imprisonment of either description for a term which may extend to two years, or with fine which may extend to one thousand rupees, or with both.

There is no conflict between the provisions of the IPC and the MV Act. Both the statutes operate in entirely different spheres. The offences provided under both the statutes are separate and distinct from each other. The penal consequences provided under both the statutes are also independent and distinct from each other. The ingredients of offences under the both statutes, as discussed earlier, are different, and an offender can be tried and punished independently under both statutes. The principle that the special law should prevail over the general law, has no application in cases of prosecution of offenders in road accidents under the IPC and M.V. Act.

It is pertinent to mention that there is no provision under the M.V. Act which separately deals with offences causing death, or grievous hurt, or hurt by a motor vehicle in cases of motor vehicle accidents. Chapter XIII of the M.V. Act is silent about the act of rash and negligent driving resulting in death, or hurt, or grievous hurt, to persons nor does it prescribe any separate punishment for the same; whereas Sections 279, 304 Part II, 304A, 337 and 338 of the IPC have been specifically framed to deal with such offences. **The State Of Arunachal Pradesh Versus Ramchandra Rabidas @ Ratan Rabidas & Anr. – 2019 0 Supreme(SC) 1132; AIR 2019 SUPREME COURT 4954**

INDIGENT PERSON

Motor Vehicle Act, 1988 - Definition of "indigent person" is someone who is unable to pay the court fees or legal expenses due to financial constraints. lack of monetary capability should not preclude a person from seeking justice. **ALIFIYA HUSENBHAI KESHARIYA vs. SIDDIQ ISMAIL SINDHI AND OTHERS Docid # IndLawLib/1604203 : (2024) INSC 457 : [2024 LiveLaw \(SC\) 414](#) Civil Appeal No. ...of 2024 (Arising out of SLP (C) No.729/2020) Decided on : 27-05-2024**

INTEREST/ PENAL INTEREST

Appeal filed with delay of 704 days for those days, claimant is not entitled to interest. **Lakkamma and Ors. v. Regional Manager, M/s. United India Insurance Co. Ltd. and Anr. AIR 2021 SC 3301**

Section 171 of the New Act confers a discretion on the Tribunal to award interest, the same is meant to be exercised in cases where the claimant can claim the same as a matter of right. In the above background, it is to be judged whether a stipulation for higher rate of interest in case of default can be imposed by the Tribunal. Once the discretion has been exercised by the Tribunal to award simple interest on the amount of compensation to be awarded at a particular rate and from a particular date, there is no scope for retrospective enhancement for default in payment of compensation. No express or implied power in this regard can be culled out from Section 110CC of the Act or Section 171 of the new Act. Such a direction in the award for retrospective enhancement of interest for default in payment of the compensation together with interest payable thereon virtually amounts to imposition of penalty which is not statutorily envisaged and prescribed. **National insurance co. Ltd. Vs. Keshav bahadur and others (2004) 2 SCC 370 : : AIR 2004 SC 158**

Once the discretion to award interest has been exercised by the Tribunal to award simple interest on amount of compensation to be awarded at a particular rate and from a particular date there is no scope for retrospective enhancement for default in payment of compensation. **United India Insurance Company Ltd. Patna Versus Madhu Kumari and others M.A. 12 OF 2015 disposed of on 05.09.2024.**

INSURANCE CONTRACT

The Insurance contracts are in the nature of special class of contracts having distinctive features such as utmost good faith, insurable interest, indemnity subrogation, contribution and proximate cause which are common to all types of insurances. Each class of insurance also has individual features of its own. The law governing insurance contracts is thus to be studied in three parts, namely, (1) general characteristics of insurance contracts, as contracts; (2) special characteristics of insurance contracts, as contracts of insurance, and (3) individual characteristics of each class of insurance. **Justice K Kannan, Principles of Insurance Law Chapter 3 (Volume 1, 10th ed. 2017, pg. 31) NATIONAL INSURANCE COMPANY LTD. versus THE CHIEF ELECTORAL OFFICER & ORS 2023 LiveLaw (SC) 90**

An ambiguous term in an insurance contract is to be construed harmoniously by reading the contract in its entirety. If after that no clarity emerges, then the term must be interpreted in favour of the insured. **Haris Marine products Vs. Export Credit Guarantee Cop. Ltd. AIR 2022 SC 3036**

The words used in a contract of insurance must be given paramount importance and it is not open for the Court to add, delete or substitute any words **Suraj Mal Ram Niwas Oil Mills (P) Ltd. vs. United India Insurance Co. Ltd. 2010 SCC OnLine SC 1148**

Insurance contracts are in the nature where exceptions cannot be made on ground of equity and the Courts ought not to interfere with the terms of an insurance agreement **Export Credit Guarantee Corporation of India Limited vs. Garg Sons International 2014 1 SCC 686**

In interpreting documents relating to a contract of insurance, the duty of the court is to interpret the words in which the contract is expressed by the parties, because it is not for the court to make a new contract, however reasonable, if the parties have not made it themselves. **General Assurance Society Ltd. v. Chandmull Jain AIR 1966 SUPREME COURT 1644.**

The terms of the contract have to be construed strictly, without altering the nature of the contract as the same may affect the interests of the parties adversely. The clauses of an insurance policy have to be read as they are. Consequently, the terms of the insurance policy, that fix the responsibility of the insurance company must also be read strictly. **Vikram Greentech India Ltd. v. New India Assurance Co. Ltd. (2009) 5 SCC 599**

The Motor Vehicles Act merely imposes an obligation on the part of the insurance company to reimburse the claimant both in terms of the Act as also the Contract. So far as the liability of the insurance company which comes within the purview of Ss. 146 and 147 is concerned, the same sub serves a constitutional goal, namely, social justice. A contract of insurance covering the third party risk must, therefore, be viewed differently vis-a-vis a contract of insurance qua contract. **AIR 2009 SC (Supp) 961 "National Insurance Co. Ltd. v. Abhaysing Pratapsing Waghela"**

Accident occurring before cancellation of policy - Insurer liable to pay. **United India Insurance Company Vs. Laxamma and others (2012) 5 SCC 234: AIR 2012 SUPREME COURT 2817 .**

If the premium has not been paid and the cheque in lieu of such payment has bounced the insurance contract

is void and the insurance company cannot be directed to pay the claim **National Insurance Company Vs. Seema Malhotra (2001) 3 SCC 151** see also **Oriental Insurance Company Vs. Jhaman Mian 2004 (2) PLJR 813**

Apprentice is not an Employee thus not covered under insurance contract **New India Assurance Co. Ltd. Vs. Abhilash Jewellery (2009) 2 SCC 661**

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INTERIM COMPENSATION

While passing an order for interim compensation, the Tribunal cannot hold a mini enquiry nor can take into consideration the defense available to the insurer, which has to be considered at the time of final determination of the claim case **Uma Devi and others Vs. Banti Kumar and others 2023 (1) BLJ 336 : 2023 (1) PLJR 342**

No fault compensation - Victim of accident himself at fault and cause of accident - Does not deprive him from no fault compensation - Claim made on fault basis getting rejected - Order directing insurance company to recover from claimants amount paid on no fault basis - Improper. **AIR 2010 SUPREME COURT 2913 "Indra Devi v. Bagada Ram"**

The provisions of section 140 are indeed intended to provide immediate relief to the injured or the heirs and legal representatives of the deceased. Hence, normally a claim under section 140 is made at the threshold of the proceeding and the payment of compensation under section 140 is directed to be made by an interim award of the Tribunal which may be adjusted if in the final award the claimants are held entitled to any larger amounts. But that does not mean, that in case a claim under section 140 was not made at the beginning of the proceedings due to the ignorance of the claimant or no direction to make payment of the compensation under section 140 was issued due to the over-sight of the Tribunal, the door would be permanently closed. Such a view would be contrary to the legal provisions and would be opposed to the public policy **"Eshwarappa v. C.S. Gurushanthappa"**. **AIR 2010 SUPREME COURT 2907**

Providing for no fault liability to the extent of Rs. 50,000/- - Is not retrospective. **AIR 2008 SUPREME COURT 2276 "State of Punjab v. Bhajan Kaur"**

Ad interim Compensation is to be paid before the adjudication of the claim under section 110 A (Section 166) **S.D.Patil vs. V.U.More (1991) 3 SCC 530**.

Granting of ad interim compensation to a passenger of a truck, an unauthorised passenger is illegal **New India Assurance Company vs. Smt. Mamta Devi (1995) 1 BLJR 332**.

The awarded amount under section 140 of the Motor Vehicles Act, 1988 of insured vehicles is to be paid by the insured if the policy is not denied. **Kanhai Rai Vs. Dharampal 2001 (3) PLJR 103**. see also **Shanti Devi Vs. Basmatti Devi 2006 (1) PLJR 603**

Ad interim compensation is payable at the old rate if the accident has taken place before the amendment of Motor Vehicles Act. **New India Assurance Company vs. YASODA DEVI & OTHERS 1996 (2) ALL PLR 876.:** (1996) 2 BLJR 1000 : 1996 (2) PLJR 329 SEE ALSO 1996 PLR 512, **National Insurance Company vs. Bholu Shah 1997 (1) PLJR 920 :**

Ad interim compensation is not payable by the Insurance Company in motor accident cases. It is the owner

who is held liable to pay the same **K. Madakumar vs. M.D. Thanthal Pariyar Transport Corporation (1996) 2 SCC 736 : AIR 1996 SC 1217, New India Assurance Company vs. Turki Hi (1995) 1 BLJR 374, Surya Jyoti Devi vs. Krishna Kumar Singh 1997 (1) PLJR 912, National Insurance Company vs. Jethu Ram 1998 ACJ 921(S.C) ; Helen Rebello vs. Maharashtra State Road Transport Corporation . (1999) 1 SCC 90 (Para 36) ; National Insurance Company Ltd. Layachi Devi 2001 (1) PLJR 49**

In a case where two vehicles insured with two different Insurance Companies collide the ad interim compensation is to be shared by both the Insurance Companies. **Oriental Insurance Company Vs, Jagdeo Paswan 1997 (1) PLJR 987.**

A proceeding under section 140 of the Motor Vehicles Act, 1988 is a summary proceeding. Tribunal not to hold regular trial in the manner as under section 166. Whether the vehicle was involved in the accident or not cannot be decided at the time of deciding final compensation. **V.U. More vs. S. D. Patil (1991) 3 SCC 530. SEE ALSO Surya Jyoti Devi vs. Krishna Kumar Singh 1997 (1) PLJR 912.**

Violation of terms and conditions of the Insurance Policy will not come in the way of granting of interim compensation **New India Assurance Company vs. Most. Janki Devi 1999 (1) PLJR 752**

The owner of the vehicle is liable to pay compensation and not the insurer if the vehicle was to be used for agriculture purpose but it is being used for commercial purpose at the time of accident. **National Insurance Co. Ltd. VS Hanif Sai and Others 2000 (2) PLJR 737**

Compensation under section 140 of Motor Vehicles Act, 1988 is interlocutory one and interim compensation is not payable if the application under section 166 of the Motor Vehicles Act, 1988 has been filed beyond time **Rambilas Singh vs. Bimli Devi 2001 (1) PLJR 709.**

The amount paid in interim compensation is to be deducted from the principal amount being finally paid. **Kaushnuma Begum Vs. New India Assurance Company Ltd. (2001) 2 SCC 9**

Right to Claim Compensation on the basis of no fault liability is in addition to right to claim compensation on basis of fault liability **The Oriental Insurance Co. Ltd. v. Hansrajbhai V. Kodala WITH National Insurance Co. Ltd., v. Rana Govind Ayyar and others, AIR 2001 S.C 1832: (2001) 5 SCC 175 see also Deepal Girishbhai Soni and others Vs. United India Insurance Company 2004 AIR SCW 1864 AIR 2004 SUPREME COURT 2107**

No fault liability payment cannot be denied where the factum of insurance of the vehicle not denied the Insurance Company cannot raise the objection that the vehicle in question was not involved in the accident. **The Branch Manager Oriental Insurance Company vs. Asha Devi 2006 (1) PLJR 597**

The Tribunal cannot hold a mini enquiry nor can it take into consideration the defence available to insurer at the stage of a proceeding under section 140 of Motor Vehicles Act, 1988 and all defence available is to be considered at the time of final determination of the case. **Kanhaiya Rai and others Vs. Sri Dharampaland others. LPA No. 1454 of 2000 ; Uma Devi and others Vs. Banti Kumar & another 2023 (1) BLJ 337**

INSURANCE CLAIM

Simply lodging of the First Information Report, and after investigation the same landed in the Final Form, the burden heavily falls on the Insured to prove the factum of the Damage **M/s Tata Nagar Metal Industries Vs. New India Assurance Co. Ltd . 1999 (1) BLJR 30.**

In the matter of insurance claim compensation in reference to the motor accident, the court should not take

hyper technical approach and ensure that just compensation is awarded to the affected person or the claimants. **Surekha and Ors. v. Santosh and Ors. AIR 2020 SC (Supp) 578**

INSURANCE POLICY / ISSUE OF POLICY PAPERS

The very reading of the policy indicates that a separate premium of Rs.25/- was charged and the head indicated is "employee/driver". This leaves no doubt that both the employee and the driver stand covered. It is further indicated that it is not for the person who takes an insurance policy to be aware of the tariff and the rates at which different categories of persons would be covered as he receives a policy based on which, he is supposed to raise his claim. From the plain reading of the present policy, it is clear that Rs.25/- has been charged on the head "employee/driver", which leaves no doubt that both such classes were covered. Further on the objection raised by learned counsel for the insurance company that only one person would be covered on a premium of Rs.25/-; on that also we find that it supports the case of the appellant as there was only one death caused and there was one claimant and in this view of the matter also, the employee needs to be paid by the insurance company. **The Principal Indian Institute Of Nursing College Campus Vs. Shekar And Others Docid # IndLawLib/2438372**

The purpose of an insurance policy is to shield the owner/operator from direct liability when such an unforeseen/unfortunate incident takes place. To deny the victim/dependents of the victim compensation simply because the accident took place outside the bounds of the permit and, therefore, is outside the purview of the insurance policy, would be offensive to the sense of justice, for the accident itself is for no fault of his. Then, the Insurance Company most certainly ought to pay.

When an Insurance Company takes premium on a policy and accepts payments of premium in pursuance thereto, it agrees to do so within certain bounds. The contract lays down the four corners within which such an insurance policy would operate. If that is the case, to expect the insurer to pay compensation to a third party, which is clearly outside the bounds of the said agreement would be unfair. Balancing the need for payment of compensation to the victim vis-a-vis the interests of the insurer, the order of the High Court applying the pay and recover principle, in our considered view, is entirely justified and requires no interference. **K. Nagendra vs. The New India Insurance Co. Ltd. And Others 2025 INSC 1270 : Docid # IndLawLib/2434636 : _2025 LiveLaw (SC) 1044**

A policy is issued after the acceptance of the proposal; first premium for insurance and it has to be honoured by the Company as the contract for insurance is accepted. **R. Ratilal & Co. vs. National Security Assurance Co. Ltd. AIR 1964 SC 1396.**

Once the insured has issued a certificate of insurance the insurer has to satisfy any decree of a claim arising out of the insured vehicle. **Guru Govekar vs. Filomena F. Lobo (1988) 3 SCC 1**

When a policy is taken on a particular date, its effectiveness is from the commencement of that date. The Insurance Policy obtained on the date of the accident became operative from the commencement of the date of insurance i.e. from the previous mid night and since the accident took place on the date of the policy the insurer became liable. **New India Assurance Co. Ltd. Vs. Ram Dayal & others (1990) 2 SCC 680**

JOINT TORT FEASER

Taxi came in collision with train Joint tortfeasor - Claim against joint tortfeasor to pay compensation - Tenable before Motor Vehicle Claims Tribunal. **Union of India Appellant v. Bhagwati Prasad (D) and others AIR 2002 SUPREME COURT 1301**

Accident due to collision between railways and bus at unmanned level crossing and railway also found

negligent due to non-exercise of duties under Railways Act, an award for compensation could be passed against Railways by the claims Tribunal under Motor Vehicles Act **Union of India Appellant v. United India Insurance Co. Ltd. and others AIR 1998 SUPREME COURT 640**

JURISDICTION OF THE TRIBUNAL

Claims Tribunal cannot have jurisdiction until its formation is not published in the Gazette Bihar Co operative **Motor Vehicle Insurance Society vs. Rameshwar Raut AIR 1970 Pat 172**

An accident by an uninsured vehicle doesnot take away the jurisdiction of the tribunal to entertain a claim petition for compensation **Parmanand Thakur vs. Commissioner Coal Mines AIR 1988 Pat 156. see also Mantoo Sarkar Oriental Insurance Company (2009) 2 SCC 244 see also Malati Sardar Vs. National Insurance Company Limited and Ors. AIR2016 SC 247**

The cause of action in the present case arose within the territorial jurisdiction of Nepal and if that be so, any claim against the appellant Insurance Company could be brought only in Nepal and not in any court in India merely because the person so dead belongs to India or that the Bus was registered in India. **Oriental Insurance Company Ltd. Vs. Anarwa Devi & Ors M.A. 782 of 2009** Decided on : 05-10-2012 **MANU/BH/0585/2012 : (2013) ACJ 1807 see also Oriental Insurance Company Ltd. Vs. Bimla Devi & Ors M.A. 703 of 2012 decided on 13.07.2017.**

Change in jurisdiction by amendment in Bihar Rules. Cases where cause of action has arisen prior to 15.09.2021 shall be filed and entertained by as usual existing Tribunal **Renu Devi Vs. State of Bihar & others 2022 (4) BLJ 1**

JUST COMPENSATION

The amount actually due and payable is to be awarded despite the claimants having sought for a lesser amount and the claim petition being valued at a lesser value. **Mona Baghel v. Sajjan Singh Yadav, 2022 LiveLaw (SC) 734 see also KAVITA BALOTHIYA & ORS. VERSUS SANTOSH KUMAR & ANR.**

Citation : 2024 LiveLaw (SC) 546

Assessment of compensation cannot be done with mathematical precision. The Motor Vehicles Act, 1988 also provides for assessment of just and fair compensation. **Vethambal And Others Versus The Oriental Insurance Company And Others, 2024 LiveLaw (SC) 206 : AIR 2024 SC 1377**

Though the claimants had claimed a total compensation of Rs.25,00,000/- in their claim petition filed before the Tribunal, we feel that the compensation which the claimants are entitled to is higher than the same as mentioned supra. **There is no restriction that the Court cannot award compensation exceeding the claimed amount, since the function of the Tribunal or Court under Section 168 of the Motor Vehicles Act, 1988 is to award “just compensation”.** The **Motor Vehicles Act** is a beneficial and welfare legislation. A “just compensation” is one which is reasonable on the basis of evidence produced on record. It cannot be said to have become time-barred. Further, there is no need for a new cause of action to claim an enhanced amount. The Courts are duty bound to award just compensation. (See the judgments of this Court in the cases of (a) Nagappa v. Gurudayal Singh, **(2003) 2 SCC 274** (b) **Magma General Insurance v. Nanu Ram, (2018) SCC Online SC 1546 (Civil Appeal No. 9581 of 2018, decided on 18.09.2018)** (c) **Ibrahim v. Raju, (2011) 10 SCC 634**). **Ramla and others Versus National Insurance Company Limited and others 2018 0 Supreme(SC) 1186; AIR 2019 SUPREME COURT 404**

Under the MV Act, there is no restriction that the Tribunal/Court cannot award compensation exceeding the amount so claimed - Tribunal/Court ought to award 'just' compensation which is reasonable in the facts relying upon the evidence produced on record **Meena devi vs. Nunu Chand Mahto @ Nemchand Mahto And Others** Civil Appeal No. of 2022 (Arising Out of SLP (Civil) No. 5345 of 2019) Decided on : 13-10-2022

Courts and Tribunals should take liberal approach since law values life and limb in free country in generous scale. **AIR 2013 SUPREME COURT 2629 "S. Manickam v. Metropolitan Transport Corp. Ltd."** see also **S. VASANTHI AND ANOTHER Vs. M/S ADHIPARASAKTHI ENGG. COLLEGE AND ANOTHER (2023) ACJ 100 : (2022) AIR(SC) 5051**

Section 168 of the Act enjoins the Tribunal to make an award determining "the amount of compensation which appears to be just." However, the objective factors, which may constitute the basis of compensation appearing as just, have not been indicated in the Act. Thus, the expression "which appears to just" vests a wide discretion in the Tribunal in the matter of determination of compensation. Nevertheless, the wide amplitude of such power does not empower the Tribunal to determine the compensation arbitrarily, or to ignore settled principles relating to determination of compensation. Similarly, although the Act is a beneficial legislation, it can neither be allowed to be used as a source of profit, nor as a windfall to the persons affected nor should it be punitive to the person(s) liable to pay compensation. The determination of compensation must be based on certain data, establishing reasonable nexus compensation to be awarded to them. In nutshell, the amount of compensation determined to be payable to the claimant(s) has to be fair and reasonable by accepted legal standards. **2009 AIR SCW 493 "Syed Basheer Ahamed v. Mohd. Jameel"**

At the same time the concept of 'just compensation' obviously suggests application of fair and equitable principles and a reasonable approach on the part of the Tribunals and Courts. This reasonableness on the part of the Tribunal and Court must be on a large peripheral field. Both the Courts and Tribunals in the matter of this exercise should be guided by principles of good conscience so that the ultimate result become just and equitable **AIR 2010 SUPREME COURT 3741**

The power of the courts in awarding reasonable compensation was emphasized by this Court in **Nagappa vs. Gurudayal Singh & Ors. [(2003) 2 SCC 274]**, see also

As against the award passed by the tribunal even though the claimants have not filed any appeal, as it is obligatory on the part of courts/tribunals to award just and reasonable compensation, it is appropriate to increase the compensation. **Oriental Insurance Company Ltd. vs. Mohd. Nasir & Anr. [(2009) 6 SCC 280]**, and **Ningamma & Anr. vs. United India Insurance Company Ltd. [(2009) 13 SCC 710]**. See Also **Jitendra Khimshankar Trivedi & Ors. Versus Kasam Daud Kumbhar 2015 4 SCC 237;**

LARGER BENCH

A decision of the Constitution Bench of this Court cannot be questioned on certain suggestions about different interpretation of the provisions under consideration. It remains trite that the binding effect of a decision of this Court does not depend upon whether a particular argument was considered or not, provided the point with reference to which the argument is advanced, was actually decided therein. **(para 12) AMRITLAL Vs. SHANTILAL SONI AND OTHERS — (2022) 4 SCALE 500 SEE ALSO Somawanti & Ors. v. The State of Punjab & Ors.: AIR 1963 SC 151 (para 22).**

A judgment delivered by a larger bench will prevail irrespective of the number of judges constituting the majority -In view of Article 145(5) of the Constitution of India concurrence of a majority of the judges at the hearing will be considered as a judgment or opinion of the Court. The majority decision of a Bench of larger strength would prevail over the decision of a Bench of lesser strength, **M/S TRIMURTHI FRAGRANCES (P) LTD. THROUGH ITS DIRECTOR SHRI PRADEEP KUMAR AGRAWAL versus**

GOVERNMENT OF N.C.T. OF DELHI THROUGH ITS PRINCIPAL SECRETARY (FINANCE) & ORS. 2022 Live Law (SC) 778

A judgment decided by a larger bench of 5 judges , it would be appropriate for a bench of similar strength to clarify position **Commissioner of Central Excise, Bolpur v. M/s. Ratan Melting and Wire Industries, Calcutta 2005 AIR SCW 1334**

LIABILITY OF INSURER

When a tractor and trailer are involved, **both the tractor as well as the trailer are required to be insured -** However, invoking Article 142 powers, Insurance Company directed to pay the amount awarded by the High Court as compensation with the accrued interest and recover the same from the owner of the vehicle. **DHONDUBAI versus HANMANTAPPA BANDAPPA GANDIGUDE SINCE DECEASED THROUGH HIS LRS. & ORS. 2023 LiveLaw (SC) 725**

If an insured vehicle is plying under an agreement with the Corporation on the route as per permit granted in favour of the Corporation and in case of any accident during that period, the Insurance Company would be liable to pay compensation thus through the definition of "vicarious liability" it can be inferred that the person supervising the driver is liable to pay the compensation to the victim. During such time, however, it will be deemed that that vehicle was transferred along with the insurance policy, even if it were insured at the instance of the original owner. Thus, the Insurance Company would not be able to escape its liability to pay the amount of compensation. **Uttar Pradesh State Road Transport Corporation v. Kulsum and Others (2011) 8 SCC 142: (2012) 1 PLJR 281 : (2012) 1 JLJR 41 see also CIVIL APPEAL NOS.18490-18491 of 2017 UTTAR PRADESH STATE ROAD TRANSPORT CORPORATION ...Appellant(s) Vs. NATIONAL INSURANCE CO. LTD. & ORS. ...Respondent(s) Live Law 2021 SC 313 decided on July 14, 2021.**

Death of truck driver in motor accident - Vehicle insured on date of accident - Insurer's liability to pay third party compensation only as the policy continues even if the vehicle stood transferred to another. **Firdaus v. Oriental Insurance Co. Ltd and Ors. AIR 2017 SUPREME COURT 3572.**

Gumasthe (clerical cadre) the deceased would be covered by the expression "persons employed in connection with operation of motor vehicle." The operation of the aforesaid clause has wrongly been restricted and limited only to persons employed in connection with loading/unloading of the motor vehicle. **Hanumanagouda v. United India Insurance Co. Ltd and Ors. etc AIR 2015 SUPREME COURT 1467**

The statutory benefit of insurance of third party cannot be extended to the owner of the vehicle when injured or dies in the accident. **New India Assurance Company Ltd. Vs. Prabha Devi AIR 2013 SC (Supp) 235**

Liability of insurer - Accident involving Maxi Cab and cycle - Driver of Maxi Cab holding valid licence to drive light motor vehicle - But did not have endorsement to drive Maxi Cab - Mere absence of endorsement does not exonerate insurer of its statutory liability to pay compensation. **AIR 2013 SUPREME COURT 2262 "S. Iyyapan v. United India Insurance Company Ltd"**

The statutory policy only covers the employees of the insured, either employed or engaged by him in a goods carriage. It does not cover any other kind of employee and therefore, someone who travels not being an authorized agent in place of the owner of goods, and claims to be an employee of the owner of goods, cannot be covered by the statutory policy. **AIR 2013 SUPREME COURT 1125 "Sanjeev Kumar Samrat v. National Insurance Co. Ltd."**

In any event the insurer has to pay compensation when a valid certificate of insurance is issued

notwithstanding the fact that the insurer may proceed against the insured for recovery of the amount. Under Section 149 of the Motor Vehicles Act, the insurer can defend the action inter alia on the grounds, namely,

- i. The vehicle was not driven by a named person,
- ii. It was being driven by a person who was not having a duly granted licence, and (iii) person driving the vehicle was disqualified to hold and obtain a driving licence. Hence, in our considered opinion, the insurer cannot disown its liability on the ground that although the driver was holding a licence to drive a light motor vehicle but before driving light motor vehicle used as commercial vehicle, no endorsement to drive commercial vehicle was obtained in the driving licence. In any case, it is the statutory right of a third party to recover the amount of compensation so awarded from the insurer. It is for the insurer to proceed against the insured for recovery of the amount in the event there has been violation of any condition of the insurance policy. **AIR 2013 SUPREME COURT 2262 "S. Iyyapan v. United India Insurance Company Ltd"**

Comprehensive policy - Vehicle taken on hire by person, meeting with accident during subsistence of policy - Such use was not permitted under policy - Insurance company cannot repudiate its claim in toto in such case in view of guidelines issued by it - Insurance company directed to pay consolidated sum of 50% of claim made by complainant owner of vehicle. **2010 AIR SCW 2666 "Amalendu Sahu v. Oriental Insurance Co. Ltd." : (2010)4SCC536,**

WORKMEN'S COMPENSATION - MOTOR VEHICLES - INSURANCE - Liability of insurance company - Injury caused by or arising out of use of motor vehicle - Workmen engaged in unloading food grains from tractor - Climbing down grocery pit to clean it - Falling down in pit and dying of suffocation - Death has no connection with use of motor vehicle - Insurer cannot be held liable to pay compensation. **2010 AIR SCW 5872 "Mamtaj Bi Bapusab Nadaf v. United India Insurance Co." (2010)10SCC536**

Premium amount was received in cash by insurer - Money receipt showed that it contained column relating to "Class Code" and also "cover note number" - Cover note remains valid till it is cancelled - Finding of fact that cover note was not cancelled prior to deposit of premium in cash by owner but only after accident - Insurer was liable to reimburse third party claim. **AIR 2009 SC (Supp) 961 "National Insurance Co. Ltd. v. Abhaysing Pratapsing Waghela"**

In the instant case the entire stand of the insurance company is that claimant has used the vehicle for hire and in the course of that there has been an accident. Following the aforesaid guidelines, this Court is of the opinion that the insurance company cannot repudiate the claim in toto. For the reasons stated, we cannot affirm the order of the fora below. We direct the respondent insurance company to pay a consolidated sum of Rs.2,50,000/-**AIR 2010 SUPREME COURT 2090 "Amalendu Sahu v. Oriental Insurance Co. Ltd."**

In a case of collusion of two vehicles, if one vehicle is found not negligent, but the negligent vehicle not insured the liability cannot be thrown on the insurers of the other insured vehicle compensation payable by the owners of the erring vehicle **New India Assurance Company Ltd. Vs. Bismillah Bai (2009) 5 SCC 112**

Car in question at time of accident was requisitioned by Magistrate for assembly elections - Being requisitioned by statutory authority, owner had no other alternative but to handover possession - Once possession is handed over, owner cannot exercise any control thereupon - State shall be, therefore, liable to pay compensation and not registered owner of car. **AIR 2008 SUPREME COURT 735 "National Insurance Co. v. Deepa Devi"**

The ingredients for maintaining a proceeding under 1988 Act and 1923 Act are different. The purpose for which a contract of insurance is entered into may be different, whereas under 1988 Act, a contract of insurance would be mandatory; for the purpose of applicability of the 1923 Act, it will be optional and even contracting out is permissible, as under the 1923 Act, the liability of the insurer is limited to the claim of the

workman. AIR 2007 SUPREME COURT 2907 "Gottumukkala Appala Narasimha Raju v. National Insurance Company Ltd."

The findings of the initial lack of care by the driver in not renewing the driving licence would be present, but the lack of care of the appellant as the employer would also arise. We have penned down the aforesaid views as such a situation is quite likely to arise in proceedings under the MV Act where a third party is claiming the amount. Proceedings here being under the Compensation Act, the consequences are not flowing to the first respondent as the initial negligent **BELI RAM – Versus RAJINDER KUMAR & ANR. AIR 2020 SUPREME COURT 4453**

It is the specific case of the claimants that on 30.11.2000 the deceased who was driving the vehicle on the direction of the insured had gone to Gurugunta from Siraguppa. There he had gone to a temple and was sitting on the steps of the pond in the temple and he slipped and fell into the water and died due to drowning. This according to us is not sufficient in view of the legal principles delineated above to fasten liability on either the insurer or the insured. **AIR 2009 SUPREME COURT 2019 "Mallikarjuna G. Hiremath v. Branch Manager, Oriental Insurance Co. Ltd."**

Section 157 and 103 – Accident vehicle covered by subsisting insurance policy – Transfer of vehicle from registered owner to present owner-employer proved before Commissioner, Workmen Compensation – Insurance policy deemed to be in the name of present owner – All benefits under Insurance policy available to present owner – This is irrespective of the notice to the Insurance Company u/s 103 – **[2014] 3 Supreme 32 / [2014] 2 JLJR(SC) 382 Mallamma (Dead) By L.Rs. Vs. National Insurance Co. Ltd.**

LIABILITY OF OWNER

When a tractor and trailer are involved, **both the tractor as well as the trailer are required to be insured** - However, invoking Article 142 powers, Insurance Company directed to pay the amount awarded by the High Court as compensation with the accrued interest and recover the same from the owner of the vehicle. **DHONDUBAI versus HANMANTAPPA BANDAPPA GANDIGUDE SINCE DECEASED THROUGH HIS LRS. & ORS. 2023 LiveLaw (SC) 725**

In Naveen Kumar vs. Vijay Kumar and Others, (2018) 3 SCC 1 a three-Judge Bench of this Court held that in view of the definition of the expression owner in Section 2(30) of the Motor Vehicles Act, 1988, it is the person in whose name the motor vehicle stands registered, who, for the purposes of the said Act, of the Registering Authority as the owner of the vehicle, he would not stand absolved of his liability as owner. reflected in the records of the Registering Authority **SURENDRA KUMAR BHILAWE Vs. THE NEW INDIA ASSURANCE COMPANY LIMITED AIR 2020 SUPREME COURT 3149 : 2020 (5) BLJ 156(SC)**

The insurance policy between the insurer and the insured represents a contract between the parties. Since the insurer undertakes to compensate the loss suffered by the insured on account of risks covered by the insurance policy, the terms of the agreement have to be strictly construed to determine the extent of liability of the insurer. The insured cannot claim anything more than what is covered by the insurance policy. That being so, the insured has also to act strictly in accordance with the statutory limitations or terms of the policy expressly set out therein. **Oriental Insurance Company Ltd. Vs. Sony Cheriyan (1999) 6 SCC 451. AIR 1999 SUPREME COURT 3252 see also Vikram Greentech (I) Ltd. Vs. New India Assurance Company Ltd. AIR 2009 SUPREME COURT 2493 ; Life Insurance Corporation Of India and Another Vs. Sunita SLP (Civil) No. 13868 of 2019 decided on 29.10.2021.**

.Section 2(30) – Appellant financier – Recorded as registered owner – hirer taking the vehicle without paying full premium for insurance – Vehicle not insured – Financier not knowing about non-insurance – hirer in control and possession of vehicle at time of accident – No liability can be fastened on the financier. **HDFC Bank Ltd v. Kumari Reshma and Ors. AIR 2015 SUPREME COURT 290**

Transfer of ownership of vehicle prior to accident - But neither transferor nor transferee took any step for change of name of owner in certificate of registration - In view of said omission, transferor must be deemed to continue as owner of vehicle for purposes of Act even though under civil law he would cease to be owner after sale of vehicle - Liable to pay compensation. **AIR 2011 SUPREME COURT 682 "Pushpa v. Shakuntala"**

Driving without licence - Minor driving motorcycle - Hit a scooter - Liability to pay compensation shifts on owner of motorcycle - Since it was duty of owner to ensure that his motorcycle was not misused - Defence by owner that keys of motorcycle were taken by minor without his knowledge held, not probable. **AIR 2011 SUPREME COURT 2436 "Jawahar Singh v. Bala Jain"**

Insurance Company - Liability - Car of company used by deceased, occupant, for company business at time of accident - Insurance Company not liable to indemnify owner of car, company, insured, in respect of death of deceased. **"Oriental Insurance Co. Ltd. v. Meena Variyal" AIR 2007 S. C. 1609 (2007) 5 SCC 428**

Tractor was insured only for carrying out agricultural work which would not include digging of earth and taking it in trolley to brick kiln - Respondent being mere passenger and not owner or driver, his claim petition could not have been allowed **Oriental Insurance Co. Ltd. v. Brij Mohan" AIR 2007 S.C. 1971 : (2007) 7 SCC 56**

Comprehensive Insurance policy means loss sustained will be payable up to the insured amount irrespective of the loss amount., IF PREMIUM OF KHALASI NOT PAID HE CANNOT BE COVERED AS A THIRD PARTY. **Ramashray Singh Vs. New India Assurance Company 2003 AIR SCW 3601: (2003) 10 SCC 664 : 2003 (3) PLJR 176 (SC)**

Insurance Company not liable to pay compensation for death of passengers traveling in goods Vehicle. **Oriental Insurance Company Vs. Devireddy Konda Reddy and others 2003 AIR SCW 513 : Oriental Insurance Company Vs. Jogi Subbamma and others 2003 AIR SCW 513 : (2003) 2 SCC 339**

The employer becomes liable to the compensation as soon as the injury was caused and there is no suspension of employer's liability pending settlement. Insurance Company Liable to pay the claim raised under the Workmen Compensation Act. **Pratap Narain Singh Deo vs. Shrinivas Sabata (1976) 1 SCC 289 see also United India Insurance Company Vs. Suresh K.K. (2008) 12 SCC657 : AIR 2008 SC 2871**

Liability of the Insurance Company will start when the policy becomes operative i.e. on the date and time the premium is paid. **National Insurance Co. Ltd. Jikubhai Nathuji Dabhi (1997) 1 SCC 66. see also National Insurance Co. Ltd. Vs. Sobina Lakai (2007) 7 SCC 786 ; J. Kalaivani Vs. K. Sivashankar (2007) 7 SCC 792**

For the settlement of the policy the Insurance Company must produce the policy for doing justice **National Insurance Company vs. Jugal Kishore (1988) 1 SCC 626.**

Liability of Insurance Company is to the extent for which vehicle is insured. Deceased travelling on the roof of the bus. Insurance Company cannot be made liable to pay compensation beyond a statutory limit. **New India Assurance Company Ltd. vs. Smt. Shanti Bai. (1995) 2 BLJR 729. See also National Insurance**

Company vs. Mahendra Prasad 1997 (1) PLJR 907, Krishna Kumar Agrawal Vs. Most. Komiya Devi .1999(1) P.L.J.R. 870

Breach of policy the terms of the policy conditions by carrying humans in a goods vehicle more than the permitted number cannot be said to be such fundamental breach so as to afford ground to the insurer to indemnification unless there were some factors contributing to the cause of such accident. **B.V.Nagaraju vs. Oriental Insurance Company (1996) 4 SCC 647.**

Comprehensive insurance policy 'any person' would include gratuitous passenger **AMRITLAL SOOD AND ANOTHER Vs. KAUSHALYA DEVI THAPAR AND OTHERS AIR 1998- SC 1433 \ 1998-SCC-3-744**

Liability of Insurer: Gratuitous passenger - Whether excluded from risk: under the new Act third party risk does not exclude for gratuitous passenger **New India Assurance Company Vs. Shri Satpal Singh & Ors. AIR 1999- (SCW)-0-4337 \ 1999-JT-9-416 : 2000 ACJ 1(Over Ruled)** Now holds that gratuitous passenger cannot be excluded after the 1994 amendment of the Motor Vehicles Act, 1988 **New India Assurance Co. Vs. Asha Rani 2002 AIR SCW 5259** see also "**Ramesh Kumar v. National Insurance Co. Ltd.**" **AIR 2001 S C 3363**

Liability of the Insurance Company cannot be taken away even though the vehicle was not driven by a proper licensed persons as the liability will be of the owner and the owner is insured by the Insurance Company thus both liable. **SOHAN LAL PASSI VS. P. SESH REDDY (1996) 5 SCC 21: 1996 (2) ALL PLR 226(SC)**

Insurer's liability would depend upon the terms of the policy. **United India Insurance Company VS. M.K.J. Corporation (1996) 6 SCC 428.**

A person dying or getting injured while alighting from a public service vehicle carrying passengers for hire or reward or pursuant to a contract of employment cannot be treated as a third party rather he must be considered as a passenger and the liability must be covered under section 147 of the Motor Vehicles Act. **Noorjahan (TMT) VS. Sultan Rajia Alias Thaju And Others (1997) 1 SCC 6.**

Liability of the Insurance Company will start when the policy becomes operative i.e. on the date and time the premium is paid. **National Insurance Co. Ltd. Jikubhai Nathuji Dabhi (1997) 1 SCC 66. See also Oriental Insurance Company vs. Sunita Rathi AIR 1998 SC 257 , NEW INDIA ASSURANCE CO. LTD. Vs. SMT. SITA BAI & ORS. (1999)-7 SCC--575 -AIR \ 1999 (SCW)-0-3586**

Liability of the Insurance Company will start, if time is not given it becomes operative from mid night **New India Assurance Company Ltd. vs.Ram Dayal (1990) 2 SCC 680.**

The employer becomes liable to the compensation as soon as the injury was caused and there is no suspension of employer's liability pending settlement. Insurance Company Liable to pay the claim raised under the Workmen Compensation Act. **Pratap Narain Singh Deo vs. Shrinivas Sabata (1976) 1 SCC 289.**

Compensation for motor accident resulting to total disability see **R.D.Hattangadi vs. Pest Control (India) Pvt. (1995) 1 SCC 551.; Ashwani Kr. Mishra vs. P. Muniam Babu and others (1999) 4 SCC 22; Nagappa Vs. Gurudayal Singh 2002 AIR SCW 5348**

Even though there is no insurance for damage of third party property Insurance Company will still be liable to pay the statutory amount of Rs. 6000 only as provided under section 147 (2) of the Motor Vehicles Act. **The Manager Oriental Insurance Company Ltd. vs.Mostt. Chameli Devi 1997 (1) PLJR 1010.**

There is no material on record to show before the tribunal that the vehicle was being driven by a regular licensed holder, tribunal rightly refused the liability of the Insurance Company **Lala Satya Narain Prasad vs. Shri Laldeo Singh 1997 (1) PLJR 911.**

The insured cannot claim anything more than what is covered under the insurance policy, insurance policy covers only those goods which were permissible to be carried under the Motor Vehicle Act, 1988 by the goods carriage. Table III to Rules 137 of the Central Motor Vehicles Rules, 1988 describes hazardous goods, which are not to be carried by the goods vehicle. **Oriental Insurance Company Ltd. Vs. Sony Cheriyan (1999) 6 SCC 451. AIR 1999 SUPREME COURT 3252 see also**

If the driver of the insured vehicle is murdered while on duty the insurance company is liable to pay towards compensation under the Workmen Compensation Act but the penalty has to be paid by the owner. **National Insurance Co.Ltd. VS Presiding Officer Labour Court 2000 (2) PLJR 806: 2000 ACJ 343**

Financier, even though registered as owner, does not become in control and possession of the vehicle – Borrower if in control and possession and driving without statutory insurance will be liable. **HDFC Bank Ltd. Versus Kumari Reshma and Ors. –2015 0 AIR(SC) 290; 2015 2 JLR(SC) 9; 2015 2 PLJR(SC) 283;**

LIABILITY ON TWO PERSONS,

If the Tribunal has fixed the liability on two persons and one of them has paid and the other person filed appeal on quantum, High Court could not make out a new case and direct the appellant to pay the whole awarded amount **Administrator Bihar SRTC VS Ranjana Majhi AIR 2007 SUPREME COURT 649: (2006) 6 SCC 67 K. Ramya & Ors. versus National Insurance Co. Ltd. & Anr CIVIL APPEAL NO.7046 OF 2022 [Arising out of Special Leave Petition (C) No. 31931 of 2017 disposed of on 30.09.2022 2022 LiveLaw (SC) 816 : (2022) AIR(SC) 4802**

LIMITED LIABILITY

Limit of liability with regard to third party risk does not become unlimited higher than the statutory liability even after the issuance of comprehensive policy on the Estimated value of the vehicle. The fact that the insurance policy is comprehensive is of no consequence. For an unlimited third party risk cover specific agreement and payment of separate premium is necessary. **New India Assurance Company Vs. C.M. Jaya (2002) 2 SCC 278 : 2002 (2)PLJR 200 (SC) ; Jai Singh vs. Lal Muni Devi 2000 (4) PLJR 231: AIR 2000 Pat 187 ; New India Assurance Co. Ltd. vs. Shanti Bai (1995) 2 SCC 539 : AIR 1995 SC 1113 see also National Insurance Company vs. Jugal Kishore (1988) 1 SCC 626, Radhey Shyam Prasad vs. Kripa Tiwari 1997 (1) PLJR 918; New India Assurance Company vs. Most. Sapuran Devi Devi 2000 (4) PLJR 54; New India Assurance Company vs. Dr. Madan Kumar Sinha 2001 (1) PLJR 25. (SECTION 147 OF MOTOR VEHICLES ACT)**

C.M. Jaya (2002) 2 SCC 278 : 2002 (2)PLJR 200 (SC) binding in all cases relating to limited liability **D.M. Oriental Insurance Company Vs. Most. Jaishree Verma 2005 (3) PLJR 738. see also Sardar Jai Singh Chawala Vs. Raksakhi Devi 2006 (1) PLJR 630**

Limited Liability means that the loss sustained will be payable up to the insured amount **Ramasharay Singh Vs. New India Assurance Company AIR 2003 SCW 3601: AIR 2003 SC 2877**

The term of the policy and the premium paid showing the liability of the insurer fixed at Rs 50,000. Award of compensation more than the said sum is not permissible **National Insurance Company Vs. Keshav Bahadur and others 2004 AIR SCW 737**

LIMITATION

Limitation of six months prescribed in section 166 (3) has been repealed by an amendment in the Motor Vehicle Act. Thus claims dismissed on the grounds of limitation have to be restored and decided on merit. **Dasarath Prasad vs. Catholic Charities Daltonganj (1996) 1 BLJR 444. see also Dhannalal vs. D.P. Vijayvargiya and others (1996) 4 SCC 652. ; New India Assurance Company Vs. C.Padma (2003) 7 SCC 713**

Policy conditions carrying a provision that a claim if not claimed within the specified period as mentioned in the policy the claim would stand extinguished even though the period specified is shorter than the period of limitation provided in the Limitation Act, 1963 **Himachal Pradesh State Forest Company Ltd. Vs. United India Insurance Company (2009) 2 SCC 252 see also National Insurance Company Ltd. Vs. Sujir Ganesh Nayak & Co. (1997) 4 SCC 366: The New India Assurance Co.Ltd. Vs. B.N. Sainani (1997) 6 SCC 383.**

Claim raised after the specified period for raising claim as mentioned in the policy , policy allowed to expire , High Court cannot direct the Insurance Company to make payment after expiry of the policy **Smt. Lilawati Devi Vs. The State of Bihar and others . 1998 (2) PLJR 693.**

We are of the considered view, that a claim raised before the Motor Accident Claims Tribunal, can be considered to be genuine, so long as it is a live and surviving claim. We are satisfied in accepting the declared position of law, expressed in the judgments relied upon by the learned counsel for the appellant. It is not as if, it can be open to all and sundry, to approach a Motor Accident Claims Tribunal, to raise a claim for compensation, at any juncture, after the accident had taken place. The individual concerned, must approach the Tribunal within a reasonable time. The question of reasonability would naturally depend on the facts and circumstances of each case. for approaching the Motor Accident Claims Tribunal. The only justification indicated by the respondents, for initiating proceedings after a lapse of 28 years, emerges from paragraph 4, contained in the application for condonation of delay, filed by the claimants, before the Tribunal. Paragraph 4 aforementioned is extracted hereunder:-

“4. That the Petitioners are poor person and they have no knowledge about the Law. Also the Respondent has not pay the single pie towards any compensation.”

In view of the reasons recorded hereinabove, we hereby set aside the impugned order and allow the instant appeal, by holding, that the claim raised by the respondents before the Motor Accident Claims Tribunal, was not a surviving claim, when the respondents approached the said Tribunal. **M/s. Purohit & Company Versus Khatoonbee & Anr. 2017 0 Supreme (SC) 254; AIR 2017 SUPREME COURT 1612**

After going through the aforesaid settled principles in M/s. Purohit's case, the claim preferred, after more than 13 years, in the present case, cannot be considered to be within a reasonable period nor the claim can be said to be a genuine claim in the sense that the claim was a live and surviving claim. **MOST. GYATRI DEVI Vs. KAMESHWAR PRASAD (2019) 1 PLJR 652**

Loss of love

Loss of love and affection is comprehended in loss of consortium, and there is no justification to award compensation towards loss of love and affection as a separate head **United India Insurance Company Limited vs. Satinder Kaur Alias Satwinder Kaur and Others [(2021) 11 SCC 780 see also S. CHANDRASEKHARAN AND OTHERS Vs. M. DINAKAR AND ANOTHER (2022) 7 JT 267 : (2022) 5 KLT 202 : (2022) 3 LawHerald(SC) 2261 : (2022) 3 PLJR 337**

LOK ADALAT

A compromise becomes a compromise decree only when the procedure under the C.P.C. is under gone. An award passed by Lok Adalat under section 20 is not a compromise decree. It is to be treated as a decree inter alia. **New Okhla Industrial Development Authority (NOIDA) Vs. Yunus AIR 2022 SC 847**

When a case is referred to the Lok Adalat for settlement, two courses are open to it a) (a) if a compromise or a settlement is arrived at between then parties, to make an award, incorporating such compromise or settlement (which when signed by the parties and countersigned by the members of the Lok Adalat, has the force of a decree); or (b) if there is no compromise or settlement, to return the record with a failure report to the court. There can be no third hybrid order by the Lok Adalat containing directions to the parties by way of final decision, with a further direction to the parties to settle the case in terms of such directions. In fact, there cannot be an 'award' when there is no settlement. Nor can there be any 'directions' by the Lok Adalat determining the rights/obligations/title of parties, when there is no settlement. The settlement should precede the award and not vice versa. When the Lok Adalat records the minutes of a proceeding referring to certain terms and directs the parties to draw a compromise deed or a memorandum of settlement and file it before the court, it means that there is no final or concluded settlement and the Lok Adalat is only making tentative suggestions for settlement; and such a proceeding recorded by the Lok Adalat, even if it is termed as an 'award', is not an 'award of the Lok Adalat'. **B. P. Moideen Sevamandir & Anr. Vs..A. M. Kutty Hassan (2009) 2 SCC 198** see also **National Insurance Company Vs. State Of Bihar 2022 (4) BLJ 163.**

The Lok Adalat cannot dispose of the petition if no settlement or compromise is reached at **State Of Punjab Vs. Phulan Rani 2004 AIRSCW 4527** see also **State Of Punjab Vs. Ganpat Raj 2006 AIRSCW 4585 ; State of Punjab vs Jalour Singh 2008 AIR SCW 1196; Oriental Insurance Company Vs. State of Bihar 2008 (4) BLJ 278** see also **United India Insurance Company Vs. Ajay Sinha (2008) 7 SCC 454 : AIR 2008 SUPREME COURT 2398 ; ESTATE OFFICER Vs. COLONEL H.V. MANKOTIA** Civil Appeal No. 6223 of 2021Decided on : 07-10-2021 [Docid # IndiaLawLib/1600525](#)

MAINTAINABILITY OF CLAIM PETITION

Section 167 of the Motor Vehicles Act, 1988 lays down that notwithstanding anything contained in the Workmen's Compensation Act, 1923 where the death of, or bodily injury to, any person gives rise to a claim for compensation under the Act and also under the Workmen's Act, the person entitled to compensation may without prejudice to the provisions of Chapter X claim such compensation under either of those Acts but not under both. **National Insurance Company Limited vs. Mastan and Anr. (2006) 2 SCC 641**

The issue stand answered by this Court in Mastan & Anr. (supra), which held that once the remedy under the Motor Vehicles Act, 1988 was elected to be pursued by the claimant and the Tribunal adjudicated the compensation by applying the criteria and fixing the income, falling back upon the parameters under the Workmen's Compensation Act, was not permissible. The insurer could not have raised such a defence seeking to apply the provisions of Workmen's Compensation Act. Both the remedies are different. **MOHAMMED MASOODVs. THE NEW INDIA ASSURANCE CO. LTD. AND ANOTHER 2025 INSC 1179 : [Docid # IndLawLib/2433221](#)**

Under Workmen's Compensation Act, injured or legal heirs of deceased workmen are not required to establish negligence as pre-condition for award of compensation, but in claim petition before Motor Accident Claims Tribunal, it is an action in tort and the injured or legal heirs of deceased have to establish by preponderance of evidence that there was no negligence on their part and they were not responsible for

accident. **NATIONAL INSURANCE CO. LTD. Vs. PREMBAI PATEL AND OTHERS AIR 2005 SC 2337**

Compensation payable to the employee of owner of vehicle that caused accident cannot be restricted merely to one under the Workmen's Compensation Act and it can be expanded provided the contractual document which is the policy of insurance incorporates such clause regarding the premium to be paid taking into account the nature of the policy. **AIR 2013 SUPREME COURT 2561 "Ramchandra v. Regional Manager, United India Insurance Co. Ltd."**

'Accident arising out of use of motor vehicle' - Petrol tanker falling on Kutcha ground and came to rest after being hit by rear left side of truck - After 4 hours tanker exploded due to petrol leakage resulting in death of persons gathered to collect petrol - Cannot be said to be an accident 'arising out of use of motor vehicle' - **AIR 2011 SUPREME COURT 666 "New India Assurance Co. Ltd. v. Yadu Sambhaji More"**

Claim for compensation - Remedy under Ss. 163A and S. 166 being final and independent of each other, claimant cannot pursue them simultaneously - Claim petition finally determined under S. 163A - Claimant would be precluded from proceeding further with petition filed under S. 166. **AIR 2011 SUPREME COURT 1138 "Oriental Insurance Co. Ltd. v. Dhanbai Kanji Gadhi"**

MEDICAL-LEGAL REPORT (Murg report)

As far as the accident, it is seen that there is no dispute since a Medical Legal Report (Murg) report was made on intimation from the hospital which is produced as Annexure P-1 in which it was recorded that a person involved in a road accident was admitted to the hospital who died at 12:30 am. The accident is said to have occurred at 6 pm and the murg report was on the same day. The mere fact that PW-2, the eyewitness did not approach the police cannot be a reason to find the delay in FIR to be suspicious. The accident itself having been proved and a Murg report filed, definitely investigation would be carried out. We see from the FIR that based on the Murg report an investigation was carried out in the course of which the eyewitness was detected and Annexure P-2 FIR was registered. We do not find any reason to disbelieve the FIR, especially since the insurance company did not make any attempt to examine the investigating officer before the Tribunal. **Sanju Bai Prajapati And Others Vs. The New India Assurance Company Ltd. And Others Docid # IndLawLib/2427830 : 2025 INSC 823 Civil Appeal No.of 2025 (@Special Leave Petition (C) No. 13455 of 2023) Decided on : 14-07-2025**

MINIMUM WAGE

- In a case where there is no clue available to evaluate monthly income of the deceased , the Notification of Minimum Wages Act can be a guiding factor only. Where positive evidence has been led, no reliance on the Notification could be placed, particularly when it was nobody's case that the deceased was a labourer. (Para 9) **Gurpreet Kaur v. United India Insurance Company, 2022 LiveLaw (SC) 821** :see also **JITENDRA Vs. SADIYA AND OTHERS 2025 INSC 166 : Docid # IndLawLib/2422307**
- In the absence of a salary certificate, the minimum wages notification along with some amount of guesswork that is not completely detached from reality shall act as a yardstick to determine the income of the deceased. **Chandra Alias Chanda Chandraram and Anr. v. Mukesh Kumar Yadav and Ors (2022) 1 SCC 198** see also **Manusha Sreekumar vs United India Insurance Co. Ltd | 2022 LiveLaw (SC) 858 : AIR 2022 (SC) 5161.**

- The statement of the claimant therein to establish the income of the person. In the absence of any material to discard the oral evidence claimant's statement is to be accepted. **Nur Ahamad Abdulsab Kanavi vs. ABDUL MUNAF AND OTHERS** Docid # IndLawLib/2422397 : 2025 INSC 191 Civil Appeal No. 2322 of 2025 (Arising Out of SLP(C) No.21766 of 2024) Decided on : 11-02-202
- The Hon'ble Supreme Court in a series of judgment has held that "minimum wage as fixed by the government is to be taken into consideration, if there is no proof of earning. **Jakir Hussein vs . Sabir and Others** 2015 7 SCC 252;

MOTOR VEHICLES ACT AND INDIAN PENAL CODE, 1860 -

M.V. Act, 1988 is a complete code in itself in so far as motor vehicles are concerned. [National Insurance Co. Ltd. v. Annappa Irappa Nesaria, [\(2008\) 3 SCC 464](#) : (2008) 2 SCC (Cri) 99 : (2008) 1 SCC (Civ) 945; Gottumukkala Appala Narasimha Raju v. National Insurance Co. Ltd., [\(2007\) 13 SCC 446](#) : (2008) 2 SCC (L&S) 662] However, there is no bar under the M.V. Act or otherwise, to try and prosecute offences under the IPC for an offence relating to motor vehicle accidents. **The State Of Arunachal Pradesh Versus Ramchandra Rabidas @ Ratan Rabidas & Anr. – 2019 0 Supreme(SC) 1132; AIR 2019 SUPREME COURT 4954**

Offences under Chapter XIII of the MV Act are compoundable in nature in view of Section 208(3) of the MV Act, whereas offences under Section 279, 304 Part II and 304A IPC are not.

If the IPC gives way to the MV Act, and the provisions of CrPC succumb to the provisions of the MV Act as held by the High Court, then even cases of culpable homicide not amounting to murder, causing death, or grievous hurt, or simple hurt by rash and negligent driving, would become compoundable. Such an interpretation would have the consequence of letting an offender get away with a fine by pleading guilty, without having to face any prosecution for the offence committed. **The State Of Arunachal Pradesh Versus Ramchandra Rabidas @ Ratan Rabidas & Anr. – 2019 0 Supreme(SC) 1132; AIR 2019 SUPREME COURT 4954**

MOTOR VEHICLE

Vehicles are goods within the meaning of Section 2(7) of The Sale of Goods Act, 1930 and they carry implied conditions as to their fitness. (Para 7) **Hyundai Motor India Ltd. v. Shailendra Bhatnagar**, [2022 LiveLaw \(SC\) 399](#) : 2022 (6) SCALE 587

A motor vehicle remains in the category of unascertained or future goods till its appropriation to the contract of sale by the seller is occasioned by handing over its possession at or near the office of registration authority in a deliverable and registrable state. Only after getting certificate of registration the owner becomes entitled to enjoy the benefits of possession and can obtain required certificate of insurance in his name and meet other requirements of law to use the motor vehicle at any public place **Commissioner of Commercial Taxes, Thiruvananthapuram, Kerala v. M/s. K. T. C. Automobiles. AIR 2016 SUPREME COURT 805**

Motor vehicle in terms of **Section 2(28)** of the Act, is to be determined on the facts of each case taking into consideration the use of the vehicle and its suitability for being used upon the road. Once it is found to be suitable for being used on the road,

Definition of motor vehicle takes within its ambit, a dumper and tractor. Tractor which is basically for agricultural purpose and a dumper is used in the factory premises, can suitably be adapted for being used on

the road, therefore, they will meet the requirement of definition of motor vehicle under Section 2(28) of the Act. The word only used in Section 2(28) of the Act clearly shows that the exemption is confined only to those kinds of vehicles which are exclusively being used in a factory or in any closed premises. Thus, a vehicle which is not adapted for use upon the road, is only to be excluded. (Para 28) **AIR 2013 SUPREME COURT 2150 "Chairman, R. S. R. T. Corporation v. Santosh"**

S.2(24) Motor Vehicle - Jugaad - Is motor vehicle - Can be plied only after meeting requirements of law. Jugaad is covered in the definition of the motor vehicles under Section 2(28) of the Act, the statutory authorities cannot therefore escape from their duty to enforce the law and restrain the plying of Jugaad. The statutory authorities must ensure that Jugaad can be plied only after meeting the requirements of the Act. Jugaad has become a menace to public safety as they are causing a very large number of accidents. Jugaads are not insured and the owners of the Jugaad generally do not have the financial capacity to pay compensation to persons who suffer disablement and to dependents of those, who lose life. Thus, considering the gravity of the circumstances, the statutory authorities must give strict adherence to the circular issued by Ministry of Shipping, Road Transport and Highway **AIR 2013 SUPREME COURT 2150 "Chairman, R. S. R. T. Corporation v. Santosh"**

MULTIPLIER

Minor children of the deceased are entitled to the multiplier adopted by the Tribunal despite the remarriage of the deceased's wife, as their loss of dependency is not extinguished by the mother's remarriage. **The Oriental Insurance Co. Ltd. Vs. Niru @ Niharika And Others. Docid # IndLawLib/2427828 : 2025 INSC 82 Special Leave Petition (C) No. 11340 of 2020 with Special Leave Petition (C) No. 22136 of 2024 Decided on : 14-07-2025**

The multiplier in motor accident claims cannot be reduced on the ground that the deceased was earning in foreign currency. The multiplier is fixed on the basis of the age of the victim and cannot be altered based on the ground of foreign income. **Shyam Prasad Nagalla & Ors. v. The Andhra Pradesh State Board Transport Corporation & Ors. 2025 LiveLaw (SC) 351**

Multiplier method is most realistic and reasonable because it has been decided by looking at the age, inflation rate, uncertainty of life and other realistic needs - Not only for determination of future loss of earning but for attendant charges also the multiplier method should be followed. (Para 14) **Abhimanyu Partap Singh v. Namita Sekhon, 2022 LiveLaw (SC) 569:** (2022) 8 SCC 489 see also **Maya Singh And Others Vs. The Oriental Insurance Co. Ltd. And Others –2025 INSC 161 : Docid # IndLawLib/2422301 Civil Appeal No.of 2025 (Arising out of S.L.P.(C) No.30398 of 2019) Decided on : 07-02-2025**

The selection of multiplier is based on the age of the deceased and not on the basis of the age of dependent. There may be a number of dependents of the deceased whose age may be different and, therefore, the age of dependents has no nexus with the computation of compensation. **SHRI NAGAR MAL AND ORS VERSUS THE ORIENTAL INSURANCE COMPANY LTD. AND ORS AIR 2018 SUPREME COURT 568 : 2018 0 Supreme (SC) 44; 2018(1) BLJ 159 (SC); see also RAMRAO LALA BORSE AND ANR VERSUS NEW INDIA ASSURANCE COMPANY LTD. AND ANR – AIR 2018 SUPREME COURT 657 : 2018 0 Supreme (SC) 45; R. VALLI AND OTHERS Vs. TAMIL NADU STATE TRANSPORT CORPORATION LIMITED Civil Appeal No. 1269 of 2022 Decided on : 10-02-2022 2022 (2) BLJ 160**

In the case of Sarla Verma, (AIR 2009 SC 3104: 2009 AIR SCW 4992) (supra) this Court held that the

multiplier to be used should be as mentioned in Column (4) of the table of the said judgment which starts with an operative multiplier of 18. As the age of the deceased at the time of the death was 26 years, the multiplier of 17 ought to have been applied. **2012 AIR SCW 3901 "Amrit Bhanu Shali v. National Insurance Co. Ltd."** see also **AIR 2014 SC (Supp) 1004 "M. Mansoor Vs. United India Insurance Co. Ltd"**

If the deceased is un married and 50% has been deducted as personal expenses the multiplier will be in accordance to the age of the deceased **Sube Singh and Ors. Vs. Shyam Singh (dead) and Ors. MANU/SC/0106/2018**

Deceased was 28 years at time of accident - Amount of compensation payable to be determined by applying multiplier of 17. **2011 AIR SCW 6393 "Urmila v. Rashpal Kaur"**

Multiplier is determined by age of deceased and by calculation as to what capital sum, if invested at rate of interest appropriate to stable economy would yield multiplicand by way of annual interest **AIR 2009 SC (Supp) 270 "Uttaranchal Transport Corpn. Ltd. Vs. Vimla Devi"** see also **M/S. Royal Sundaram Alliance Insurance Company Ltd. Vs. Mandala Yadagari Goud & Ors. 2019 0 Supreme (SC) 418 : AIR 2019 SUPREME COURT 1825**

Multiplier method is to be applied in cases of injuries also. **AIR 2010 SUPREME COURT 3741 "Yadava Kumar v. Divisional Manager, National Insurance Co. Ltd."** See also **SANJAY RAJPOOT Vs. RAM SINGH AND OTHER S2025 INSC 188 :202Docid # IndLawLib/2422398**

Age of deceased was 56 years - Multiplier of 8 should have been used - High Court adopting multiplier of 11, improper **AIR 2011 SUPREME COURT 2838 "Oriental Insurance Co. Ltd. v. Vithabai"**

Victim was aged 29 years at time of accident - Multiplier of 16 should be applied in view of decision of Supreme Court in **AIR 2009 SC 3104 AIR 2011 SUPREME COURT 1234 "Kusum Lata v. Satbir"**

Age of deceased was not above 40 years on date of accident - Compensation should be calculated by applying multiplier of 16 as per Second Schedule. **AIR 2011 SUPREME COURT 1226 "Ravi v. Badrinarayan"**

Multiplier method - It involves ascertainment of loss of dependency or multiplicand - Choice of multiplier is determined by age of deceased and by calculation as to what capital sum would yield the multiplicand by way of annual interest. In ascertaining this, regard should also be had to the fact that ultimately the capital sum should also be consumed-up over the period for which the dependency is expected to last. **AIR 2009 SUPREME COURT 2146 "Uttaranchal Transport Corpn. Ltd. v. Vimla Devi"**

Multiplier of 10 is applicable for the age of the deceased about 58 years **National Insurance Company Ltd. Vs. Meghji Naran Soratiya and others 2009 AIR SCW 2340**

Highest multiplier has to be for the age group of 21 years to 25 years **United India Insurance Company Vs. Bindu and others 2009 AIR SCW 1611**

Multiplier of 17 is to be given to a deceased of 35 years **Mohan Singh Vs. Kashi Bai and others 2009 AIR SCW 1664**

Multiplier - Determination - Age of accused or of claimant whichever is higher is relevant - Deceased aged 22 years - Claimant 55 years old - Selection of multiplier 8 is proper - Second schedule to act to be used as

guide not as mathematical formula. **AIR 2008 SUPREME COURT 1233 "Ramesh Singh v. Satbir Singh"**

Though deceased was aged 25 years, considering age of his mother about 65 years and of father more than 65 years at relevant time - Multiplier of 5 would be appropriate - Compensation computed accordingly and reduced from Rs. 4,10,000/- to Rs. 2,10,000/-.**AIR 2007 SUPREME COURT 2649 "New India Assurance Co. Ltd. v. Shanti Pathak"**

Method of multiplier explained maximum multiplier not to exceed from 12 to 16 times. General Manager Kerala State Road Transport Corporation **Trivandrum vs. Susamma Thomas and others (1994) 2 SCC 176** see also **Sarla Dixit vs Balwant Yadav & others (1996) 3 SCC 179**. **Sri Bulak Sao vs. Sri Ram Nath Prasad 1995 BBCJ 286**.

The maximum multiplier now not to exceed from 18 times and judgment given in **General Manager Kerala State Road Transport Corporation Trivandrum vs. Susamma Thomas and others (1994) 2 SCC 176** affirmed **U.P. STATE ROAD TRANSPORT CORPORATION VS. TRILOK CHAND (1996) 4 SCC 362** see also **PUSHPA PANDEY & OTHERS VS. JANARDAN PD. SINGH (1996) 2 BLJR 1476**. **ADIKANDA SETHI VS.PALANI SWAMI SARAN TRANSPORT (18 TIMES GIVEN TO A DECEASED OF 24 YEARS) (1997) 5 SCC 435** ; **U.P. STATE ROAD TRANSPORT CORPORATION VS. Krishna Bala (2006) 6 SCC 249**

Multiplier of 18 is to be given even to persons of the age of 26 **State Of Haryana Vs. Jasbir Kaur (2003) 7 SCC 484** **New India Assurance Company Vs. Charlie 2005 (2) PLJR 249 (SC)**

Multiplier given in the structured formula can be deviated from. If the multiplicand is higher, lower multiplier can be selected **United India Insurance Company Vs. Patricia Jean Mahajan 2002 AIR SCW 2920: U.P. STATE ROAD TRANSPORT CORPORATION VS. Krishna Bala (2006) 6 SCC 249**

While considering the multiplier it has to be kept in mind that such multiplier should be applied which would ensure a monthly income to the similar amount if the whole amount is kept in a fixed deposit so as the calculated quantum of compensation in money value should fetch the same amount of dependency to the claimants. As per **Most. Menna Devi Vs. The United India Insurance Company, 2002(2) P.L.J.R. 494 (D.B)** **Oriental Insurance Company Limited Vs. Nandini Devi, 1999(1) P.L.J.R. 287**, **Oriental Insurance Company Limited Vs. Shanti Devi, 1999(1) P.L.J.R. 400**; **National Insurance Company Limited vs. Kumari Anupma 1999 (1) PLJR 873** ; **United India Insurance Co.Ltd. vs. Most. Meena Devi 2000 BRLJ 14 : 2000 (2) PLJR 820**; **Oriental Insurance Co.Ltd. vs. Most. Savitri Devi 2000 (4) PLJR 47 :2000 BRLJ 32** ; **National Insurance Co. Ltd Vs. Surjit Kaur Devi 2000 (4) PLJR 109** : **National Insurance Co. Ltd. Vs. Madhuri Kuer 2001 (1) PLJR 73**; it is made clear that these case of Patna High Court has been decided on the principles laid down by Supreme Court in **General Manager, Kerala State Road Transport Corporation Vs. Sushma Thomas, A.I.R. 1994 S.C. 1631: (1994) 2 SCC 176:AND U.P. State Road Transport Corporation & others vs. Trilok Chandra & others (1996) 4 SCC 362**. see also **Jaya Pandey Vs. Nirmal Kumar Singh 2002 (3) PLJR 1**; **U.P. STATE ROAD TRANSPORT CORPORATION VS. Krishna Bala (2006) 6 SCC 249**

Where the deceased is unmarried and the claimant is the mother, while deciding the claim on multiplier basis the age of the deceased is to be taken **M/S. ROYAL SUNDARAM ALLIANCE INSURANCE COMPANY LTD. VS.MANDALA YADAGARI GOUD & ORS.2019 0 Supreme(SC) 418**; see also **Mohammed Siddique and Anr. v. National Insurance Company Ltd. and Ors. AIR 2020 SUPREME COURT 520**

In cases where injuries not laid to permanent disability the award is to be given on a lump-sum amount instead of use of multiplier method. **New India Assurance Company VS Jainath Singh 2000 (2) PLJR**

776.

There is a difference between Annual Income and Annual Dependency. The multiplier should be selected at such a number, which on multiplying the annual dependency comes to such a sum, which if kept in bank or financial institutions the Annual Return meets the amount of annual dependency. **National Insurance Co.Ltd. VS Chandrawati Kuar 2000 (2) PLJR 832**

Age of the deceased 40 years multiplier of 9 is to be applied along with interest of 12% per annum. **United India Insurance Company vs. Mrs. Kanak Paul & Others. (1996) 1 BLJR 473.: 1996 (1) ALLPLR 294 ,this judgement stands affirmed in L.P.A. (1996) 2 BLJR 1242 see also United India Insurance Co.Ltd. vs. Most. Meena Devi 2000 BRLJ 14**

Age of the deceased 45 years multiplier of 8 is to be applied. The question of negligence has to be determined not only on basis of averment in the F.I.R. but also from the evidence deduced **United India Insurance Company vs. Smt. Susshila Devi (1995) 2 BLJR 1275**

The multiplier method cannot be used in death of minors, as they have no income. The quantum of compensation has to be decided on lump sum basis considering the future prospect of the minor, standard and status of the family in the society and the upbringing of the minor by the parents. **C.K. Subramonia Iyer vs. T. Kunhikuttan Nair AIR 1970 SC 376 (Para 14) ; Ram Surat Pandey & another vs. Smt. Indu Devi & another 1997 (1) PLJR 804 See also Executive Engineer P.H.E.D. (Mechanical) Dhanbad Division vs. Kameshwar Singh 1997 (1) PLJR 927, National Insurance Company vs. Smt. Phool Bharan Devi 1998 (2) PLJR 616; Oriental Insurance Company vs. Paspati Prasad And others 1998 (2) PLJR 617.**

The multiplier in cases under the old Act cannot be more than 16 times **Oriental Insurance Company Ltd. vs. Smt. Shayama Thakur 1999(1) PLJR 96.**

Higher multiplier is to be given to the age group of 21 to 25 **New India Assurance Company Vs. Charlie & others 2005 (2) PLJR 249** The Compensation on multiplier basis must be a just compensation and it should neither be a bonanza nor a source of profit **Divisional Controller KSRTC Vs. Mahadev Shetty (2003) 7 SCC 197. New India Assurance Company Vs. Charlie 2005 (2) PLJR 249 (SC) (2005) 10 SCC 720.**

MURDER

A claim petition for compensation for the killing of the driver by miscreants is maintainable as it is covered under the definition of accident under the Motor Vehicles Act, 1988 **Rita Devi Vs. New India Assurance Company (2000) 5 SCC 113: 2001 (1) PLJR 30 (SC) See also National Insurance Company Vs. Sindhu Devi 2001 (1) PLJR 534; Oriental Insurance Company Vs. Archana Ranjan 2001(1) PLJR 163.(D.B); National Insurance Company Vs. Guriya Devi 2019 (3) BLJ 823; Shakuntala Devi Vs.Pushpa Ranjan 2019 (2) PLJR 493**

The death of the deceased was a murder simpliciter and as such it cannot be termed as a death or permanent disablement due to accident arising out of the use of **motor vehicle** entitling payment of compensation in terms of sec. 163-A of the Act. **Ranju Rani Alias Ranju Devi Versus Branch Manager, The New India Assurance Company Limited 2002 4 PLJR 341; 2002 0 Supreme(Pat) 1024;**

If the driver of the insured vehicle is murdered while on duty the insurance company is liable to pay towards compensation under the Workmen Compensation Act but the penalty has to be paid by the owner. **National Insurance Co.Ltd. VS Presiding Officer Labour Court 2000 (2) PLJR 806: 2000 ACJ 343**

NEGLIGENCE

Negligence is omission of duty caused either by an omission to do something which a reasonable man guided upon those considerations who ordinarily by reason of conduct of human affairs would do or obligated to, or by doing something which a prudent or reasonable man would not do. Negligence does not always mean absolute carelessness, but want of such a degree of a care as is required in particular circumstances. Negligence is failure to observe, for the protection of the interests of another person, the degree of care, precaution and vigilance which the circumstances justly demand, whereby such other person suffers injury. The idea of negligence and duty are strictly correlative. Negligence means either subjectively a careless state of mind, or objectively careless conduct. Negligence is not an absolute term, but is a relative one; it is rather a comparative term. No absolute standard can be fixed and no mathematically exact formula can be laid down by which negligence or lack of it can be infallibly measured in a given case. What constitutes negligence varies under different conditions and in determining whether negligence exists in a particular case, or whether a mere act or course of conduct amounts to negligence, all the attending and surrounding facts and circumstances have to be taken into account. It is absence of care according to circumstances. To determine whether an act would be or would not be negligent, it is relevant to determine if any reasonable man would foresee that the act would cause damage or not. The omission to do what the law obligate or even the failure to do anything in a manner, mode or method envisaged by law would equally and per se constitute negligence on the part of such person. If the answer is in the affirmative, it is a negligent act. Where an accident is due to negligence of both parties, substantially there would be contributory negligence and both would be blamed. In a case of contributory negligence, the crucial question on which liability depends would be whether either party could, by exercise of reasonable care, have avoided the consequence of other's negligence. Whichever party could have avoided the consequence of other's negligence would be liable for the accident. If a person's negligent act or omission was the proximate and immediate cause of death, the fact that the person suffering injury was himself negligent and also contributed to the accident or other circumstances by which the injury was caused would not afford a defence to the other. **Municipal Corporation of Greater Bombay Appellant v. Shri Laxman Iyer and another Respondents. 2003 AIR SCW 5505**

Claimants alleging that bus of respondent corporation was involved in accident with motorcycle of deceased - Mere involvement of bus of respondent corporation in accident - Cannot make respondent liable to pay compensation unless it is shown that accident was caused by rash and negligent act of bus driver. **AIR 2014 SC (Supp) 1218 "Lahoo Ram Vs. Himachal Road Transport Corpn"**

The petition filed by the claimants was under Section 166 of the Act and not under Section 163-A of the Act. This is not in dispute. Therefore, it was the entire responsibility of **the parents of the deceased to have established that respondent No.1 drove the vehicle in a rash and negligent manner which resulted in the fatal accident.** May be, in order to help respondent No.1, the claimants had not taken up that plea before the Tribunal. Therefore, High Court was justified in sustaining the judgment and order passed by the Tribunal. We make it clear that if for any reason, the claimants had filed the petition under Section 163-A of the Act, then the dicta of this Court in the case of Kaushnuma Begum (Smt.) and Ors. (AIR 2001 SC 485: 2001 AIR SCW 85) (Supra) would have come to the assistance of the claimants. **AIR 2012 SUPREME COURT 1918 "Surinder Kumar Arora v. Manoj Bisla"**

Person denying accident has to come forward to support his stand by getting himself examined as a witness **Krishan Gopal & another Vs. sandhya Devi and others 2009 AIR SCW 1473**

The question of negligence has to be determined not only on basis of averment in the F.I.R. but also from the evidence deduced **United India Insurance Company vs. Smt. Susshila Devi (1995) 2 BLJR 1275.**

As far as examining the eyewitness, such a witness will not be available in all cases. The FIR having been

lodged and the charge sheet filed against the owner driver of the offending vehicle, we are of the opinion that there could be no finding that negligence was not established. **Meera Bai And Others Vs. ICIC Lombard General Insurance Company Ltd. And Another 2025 INSC 600** : [Docid # IndLawLib/2425262](#)

Motor cycle driven by two persons sitting on the rear seat. Mere this fact cannot lead to inference that there was negligence on the part of the motor cyclist only. Insurance Company can get benefit when conditions mentioned in section 149 (2) of the Motor Vehicle Act, 1988 is violated **New India Assurance Company Ltd. vs. Savitri Devi (1996) 1 BLJR 519: 1996 (1) ALLPLR 476.**

Negligence of the bus driver not in dispute proportion of the negligence will be of the ratio of 60% and 40% **Karnataka State Road Transport Corporation vs. K.V.Sakeena (1996) 3 SCC 446.**

Contributory negligence, negligence can be apportioned as 60% and 40%. Accordingly insurer liable to pay compensation of Rs.60,000. **Indrani Raja Durai & others vs. Madras Motor & General Insurance Company and Others (1996) 2 SCC 157.**

When composite negligence is there and when there is no scope of determination as to which of the vehicle was more liable than the ratio of liability is to be fixed at 50% each. **National Insurance Company vs. Malti Devi & others (1996) 2 BLJR 1239** ; seeing the road conditions of Bihar award for death falling from the roof of bus reduced by 30% **United India Insurance Co.Ltd. vs. Most. Nirmala Devi 2000 (4) PLJR 45 : 2000 BRLJ 30**

In order to succeed in a defense that the accident was due to a mechanical defect, the owners have to prove that they had taken all necessary precautions and kept the lorry in a roadworthy condition , and that the defect occurred in spite of the reasonable care and caution taken by the owners . **Minu B. Mehta v. Balakrishna Ramachandran Nayan. AIR 1977 SC 1248 : (1977) 2 SCC 441: (1978) 1 SCWR 141 : (1977) 2 SCR 886.**

the petition filed by the claimants was under Section 166 of the Act and not under Section 163-A of the Act. This is not in dispute. Therefore, it was the entire responsibility of the parents of the deceased to have established that respondent No.1 drew the vehicle in a rash and negligent manner which resulted in the fatal accident. May be, in order to help respondent No.1, the claimants had not taken up that plea before the Tribunal. Therefore, High Court was justified in sustaining the judgment and order passed by the Tribunal. We make it clear that if for any reason, the claimants had filed the petition under Section 163-A of the Act, then the dicta of this Court in the case of **Kaushnuma Begum (Smt.) and Ors. (AIR 2001 SC 485 : 2001 AIR SCW 85) (supra)** would have come to the assistance of the claimants.

NOMINEE –

Insurance amount received by nominee/wife - Such amounts constitute the entitlement of all legal heirs of deceased **Shreya Vidyarthi v. Ashok Vidyarthi and Ors. AIR 2016 SUPREME COURT 139**

NOTIONAL INCOME

The social status of the deceased is to be kept in perspective, in the absence of definite proof of the income where such persons are employed in unorganized sector and the notional income in any event is required to be taken into consideration. **KUBRA BIBI & ORS. versus ORIENTAL INSURANCE CO LTD & ORS. 2023 LiveLaw (SC) 697 see also DEEPAK SINGH ALIAS DEEPAK CHAUHAN Vs. MUKESH KUMAR AND OTHERS Docid # IndLawLib/2422371 Civil Appeal No....of 2025 (Arising out of SLP(C) No...../2025 @ Diary No. 236 of 2024) Decided on : 10-02-2025**

To prove the notional income of the victim, it is not necessary to adduce any documentary evidence. The

Court can award the same even in the absence of any documentary evidence but the Court should ensure while choosing the method and fixing the notional income that the same is just in the facts and circumstances of the particular case, neither assessing the compensation too conservatively, nor too liberally **Kirti and Anr. Etc. v. Oriental Insurance Company Ltd. AIR 2021 SUPREME COURT 353** (2021) 2 SCC 166. (Para 59) **see also Sidram vs Divisional Manager United India Insurance Co. Ltd. | 2022 LiveLaw (SC) 968 | CA 8510 OF 2022 | 16 Nov 2022** see also **SANJAY RAJPOOT Vs. RAM SINGH AND OTHERS 2025 INSC 188** Civil Appeal No. 2321 of 2025 (Arising out of SLP(C)No.16541 of 2024) **Decided on : 11-02-2025 Docid # IndLawLib/2422398**

The High Court relied upon the driving licence of the deceased and the training certificate of the deceased issued by Bajaj Auto Limited and determined the notional income at Rs.10,000/- per month. Neither the driving licence nor the certificate could per se be made the basis to assume or infer that the deceased was gainfully employed at the relevant time and more so was earning income of Rs.10,000/- per month., the reason assigned by the High Court for enhancing the notional income of the deceased from Rs. 3000/- to Rs.10,000/- per month is irrational . No tangible logic has been assigned to discard the just finding recorded by the Tribunal in the backdrop of lack of evidence regarding the monthly income of the deceased **Rani & Ors. Versus National Insurance Company Ltd. & Ors. 2018 0 Supreme(SC) 746;**

NO-FAULT LIABILITY

The principle of no-fault liability is not alien to Indian law. **Section 164 of Motor Vehicles Act, 1988** stipulates a fixed liability of the owner even though the accident was caused without any fault of her own, subject to certain conditions. The rationale behind it is simple- certain categories of harm require swift relief without prolonged inquiry into fault. (para 28) **Rachana Gangu And Another Vs. Union Of India And Others 2026 INSC 218 : Docid # IndLawLib/2440570**

PERMANENT DISABILITY / FUNCTIONAL DISABILITY

In cases of permanent disability Socio-economic background of the claimants must be considered while awarding compensation - Persons from marginalized sections of the society already face severe discrimination due to a lack of social capital, and a new disability more often than not compounds to such discrimination. (Para 27-29) **Mohd Sabeer @ Shabir Hussain v. Regional Manager UPSRTC, 2022 LiveLaw (SC) 1017**

In motor accident claims, the Tribunal and court must accurately assess the claimant's functional disability, and the impact on their ability to perform daily work and earning **Docid # IndLawLib/2422398** **Sanjay Rajpoot Vs Ram Singh And Others 2025 INSC 188** Civil Appeal No. 2321 of 2025 (Arising out of SLP(C)No.16541 of 2024) **Decided on : 11-02-2025** see also **Prakash Chand Sharma v. Rambabu Saini, 2025 LiveLaw (SC) 186 : 2025 INSC 180 : Docid # IndLawLib/2422370**

PRECEDENTS

A judgment delivered by a larger bench will prevail irrespective of the number of judges constituting the majority-In view of Article 145(5) of the Constitution of India concurrence of a majority of the judges at the hearing will be considered as a judgment or opinion of the Court. It is settled that the majority decision of a Bench of larger strength would prevail over the decision of a Bench of lesser strength, irrespective of the number of Judges constituting the majority. (Para 19) **M/S TRIMURTHI FRAGRANCES (P) LTD. THROUGH ITS DIRECTOR SHRI PRADEEP KUMAR AGRAWAL versus GOVERNMENT OF**

PRINCIPLES OF ASSESSING COMPENSATION

The assessment of functional disability must be grounded in a realistic appraisal of the impact of the injury on the claimant's capacity to earn. The inquiry is not confined to the numerical percentage of physical impairment certified by the Medical Board, but extends to evaluating whether the claimant, in light of his educational background, skill set and nature of employment, is capable of meaningfully pursue his avocation.

R. HALLE Vs. RELIANCE GENERAL INSURANCE COMPANY LIMITED 2026 INSC 260 : DocId # IndLawLib/2440927 Decided on : 18-03-2026

OFFENCES UNDER THE M.V.ACT, 1988

Chapter XIII of the M.V. Act, 1988 deals with “Offences, Penalties and Procedure”. It deals with offences relating to contraventions of the provisions of the M.V. Act, or any rule, regulation or notification made thereunder. It primarily deals with offences relating to licenses, driving of vehicles by unauthorized persons, control of traffic, maintenance of motor vehicles, using a vehicle in an unsafe condition, or without registration or permit, driving beyond speed limits, driving dangerously or driving by a drunken person, or by a person under the influence of drugs ETC.

The offences under Chapter XIII of the MV Act provide a summary procedure for disposal of cases, which are compoundable in nature under Section 208 (3) of the M.V. Act. Section 208(3) provides that if an accused pleads guilty and deposits the fine imposed, then “no further proceeding in respect of offence shall be taken against him nor shall he be liable, notwithstanding anything to the contrary contained in this Act, to be disqualified for holding or obtaining a licence by reason of his having pleaded guilty”. **The State Of Arunachal Pradesh Versus Ram Rabidas @ Ratan Rabidas & Anr. – 2019 0 Supreme(SC) 1132;**

offences under Chapter XIII of the MV Act are compoundable in nature in view of Section 208(3) of the MV Act, whereas offences under Section 279, 304 Part II and 304A IPC are not.

If the IPC gives way to the MV Act, and the provisions of CrPC succumb to the provisions of the MV Act as held by the High Court, then even cases of culpable homicide not amounting to murder, causing death, or grievous hurt, or simple hurt by rash and negligent driving, would become compoundable. Such an interpretation would have the consequence of letting an offender get away with a fine by pleading guilty, without having to face any prosecution for the offence committed.

The maximum imprisonment for a first time offence under Chapter XIII of the M.V. Act, is up to only six months; whereas the maximum imprisonment for a first time offence under the IPC in relation to road traffic offences can go upto 10 years under Section 304 Part II of the IPC. The sentence imposed by the courts should be commensurate with the seriousness of the offence, and should have a deterring effect on wrongdoers. **State of Karnataka v. Sharanappa Basanagouda Aregoudar (2002) 3 SCC 738** The punishment of offenders of motor vehicle accidents under the IPC is stricter and proportionate to the offence committed, as compared with the M.V. Act.

A prosecution, if otherwise maintainable, would lie both under the IPC and the MV Act, since both the statutes operate with full vigour, in their own independent spheres. Even assuming that some of the provisions of the MV Act and IPC are overlapping, it cannot be said that the offences under both the statutes are incompatible.

OVERLOADED STAGE CARRIAGE

The liability under S. 147(2)(b) of the 1988 Act on the other hand, extends to third party. Liability of insurer - Extent - Overloaded stage carriage involved in accident - Liability of insurer would only be limited to number of passengers permitted to be carried in vehicle - Even S. 149 cannot bind insurer to pay amount outside contract of insurance. **AIR 2007 SUPREME COURT 2870 "National Insurance Co. Ltd. v. Anjana Shyam" = 2007 AIR SCW 5237 : (2007) 7 SCC 445**

OWNER

Defining "owner" is prefaced with the expression "unless the context otherwise requires" and, therefore, in the light of an earlier decision of this Court in **Ramesh Mehta v. Sanwal Chand Singhvi & Ors. (2004) 5 SCC 409, paragraph 27** it was held that where the context makes the definition given in the interpretation clause inapplicable, the same meaning cannot be assigned.

What is clear from the decisions noticed above, owner' of a vehicle is not limited to the categories specified in Section 2(30) of the M.V. Act. If the context requires, even a person at whose command or control the Vehicle could be treated as its owner for the purposes of fixing tortious liability for payment of compensation **VAIBHAV JAIN (s) VERSUS HINDUSTAN MOTORS PVT. LTD. 2024 INSC 652**

For the purposes of the Act, the person whose name is reflected in the records of the registering authority is the owner. The owner within the meaning of Section 2(30) is liable to compensate. The mandate of the law must be fulfilled. **Naveen Kumar Versus Vijay Kumar & Ors. AIR 2018 SUPREME COURT 983 : 2018 0 Supreme (SC) 115 see also SURENDRA KUMAR BHILAWE Vs. THE NEW INDIA ASSURANCE COMPANY LIMITED Civil Appeal No. 2632 of 2020 (Arising out of Special Leave Petition (C) No. 20569 of 2016) Decided on : 18-06-2020.**

'owner' of a vehicle is not limited to the categories specified in Section 2(30) of the M.V. Act. If the context so requires, even a person at whose command or control the vehicle is, could be treated as its owner for the purposes of fixing tortious liability for payment of compensation **VAIBHAV JAIN. Vs. HINDUSTAN MOTORS PVT. LTD 2024 INSC 652 Civil Appeal No. 10192 of 2024 (Arising out of SLP (C) No. 28968/2018) Decided on : 03-09-2024**

Owner - Meaning of - The expression 'owner' includes the person in actual possession and control of the vehicle - Such person shall be vicariously liable for compensation for tort committed by the driver.

The definition of the owner under Section 2(19) of the Act is not exhaustive. It has, therefore to be construed, in a wider sense, in the facts and circumstances of a given case.

The expression owner must include, in a given case, **the person who has the actual possession and control of the vehicle** and under whose directions and commands the driver is obliged to operate the bus.

To confine the meaning of 'owner' to the registered owner only would in a case where the vehicle is in the actual possession and control of the hirer, not be proper for the purpose of fastening of liability in case of an accident. The liability of the 'owner' is vicarious for the tort committed by its employee during the course of his employment and it would be a question of fact in each case as to on whom can vicarious liability be fastened in the case of an accident **RAJASTHAN STATE ROAD TRANSPORT CORPORATION Vs. KAILASH NATH KOTHARI AND OTHER ETC. AIR 1997 SC 3444 See also U.P. STATE ROAD TRANSPORT CORPORATION Vs. RAJENDRI DEVI AND OTHERS 2020 (4) BLJ 336 (SC)**

.Section 2(30) – Vehicle under hypothecation – Financier, though registered as owner,– Borrower if in control and possession and driving without statutory insurance will be liable for payment of compensation if

any *Purnya Kala Devi v. State of Assam and 2014 (4) SCALE 586* see also *Central Bank of India v. Jagbir Singh AIR 2015 SUPREME COURT 2070*

The person in control and possession of the vehicle under an agreement of hypothecation should be construed as the owner and not alone the registered owner and thereafter the Court has adverted to the legislative intention, and ruled that the registered owner of the vehicle should not be held liable if the vehicle is not in his possession and control **HDFC Bank Ltd. Vs. Kumari Reshma [2014] 14 SCC142**

Section 2(30) - A financier who is in possession of the transport vehicle owing to non-payment of the loan amount is an "owner". (Para 8.3) **Mahindra and Mahindra Financial Services Ltd .vs State of U.P. (2022) 5 SCC 525 : 2022 LiveLaw (SC) 198**

OWNERS LIABILITY

The purchaser as an 'owner' under the Motor Vehicles Act is thereafter obliged to obtain certificate of registration which alone entitles him to enjoy the possession of the vehicle in practical terms by enjoying the right to use the vehicle at public places, after meeting the other statutory obligations of Insurance **Commissioner of Commercial Taxes, Thiruvananthapuram, Kerala v. M/s. K. T. C. Automobiles. AIR 2016 SUPREME COURT 805**

Motor Vehicles Act, 1988 - Sections 2(30), 166 and 168 - Owner of vehicle - Financer - If the original employer is able to establish that when the servant was lent, the effective control over him was also transferred to the hirer, the original owner can avoid his liability and the temporary employer or the hirer, will be vicariously liable for the tort committed by the employee - Vehicle not in actual control of financer - Held that the Financer is not liable to pay the compensation. **GODAVARI FINANCE CO. Vs. DEGALA SATYANARAYANAMMA AND OTHERS AIR 2008 SC 2493**

OWNER NOT THIRD PARTY

Dhanraj Vs. New India Assurance Company and others (2004) 8 SCC 553: AIR 2004 SUPREME COURT 4767 it has been held that the owner of the vehicle does not come within the definition of third party and the insurance policy does not require an insurance company to assume risk of the owner the vehicle. See also **United India Insurance Company Vs. Davinder Singh (2007) 8 SCC 698 ; Oriental Insurance Company Vs. Rajni Devi and others (2008) 5 SCC 736**

Insurance of motor vehicle - Construction of insurance policy - Firm's vehicle driven by partner - Vehicle can be said to be driven by firm i.e. insurer itself. **AIR 1985 SUPREME COURT 1281 "Narchinva V. Kamat v. Alfredo Antonio Deo Martins"**

wherein, **the son of the owner was driving the vehicle**, who died in the accident, was not regarded as third party. In the said case the court held that neither Section 163-A nor Section 166 would be applicable. **New India Assurance Company Limited vs. Sadanand Mukhi and Others, (2009) 2 SCC 417,; AIR 2009 SC 1788**

Deceased driving motor vehicle after borrowing it from real owner - Thus he stepped into shoes of owner of vehicle - His L.Rs. could not claim compensation u/S.163-A. **AIR 2009 SUPREME COURT 3056 "Ningamma v. United India Insurance Co. Ltd." See also National Insurance Vs. Sanjay Sahay 2017 (4) BLJ 177 : 2018 (2) PLJR 359**

It is an admitted position that the deceased was the owner-cum-driver of the vehicle in question. The accident had occurred due to the rash and negligent driving of the vehicle by the deceased. No other vehicle was involved in the accident. The deceased himself was responsible for the accident. The deceased being the owner of the offending vehicle was not a third party within the meaning of the Act. **NATIONAL**

INSURANCE CO. LTD.VERSUS ASHALATA BHOWMIK AND ORS. AIR 2018 SUPREME COURT 4133 : 2018 0 Supreme (SC) 858; see also [RAMKHILADI AND ANOTHER Vs. THE UNITED INDIA INSURANCE COMPANY AND ANOTHER](#) Civil Appeal No. 9393 of 2019 Decided on : 07-01-2020 (SC) **AIR 2020 (SC) 527 : (2020) 1 JLJR 272 : (2020) 1 PLJR 316**

The deceased was the victim of his own action of rash and negligent driving. A Claimant, , cannot maintain a claim on the basis of his own fault or negligence and argue that even when he himself may have caused the accident on account of his own rash and negligent driving, he can nevertheless make the insurance company to pay for the same. Therefore, the respondents being the LR's of the deceased could not have maintained the claim petition filed under Section 166 of the Motor Vehicles Act. **NATIONAL INSURANCE CO. LTD. VERSUS ASHALATA BHOWMIK AND ORS. 2018 0 Supreme (SC) 858; see also United India Insurance Company Ltd Versus Sumitra Devi M. A. No.674 of 2013 disposed of on 29-01-2019 ; United India Insurance Company Ltd Versus Sanjeev Kumar Singh M. A. No.122 of 2015 disposed of on 26-03-2019**

PERMANENT DISABILITY

Defined under defined under sec. 142 of the Act. Sec.142 reads thus:

"142. Permanent disablement.-For the purposes of this Chapter permanent disablement of a person shall be deemed to have resulted from an accident of the" nature referred to in subsection (1) of Sec.140 if such person has suffered by reason of the accident any injury or injuries involving:-

- (a) Permanent privation of the sight of either eye or the hearing of either ear or privation of any member of joint; or
- (b) Destruction or permanent impairing of the powers of any member of joint; or
- (c) Permanent disfiguration of the head or face."

The report of the Medical Board is also not clear that the appellant suffered any permanent disability. The decision relied -on by the learned counsel for the appellant does not help the appellant as in all those cases there was permanent disablement So, the Tribunal was justified in not granting interim compensation.

Pradeep Rajak Versus Divisional Manager, Oriental Insurance Company 2007 2 PLJR 66; See also Divisional Manager, National Insurance Company Limited Versus Abhishek Kumar & Others 2004 3 PLJR 328

If the victim of the accident suffers permanent disability, then efforts should always be made to award adequate compensation not only for the physical injury and treatment, but also for the loss of earning and his inability to lead a normal life and enjoy amenities, which he would have enjoyed but for the disability caused due to the accident [**Govind Yadav vs. New India Insurance Co. Ltd., (2011)10 SCC 683 ; R.D. Hattangadi vs. Pest Control (India) (P) Ltd., (1995) 1 SCC 551; Nizam's Institute of Medical Sciences vs. Prasanth S. Dhananka (2009) 6 SCC 1; Reshma Kumari vs. Madan Mohan (2009) 13 SCC 422; ARVIND KUMAR MISHRA Vs. New India Assurance Co. Ltd. And Another (2010) 10 SCC 254 ; Raj Kumar vs. Ajay Kumar, (2011) 1 SCC 343 see also Pappu Deo Yadav Vs. Naresh Kumar And Others AIR 2020 SUPREME COURT 4424 and Lalan D. @ Lal And Another Vs. The Oriental Insurance Company Limited AIR 2020 SUPREME COURT 4508, (2020) 9 SCC 805.; Atul Tiwari v. Oriental Insurance, [2025 LiveLaw \(SC\) 26 : 2025 INSC 29 : AIR 2025 SC 574 : \(2025\) 3 SCC 6](#)**

There cannot be straight jacket formula. It depends upon the facts and circumstances of each case and it varies from person to person who has suffered **Benson George vs Reliance General Insurance Co.Ltd.**

CA 1540 OF 2022 | 25 February 2022 Citation: 2022 Live Law (SC) 214 see also *JITENDRA Vs. SADIYA AND OTHERS* 2025 INSC 166 : [Docid # IndLawLib/2422307](#)

- A self-employed person engaged in a business, **who had to amputate his left leg**, pursuant to a motor vehicle accident, was assessed with a functional disability of 60% by the Tribunal, which was found to be proper. Hence, in the present case, functional disability can be assessed at 60%. **Sunil Kumar Khushwaha Vs. Katragadda Satyanarayana And Another** [Docid # IndLaw Lib /2425484](#) : 2025 INSC 642 see also **Kanubhai Gokalbhai Bariya Vs. Jaydipsinh Gopalsinh Parekhiya And Others** [Docid # IndLawLib/2425485](#) : 2025 INSC 641

Inability of the Claimant to work due to the disability cannot be denied on the ground that his Employer was not examined or no letter was produced from the Employer. The evidence of disability such as disability certificate and identity card issued by Directorate for the Empowerment of Differently Abled and Senior Citizens, cannot be brushed aside. (Para 9) *Lakshmana Gowda B.N. v Oriental Insurance*, [2023 LiveLaw \(SC\) 528](#)

Motor Vehicles Act, 1988 - Marriage Prospects - On account of the injuries sustained claimant has suffered 75% whole body disability. He has clearly deposed that on account of the injuries sustained and consequential disability suffered his marriage prospects have become bleak. In other words, the prospects of appellant getting married would remain a dream and for loss of the same he has to be suitably awarded compensation. Hence, we award a sum of Rs.50,000/- towards the "loss of marriage prospects. (Para 11) *Lakshmana Gowda B.N. v Oriental Insurance*, [2023 LiveLaw \(SC\) 528](#) see also **M. Seetharama @ Seetharama Gowda Vs. The Manager Future General India Insurance Co. Ltd. And Others** [Docid # IndLawLib/2425497](#) : 2025 INSC 648

PAY AND RECOVER

The driver had no valid license and the licence was not renewed. The insurance company was entitled to take a valid defence in that regard under Section 149 (2)(a)(ii) as the driver of the offending vehicle was not duly licensed, to avoid its liability to pay the compensation. The conditions in law are satisfied to absolve the insurance company from the payment of compensation. The Insurance Company may pay and recover. **Rama Bai Vs. M/S Amit Minerals Through Incharge Officer/ Competent Officer And Another** 2025 SCC OnLine SC 2067 : [Docid # IndLawLib/2433178](#)

In **M/s Chatha Service Station v. Lalmati Devi & Ors**, 2025 SCC OnLine SC 756 it was held that when a vehicle involved in an accident is found to be carrying certain goods which it was not authorized to as per law (in the instant case hazardous goods within the meaning of Rule 9 of Central Motor Vehicles Rules, 1989) the insurance company while would be required to compensate the victim of the accident, it shall be entitled to recover the amount so paid from the holder of the insurance policy.

An endorsement under Rule 9 of Central Motor Vehicles Rules, 1989 is mandatory in the driving license for driving a vehicle carrying any dangerous or hazardous goods. Direction to the insurance company to pay the amounts to the claimants and recover it from the owner of the oil-tanker. **M/S. CHATHA SERVICE STATION VERSUS LALMATI DEVI & ORS**. 2025 LiveLaw (SC) 408 : 2025 INSC 468

If the insurance company failed to prove any willful breach by the vehicle owner and hence it would have no right to recover the compensation amount from the owners of the vehicle. **IFFCO Tokio General Insurance Co. Ltd. V. Geeta Devi and others**. 2023 LiveLaw (SC) 938 : (2023) AIR(SC) 5545

When a tractor and trailer are involved, **both the tractor as well as the trailer are required to be insured** - However, invoking Article 142 powers, Insurance Company directed to pay the amount awarded by the High Court as compensation with the accrued interest and recover the same from the owner of the vehicle. **DHONDUBAI versus HANMANTAPPA BANDAPPA GANDIGUDE SINCE DECEASED THROUGH HIS LRS. & ORS. 2023 Live Law (SC) 725**

Use of vehicle in public place **without permit** is fundamental statutory infraction - Pay and recover principle applicable **Amrit Paul Singh and Anr. v. TATA AIG General Insurance Co. Ltd and Ors. AIR 2018 SUPREME COURT 2662**

Principle of, 'pay and recover'- Deceased travelling as '**gratuitous passenger**' not covered under insurance policy - Insurer directed to pay amount of compensation to claimants and recover same from insured. **Manuara Khatun and Ors. v. Rajesh Kr. Singh and Ors AIR 2017 SUPREME COURT 1204 see also Anu Bhanvara Etc. v. IFFCO Tokio General Insurance Company Limited and Ors. AIR 2019 SUPREME COURT 3934 ; Balu Krishna Chavan Vs. The Reliance General Insurance Company Ltd. ors. 2022 Live Law (SC) 932. See also Akula Narayana Versus The Oriental Insurance Company Limited & Anr. 2025 INSC 1301 : 2025 LiveLaw (SC) 1095 ; KAMINIBEN AND OTHERSVs.THE ORIENTAL INSURANCE COMPANY LIMITED AND OTHERS Docid # IndLawLib/2440291**

Driver of vehicle not possessing valid driving licence Even if insurer is not held liable, it may be directed to pay compensation and recover it from the owner **Shamanna And Another Versus The Divisional Manager The Oriental Insurance Co. Ltd. And Ors. AIR 2018 (SC) 3726 SEE ALSO Parminder Singh V. New India Assurance Co. Ltd. And Ors. AIR 2019 SUPREME COURT 3128 See Also Rishi Pal Singh Vs. New India Assurance Co. Ltd (2022) ACJ 1868 Civil Appeal No. 4919 Of 2022 Decided On : 26-07-2022**

If the owner driving the vehicle himself without valid driving licence thus it was within his knowledge thus the order of pay and recover cannot be passed **United India Insurance Company Vs. Most. Kaili Devi 2019 (2) PLJR 552**

No evidence adduced to show that claimant would have difficulty in recovering sum awarded from insured - Insurer cannot be directed to pay entire compensation and subsequently recover excess paid from insured. **"Oriental Insurance Co. Ltd. v. Raj Kumari" AIR 2008 SUPREME COURT 403**

If the court gives a finding in favour of the insurer then it can recover it by filing an execution case or a certificate proceeding **National Insurance Company Vs. Baljit Kaur AIR 2004 SCW 212.**

Liability of Insurance Company to pay - Insurer liable to pay amount of compensation to claimant and recover it from insured, owner of vehicle - Mode and manner of recovery stated - Insurer can directly approach Executing Court for recovery. **Oriental Insurance Co. Ltd., Appellant v. Nanjappan and others, AIR 2004 SUPREME COURT 1630 = 2004 AIR SCW 952 see also National Insurance Company Vs. Kusum Rai 2006 (1) PLJR 306 (SC) : (2006) 4 SCC 404, United India Insurance Vs. Leeham Devi 2018 (2) PLJR 482 see also SHAMANNA AND ANOTHER Versus THE DIVISIONAL MANAGER THE ORIENTAL INSURANCE CO. LTD. AND ORS. 2018 0 Supreme(SC) 798 SHIVAWWA Vs. BRANCH MANAGER, NATIONAL INDIA INSURANCE CO. LTD. — AIR 2018 SC 1640**

National Insurance Co. Ltd. Versus Parvathneni & Anr. (2009) 8 SCC 785 if the Insurance Company proves that it has no liability to pay compensation to the claimants, the Insurance Company cannot be

compelled to make payment and later on recover it from the owner of the vehicle. **see also SHAMANNA AND ANOTHER Versus THE DIVISIONAL MANAGER THE ORIENTAL INSURANCE CO. LTD. AND ORS. 2018 0 Supreme (SC) 798**

Plying a vehicle without permit is a fundamental statutory infraction. Not having permit cannot be equated with absence of licence or a fake licence or a licence for different kind of vehicle, or, violation of a condition of carrying more number of passengers. In cases of such fundamental statutory infraction Insurer cannot be held liable to pay compensation. However, it may be made to pay the compensation in the first instance and recover the same from the owner and the driver. **Amrit Paul Singh & Anr. VERSUS TATA AIG General Insurance Co. Ltd. & Ors. AIR 2018 SC 2662 : 2018 0 Supreme(SC) 490;**

The Tribunal has absolved the insurance company on the finding that no premium was received by the insurance company nor any insurance policy was ever issued by the insurance company in relation to the offending vehicle. The respondents no.2 and 3 had relied on a Cover Note which according to respondent No.1 - Insurance Company was fraudulently obtained from the then Development Officer, who was later on sacked by respondent No.1 Insurance Company. The possibility of misuse of some cover notes lying with him could not be ruled out. But for the Cover Note issued by the Development Officer of respondent No.1 Insurance Company at a point of time when he was still working with respondent No.1, to do substantial justice, we may invoke the principle of "pay and recover", as has been enunciated by this Court in the case of National Insurance Co. Ltd. v. Swaran Singh & Ors., [\(2004\) 3 SCC 297](#) (para 110) **Mangla Ram Versus Oriental Insurance Co. Ltd. & Ors. AIR 2018 (SC) 1900**

If the liability of the Insurance Company is decided and they are held not to be liable, ordinarily, there shall be no direction to "pay and recover" - In all cases such order of "pay and recover" would not arise when the Insurance Company is not liable but would, in the facts and circumstances, be considered by this Court to meet the ends of justice. **Balu Krishna Chavan v. Reliance General Insurance Company Ltd., [2022 LiveLaw \(SC\) 932](#)**

POWER OF APPELLATE COURT

Two vehicles, one belonging to B.S.R.T.C. and another belonging to Police Department involved in accident - Tribunal directing B.S.R.T.C. and Police Department to pay compensation in equal shares - No appeal preferred against it by Police Department - High Court in appeal filed by B.S.R.T.C. cannot make a new case and direct B.S.R.T.C. to pay entire compensation without giving any reasons, though no appeal was preferred by Police Department and in essence accepted order of Tribunal. **AIR 2007 SUPREME COURT 649 "Administrator, B.S.R.T.C. v. Ranjana Majhi"**

PAYMENT OF COMPENSATION

The compensation awarded under the Motor Vehicles Act. The general practice followed by the insurance companies, where the compensation is not disputed, is to deposit the same before the Tribunal. Instead of following that process, a direction can always be issued to transfer the amount into the bank account(s) of the claimant(s) with intimation to the Tribunal.

The Tribunals at the initial stage of pleadings or at the stage of leading evidence may require the claimant(s) to furnish their bank account particulars to the Tribunal along with the requisite proof, so that at the stage of passing of the award the Tribunal may direct that the amount of compensation be transferred in the account of the claimant and if there are more than one then in their respective accounts.

If there is no bank account, then they should be required to open the bank account either individually or jointly with family members only. It should also be mandated that, in case there is any change in the bank account particulars of the claimant(s) during the pendency of the claim petition they should update the same before the Tribunal. This should be ensured before passing of the final award. It may be ensured that the

bank account should be in the name of the claimant(s) and if minor, through guardian(s) and in no case it should be a joint account with any person, who is not a family member. The transfer of the amount in the bank account, particulars of which have been furnished by the claimant(s), as mentioned in the award, shall be treated as satisfaction of the award. Intimation of compliance should be furnished to the Tribunal.

Where the compensation is awarded to minor claimant(s) or otherwise, the Tribunal directs for keeping a certain percentage of the amount in a fixed deposit. Such a direction can always be issued in the award itself to be complied with by the concerned bank. When the amount is transferred by the Insurance Company in the account of the claimant(s), it shall be the responsibility of the bank to ensure that specified portion thereof is kept in the fixed deposit. Compliance is to be reported by the bank(s) to the Tribunal.

It is also a fact that substantial amount of compensation in motor accident cases remains deposited in the Tribunal as the claimant(s) may not have approached the Tribunal for release thereof for various reasons. Delay for any reason in release of compensation in motor accident cases by the Tribunal to the claimant(s), where the amount is deposited in Tribunal, as directed, results in loss of interest to the claimant(s). In case the aforesaid process is followed, the gap would be bridged. The real object of the beneficial legislation, namely to compensate for the loss of earning member of the family or for the injuries suffered by the claimant(s), will be achieved and compensation can be disbursed without any delay.

Directions are being issued for bank transfer of the amount of compensation in motor accident cases, but the Courts/Tribunals can always follow this process in any matter, whenever any amount is to be paid by one party to another, however, ensuring proper compliance. *Parminster Singh v. Honey Goyal*, 2025 LiveLaw (SC) 318 : 2025 INSC 361 : AIR 2025 SC 1713: Docid # IndLawLib/2423558 :

PAYMENT OF INTEREST

The rate of interest should not be more than 7.5% as granted by the Supreme Court in **New India Assurance Company Vs. Charlie & others 2005 (2) PLJR 249**

Granting of interest will depend on the facts and circumstances of each case and would normally depend upon the bank rate prevailing at the relevant time **Abati Bezbaruah Vs. Director General Geological Survey of India and another (2003) 3 SCC 148 SEE ALSO Dharampal Vs. U.P.S.R.T.C. (2008) 12 SCC 208**

Discretion in awarding of interest is to be exercised where it can be claimed as a matter of right. In circumstances retrospective enhancement of interest for default in payment of compensation together with interest payable thereupon is not permissible as it will amount to imposing of penalty **National Insurance Company Vs. Keshav Bahadur and others 2004 AIR SCW 737**

If the Compensation has been enhanced by the competent court the interest is payable on the enhanced compensation from the date of application for compensation and not from the date of the judgement. **Smt. Chameli Wati vs. Delhi Municipal Corporation AIR 1986 SC 1191 : (1986) 4 SCC 503.**

. Interest is payable from the date of filing of the claim application and not from the day of decision **Kaushnuma Begum Vs. New India Assurance Company (2001) 2 SCC 9 SEE ALSO The Manager Oriental Insurance Company Ltd. vs. Mostt. Chameli Devi 1997 (1) PLJR 1010. Nand Kishore Prasad Singh Vs. Rajeev Kumar Gupta 2006 (1) PLJR 612**

PAYMENT OF PREMIUM

Liability of insurer - Cheque issued by insured towards payment of premium was dishonoured - As a result policy of insurance was cancelled - Insured was intimated about cancellation much before accident occurred

- Insurer not liable to pay compensation - However, since claimant hailed from lowest strata of society, Court in exercise of powers under Art. 142, directed insurer to pay compensation and recover it from owner. **AIR 2008 SUPREME COURT 767 "Deddappa v. Branch Manager, National Insurance Co. Ltd.": (2008) 2 SCC 585**

The policy money paid by cheque, the cheque dishonoured, but policy was not avoided for the said reason. Liability of third party risk as the public interest served by the Insurance Policy must prevail over the insurer's interest. **Oriental Insurance Company Ltd. Vs. Inderjit Kaur (1998) 1 SCC 365.**

Policy with regard to third party risk issued on the basis of payment made by cheque. Cheque dishonoured and the policy was cancelled subsequently. The Insurance Company cannot deny its liability in respect to third party as the right already accrued in favour of the third party. The right of the third party, who is not the signatory to the Contract of Insurance is protected as the manifest object of Chapter 11 of the Motor Vehicle Act is to insure that third party, who suffers injury due to use of Motor Vehicle may be able to get damages from the owner of the vehicle or the driver who have cause the injury. The rights of the third party to get indemnify can be exercised only against the insurer of the vehicle. Thus the Insurance Company cannot avoid liability in respect of third party. **New India Assurance Company Vs. Rula & Others AIR 2000 S.C. 1082 see also The New India Assurance Company Vs. Sona Devi 2007 (1) PLJR 212**

Mere handing over of the cheque to the bankers to be sent to the Insurance Company would not result into automatic renewal of the policy. **Pradeep Kumar Jain vs. CITI Bank (1999) 6 SCC 361 see also [2015] 0 Supreme(SC) 329 Central Bank of India Vs. Jagbir Singh**

The plea that the cheque by which the premium has been paid has bounced should be supported by a certificate of the bank **Sri Ishar Alloys Steel ltd. Vs. Jayaswals NECO Ltd. 2001 AIR SCW 837 see also Oriental Insurance Company Vs. Jhaman Mian 2004 (2) PLJR 813**

PERMANENT DISABILITY

The High Court has considered it proper to assess the physical disability at 25% of the whole body only. There is no discussion for this reduction in percentage, much less any consideration of the nature of permanent functional disability suffered by the appellant. The extent of physical functional disability, in the facts of the case has to be considered in a manner so as to grant just and proper compensation to the appellant towards loss of future earning. The earning capacity of the appellant as on the date of the accident stands completely negated and not reduced. He has been rendered permanently incapable of working as a painter or do any manual work. Compensation for loss of future earning therefore has to be proper and just to enable him to live a life of dignity and not compensation which is elusive. If the 75% physical disability has rendered the appellant permanently disabled from pursuing his normal vocation or any similar work, it is difficult to comprehend the grant of compensation to him in ratio to the disability to the whole body. The appellant is therefore held entitled to compensation for loss of future earning based on his 75% permanent physical functional disability recalculated with the salary of Rs. 5,500/with multiplier of 14 at Rs. 6,93,000/. **SRI ANTHONY ALIAS ANTHONY SWAMY Vs. THE MANAGING DIRECTOR, K.S.R.T.C 2020 (4) BLJ. 361 (SC) Civil Appeal No(s). 2551 of 2020 (Arising out of SLP (Civil) No(s). 1738 of 2018) Decided on : 10-06-2020**

The Orthopedic Surgeon, deposed that the appellant had suffered nine injuries, and. The whole body disability was medically assessed at 32% The appellant is entitled to loss of future earning on basis of the whole body disability of 32% **SAVITHA — Appellant Vs. M/S. CHODAMANDALAM M.S. GENERAL INSURANCE CO. LTD. AND OTHERS 2020 (4) BLJ 515 (SC) Civil Appeal No(s). 2611**

of 2020 (Arising out of SLP (Civil) No(s). 9689 of 2018) Decided on : 16-06-2020 see also **Sidram v. Divisional Manager United India Insurance Co. Ltd.**, [2022 LiveLaw \(SC\) 968](#) Civil Appeal No. 8510 of 2022 (Arising out of S.L.P. (Civil) No. 19277 of 2018) Decided on : 16-11-2022

Permanently disabled to an extent of 70% in accident - Claimant working as a Tool and Die Engineer in Overseas company . failed to prove his income with documentary evidence - But fact that he was holding an engineering certificate and was working in Overseas company is not in dispute - Taking into consideration undisputed fact of his qualification, fixation of his monthly income at Rs. 8,000/-would be just and reasonable. **AIR 2014 SC (Supp) 1322 "M. K. Gopinathan Vs. J. Krishna"**

While determining the quantum of compensation, has to take note of the sufferings of the injured person which would include his inability to lead a full life, his incapacity to enjoy the normal amenities which he would have enjoyed but for the injuries and his ability to earn as much as he used to earn or could have earned. Compensation under the head 'permanent disability' cannot be denied on the ground that substantial amount had been fixed under the head 'loss of earning' and 'loss of earning capacity'. **AIR 2013 SUPREME COURT 2629 "S. Manickam v. Metropolitan Transport Corp. Ltd."**

The various elements of compensation are enumerated as under in cases of disability

"Pecuniary damages (Special damages)

(i) Expenses relating to treatment, hospitalization, medicines, transportation, nourishing food and miscellaneous expenditure.

(ii) Loss of earnings (and other gains) which the injured would have made had he not been injured, comprising:

(a) Loss of earning during the period of treatment;

(b) Loss of future earnings on account of permanent disability.

(iii) Future medical expenses.

Non-pecuniary damages (General damages)

(iv) Damages for pain, suffering and trauma as a consequence of the injuries.

(v) Loss of amenities (and/or loss of prospects of marriage).

(vi) Loss of expectation of life (shortening of normal longevity)" **Raj Kumar v. Ajay Kumar, (2011) 1 SCC 343** see also **AIR 2012 SUPREME COURT 361 "Ram Kiran Goyal v. Sub-Divisional Engineer"** ; **AIR 2012 SUPREME COURT 459 "Sanjay Batham v. Munnalal Parihar"** **AIR 2012 SUPREME COURT 534 "Ibrahim v. Raju"** : **Laxman Alias Laxman Mourya Vs. Divisional Manager Oriental Insurance Company (2011) 10 SCC 756 : (2012) 1 SCC (Cri) 108; AIR 2012 SUPREME COURT 3431 "N. Suresh v. Yusuf Shariff"**

The insurance company is liable to reimburse the claimant when he had duly placed on record the evidence of him paying the medical bills of a injured in a motor accident in respect of which there is third-party insurance coverage. **Hem Raj v New India Assurance Co. Ltd. 2023 LiveLaw (SC) 574**

Where Doctor assessed disability suffered by claimant at 75% and nothing adverse to interest of claimant was elicited though Doctor was cross-examined at length by Insurance Company, it was held that taking 50% disability into account while calculating loss of income was not proper and loss of earning capacity of claimant was calculated to be Rs. 6,12,000/- by taking disability suffered by claimant at 75%. **AIR 2012 SUPREME COURT 544 "D. Sampath v. United India Insurance Co. Ltd."**

In the context of loss of future earning, any physical disability resulting from an accident has to be judged with reference to the nature of work being performed by the person suffering the disability. This is the basic premise and once that is grasped, it clearly follows that the same injury or loss may affect two different persons in different ways. Take the case of a marginal farmer who does his cultivation work himself and ploughs his land with his own two hands; or the puller of a cycle-rickshaw, one of the main means of

transport in hundreds of small towns all over the country. The loss of one of the legs either to the marginal farmer or the cycle-rickshaw-puller would be the end of the road insofar as their earning capacity is concerned. But in case of a person engaged in some kind of desk work in an office, the loss of a leg may not have the same effect. The loss of a leg (or for that matter the loss of any limb) to anyone is bound to have very traumatic effects on one's personal, family or social life but the loss of one of the legs to a person working in the office would not interfere with his work/earning capacity in the same degree as in the case of a marginal farmer or a cycle-rickshaw-puller. **AIR 2012 SUPREME COURT 782 "Mohan Soni v. Ram Avtar Tomar" (2012)2SCC267,**

Weakening of his right hand would adversely affect his ability to perform his occupation as silk winder - Supreme Court thus assessed disability of claimant to earn in future at 30% as against 25% assessed by High Court - Compensation thus enhanced from Rs. 2,78,500/- to Rs. 3,20,000/-.2011 **AIR SCW 2662 "C. Mohanraju v. Divisional Manager, United India Assurance Co. Ltd."**

Claimant child had suffered 10% disability - Loss of future earning - Could not be decided on any legal principle - Compensation granted on basis of notional income - Plea that notional income should be calculated on basis that claimant would have earned Rs. 4,000/-per month - Not tenable - Compensation of Rs. 1,20,000/- granted by High Court held was adequate even as per structural formula. **AIR 2010 SUPREME COURT 40 "Priya Vasant Kalgutkar v. Murad Shaikh"**

Amputation of both legs amount to permanent disability, deduction of 1/3 of the amount from his total income towards personal expenses need not be insisted upon **Oriental Insurance Company Ltd. Vs. Ram Prasad Varma and others 2009 AIR SCW 1430 see also New India Assurance Company Vs. Rajendra Kumar Soncheti 2019 (2) BLJ 32 , Sandeep Khanuja Vs. Atul Dande (2017) 3 SCC 351**

Accident compensation - Determination - State of affairs as on date of accident - Is relevant - Subsequent events can be considered - Fresh claim on basis of subsequent events however, not tenable. (Para 5)
(Determination - Shortening of leg of claimant due to fracture - Not total disablement - Claimant working as driver prematurely retired from service due to injury - Compensation of Rs. 3,75,000/- determined by taking **disability at 40%** and considering pension and other benefits received by him - Held, was proper. **AIR 2009 SUPREME COURT 337 "Ramprasad Balmiki v. Anil Kumar Jain"**

Injured 17 years old student at time of accident suffered injuries with 80% disability - Injured requiring continuous nursing as he is unable to perform his day to day activities - Life of injured is very miserable and there would be substantial financial burden on claimants for entire life of their injured son - Amount of compensation of Rs. 18,75,800/- awarded by Tribunal is just and proper **AIR 2014 SC (Supp) 232 "R. Venkata Ramana Vs. The United India Insurance Co. Ltd."**

Disability of 50% discovered after filing of claim. Amendment of the claim petition should be allowed **Anand Kumar Jain vs. Union Of India AIR 1986 SC 1125 : (1986) 2 SCC 275. SEE ALSO Asraf Alli vs. Naveen Hotel 2009 AIR SCW 1325**

Compensation for motor accident resulting to total disability see **R.D. Hattangadi vs. Pest Control (India) Pvt. (1995) 1 SCC 551; Ashwini Kumar Mishra Vs. P. Muniam Babu, AIR 1999 S.C. 2260 : (1999) 4 SCC 22.**

MOTOR VEHICLES - Compensation - Effects on sexual life - suffering injuries in accident disability is total A. Robert Vs. The United insurance Co. Ltd. (1999)- 8-SCC-226 \ 1999-AIR(SCW)-0-2897

Effect of permanent disability on earning capacity of the injured - Loss of future earning – Calls for grant of compensation with the adoption of multiplier method is to be taken into consideration **SANDEEP KHANUJ**

VERSUS ATUL DANDE & ANR. 2017 0 Supreme(SC) 109; see also **Jithendran v. New India Assurance Co. Ltd.** and Anr. AIR 2021 SC 931

PECUNIARY ADVANTAGE

Amounts received by the dependents of the deceased under employer-provided group insurance or other contractual or social security benefits cannot be treated as "**pecuniary advantages**" liable to be deducted from compensation awarded under the Motor Vehicles Act, 1988. Such benefits arise out of an independent contractual relationship and lack the requisite nexus with the statutory compensation payable for death in a motor vehicle accident. The principle of balancing loss and gain cannot therefore be invoked to diminish the statutory entitlement of the claimants to just compensation. **The Managing Director, KSRTC Vs. P. Chandramouli And Others** 2026 INSC 241 : [Docid # IndLawLib/2440766](#)

PECUNIARY EXPENSES AND NON- PECUNIARY LOSS

"Future Medical Expenses" and "Attendant Charges" would fall within the ambit of Pecuniary Expenses – "Pain and suffering" would be categorized as a non-pecuniary loss and it can be arithmetically calculated. Thus, when compensation is to be awarded for pain and suffering, special circumstances of the claimant have to be taken into account including the victim's age, the unusual deprivation the victim has suffered, the effect thereof on his or her future life. **SIDRAM versus THE DIVISIONAL MANAGER, UNITED INDIA INSURANCE CO. LTD. AND ANR** | 2022 LiveLaw (SC) 968 | [CA 8510 OF 2022](#) | [16 Nov 2022](#) |

PERMANENT DISABILITY FOR A CHILD

Considering the fact that the main element of damage in the case of child victim is the pain, shock, frustration, deprivation of ordinary pleasures and enjoyment associated with healthy and mobile limbs, it was held that compensation should enable the child to develop in such a manner as to offset, at least, to some extent, the inconvenience or discomfort arising out of the disability. **Rina Rani Mallick Vs.Susim Kanti Mohanty And Another** [Docid # IndLawLib/2425260](#) 2025 INSC 602

Expenses relating to treatment,

hospitalization, medicines, transportation etc.

Loss of earnings Attendant charges, Suffering and Loss of Amenities

Loss of marriage prospects

Future medical treatment, is to be considered.

How the compensation should be invested discussed **Kajal Versus Jagdish Chand & Ors. AIR 2020 SC 776** See Also **Erudhaya Priya Vs. State Express Transport Corporation Limited** 2020 (5) BLJ 88 (SC) **AIR 2020 Supreme Court 4284 And National Insurance Co. Ltd. V. Shyam Sunder Chawla And Anr. AIR 2021 Supreme Court 3792; HDFC Ergo General Insurance Co. Ltd. V. Mukesh Kumar And Ors. AIR 2021 Sc 4010** ; **Divya Vs. The National Insurance Co. Limited And Another** — Respondent Civil Appeal No. 7605 of 2022 (@ SLP (C) No. 25303 of 2019) Decided on : 18-10-2022

PERMIT

The permit for State and National issued by the competent authority in Bihar and State permit lapsed, but National Permit was effective, therefore, there was no requirement of paying authorization fee when the truck was being used in the State of Bihar and as per the terms and conditions of the National Permit,

authorization fee was required to be paid only when the truck was moving out of State of Bihar. Thus, the insured was certainly entitled for the insurance claim **Shri Binod Kumar Singh Versus National Insurance Company Ltd. 2025 Live Law (SC) 171**

Grant of a transport permit is an important function that the statutory authority under the Act would perform and a scrutiny of the vehicle irrespective of its relation with the permit becomes an irrelevant consideration for the purpose of Section 83 - the scope of scrutiny is limited only to examining if the vehicle is of same nature as in the permit. (Para 13.2,13.3) **Regional Transport Authority v. Shaju, 2022 LiveLaw (SC) 174 : 2022 (3) SCALE 554**

Plying a vehicle without permit is a fundamental statutory infraction. Not having permit cannot be equated with absence of licence or a fake licence or a licence for different kind of vehicle, or, violation of a condition of carrying more number of passengers. In cases of such fundamental statutory infraction Insurer cannot be held liable to pay compensation. However, it may be made to pay the compensation in the first instance and recover the same from the owner and the driver. **Amrit Paul Singh & Anr .VERSUS TATA AIG General Insurance Co. Ltd. & Ors. 2018 0 Supreme(SC) 490; AIR 2018 SUPREME COURT 2662**

The claimants are not expected to prove that the vehicle had a valid permit, nor prove that the owner of the vehicle did not commit breach of any of the terms of the policy. It is for the insurer who denies its liability under the policy, to establish that in spite of the comprehensive insurance policy issued by it, it is not liable on account of the requirements of the policy not being fulfilled. **2010 AIR SCW 6604 "Kamala Mangal Vayani v. M/s. United India Insurance Co. Ltd."**

The Insurer is not liable to pay the loss if the insured vehicle had no permit and in terms of section 149 (2) defense is available to the insured. **National Insurance Company Vs. Challa Bharathamma JT 2004 (7) SC 519 : (2004) 8 SCC 517 "National Insurance Co. Ltd. v. Challa Upendra Rao"= 2004 AIR SCW 5301 ; AIR 2004 SUPREME COURT 4882**

expression "public place" which includes any public conveyance. The word "public conveyance" as used in the Act has to be understood as a conveyance which can be used by public in general. The **Motor Vehicles Act, 1939** and thereafter the **Motor Vehicles Act, 1988** were enacted to regulate the law relating to **motor vehicles**. The vehicles which can be used for public are public **Motor Vehicles** for which **necessary permits** have to be obtained. Without obtaining a permit in accordance with the **Motor Vehicles Act, 1988**, no vehicle can be used for transporting passengers. (PARA 16) **State of Rajasthan – Appellant Versus Jag Raj Singh @ Hansa –2016 0 Supreme(SC) 487**

POLICE REPORT

We see from the FIR based on the Medico Legal (Murg) report an investigation was carried out in the course of which the eyewitness was detected and Annexure P-2 FIR was registered. We do not find any reason to disbelieve the FIR, especially since the insurance company did not make any attempt to examine the investigating officer before the Tribunal. **Sanju Bai Prajapati And Others Vs. The New India Assurance Company Ltd. And Others Docid # IndLawLib/2427830 : 2025 INSC 823 Civil Appeal No.of 2025 (@Special Leave Petition (C) No. 13455 of 2023) Decided on : 14-07-2025**

Tribunals can consider police records such as the First Information Report (FIR) and final report when determining negligence, and the standard of proof is based on the preponderance of probabilities, not beyond reasonable doubt.

Reliability of Police Records — The Supreme Court has reiterated that in motor accident claim cases, police records can be used by the Tribunal/Court to determine negligence — The Court referred to the case of

Mangla Ram vs. Oriental Insurance Co. Ltd., which held that charge sheets and other documents collected by the police during investigations can be relied upon —the question of negligence should be considered based on the evidence available before the Tribunal — *ICIC Lombard General Insurance Co Ltd v. Rajni Sahoo*, [2025 LiveLaw \(SC\) 9](#) : 2025 INSC 6

Under Insurance Act section 64 UM (10) Police reports regarding accidents or happening cannot be ignored **United India Insurance Company vs. Shila Devi 1997(1) PLJR 270.**

The Claims Tribunal is empowered to treat the Police Report of the accident on its receipt as if it is an application made by the claimant for award of the compensation to him under the Act by virtue of Section 166(4) of the Act and thus has jurisdiction to decide such application on merits in accordance with law. **Vimla Devi & Ors. Versus National Insurance Company Limited & Ors. 2018 0 Supreme(SC) 1140;**

POLICY

if the conclusion is arrived at that the policy in question is a "Comprehensive/**Package Policy**", the liability would be fastened on the insurer. **NATIONAL INSURANCE COMPANY LTD. Vs. BALAKRISHNAN AIR 2013 (SC) 473 : [2012] 8 Supreme 32/**

The vehicle belonged to M/s. Surya Pharmaceutical Ltd. and it was covered by **package policy**, also known as a comprehensive policy. This policy was clearly not an Act Policy under Section 147 of the Act. It is not in dispute that this policy was not Act policy under Section 147 of the Act. **New India Assurance Co. Ltd v. Shanti Bopanna and Ors. AIR 2017 SUPREME COURT 2857**

Act Policy - Insurer is not liable for anybody, including the owner, other than third party.

Policy of insurance must comply with the conditions of section 147(1)(a) and (b) **NATIONAL INSURANCE COMPANY LTD. Vs. BALAKRISHNAN AIR 2013 (SC) 473 : [2012] 8 Supreme 32/**

An Act Policy covers only third party and neither a pillion rider nor a co-passenger - Comprehensive/Package policy, on the other hand would cover Pillion rider, co-passenger as well as the owner - Liability of the insurer would depend upon nature of the policy **ORIENTAL INSURANCE COMPANY LTD. Vs. SURENDRA NATH LOOMBA AIR 2013 (SC) 483 : [2012] 8 Supreme 71**

Where the policy of insurance is issued by an authorized insurer on receipt of cheque towards payment of premium and such cheque is returned dishonoured, the liability of authorized insurer to indemnify third parties in respect of the liability which that policy covered subsists and it has to satisfy award of compensation by reason of the provisions of Sections 147(5) and 149(1) of the M.V. Act unless the policy of insurance is cancelled by the authorized insurer and intimation of such cancellation has reached the insured before the accident. In other words, where the policy of insurance is issued by an authorized insurer to cover a vehicle on receipt of the cheque paid towards premium and the cheque gets dishonored and before the accident of the vehicle occurs, such insurance company cancels the policy of insurance and sends intimation thereof to the owner, the insurance company's liability to indemnify the third parties which that policy covered ceases and the insurance company is not liable to satisfy awards of compensation in respect thereof. **AIR 2012 SUPREME COURT 2817 "United India Insurance Co. Ltd. v. Laxamma"**

A policy is issued after the acceptance of the proposal, first premium for insurance and it has to be honoured by the Company as the contract for insurance is accepted. **R.Ratilal & Co. vs. National Security Assurance Co. Ltd. AIR 1964 SC 1396.**

Once the insured has issued a certificate of insurance the insurer has to satisfy any decree -of a claim arising

out of the insured vehicle. **Guru Govekar vs. Filomena F. Lobo (1988) 3 SCC 1**

When a policy is taken on a particular date, its effectiveness is from the commencement of that date. The Insurance Policy obtained on the date of the accident became operative from the commencement of the date of insurance i.e. from the previous mid night and since the accident took place on the date of the policy the insurer became liable. **New India Assurance Co. Ltd. Vs. Ram Dayal & others (1990) 2 SCC 680.**

Liability of the Insurance Company will start when the policy becomes operative i.e. on the date and time the premium is paid. **National Insurance Co. Ltd. vs. Jikubhai Nathuji Dabhi (1997) 1 SCC 66** see also **Oriental Insurance Company Ltd. Vs. Sunita Rathi (1998) 1 SCC 365.** This judgement stands confirmed by 3 judges bench of the Supreme Court in **New India Assurance Company vs. Bhagwati Devi (1998) 6 SCC 534.;** **New India Assurance Co. Ltd. Vs. Sita Bai and others (1999) 7 SCC 575 : AIR 1999 SUPREME COURT 3577**

Before the Policy comes into effect, notice issued by the Insurance Company canceling the same in the terms of the contract as the Branch Manager was not competent to take the liability on behalf of the Company. Contract validly terminated. Policy thus not effective. **State Of Orrisa vs. United India Insurance Company (1997) 5 SCC 512 : AIR 1997 SC 2671.**

PROOF OF INCOME

Onus of proving of income lies on the claimants. **Syed Basheer Ahmed Vs. Md. Jameel (2009) 2 SCC 225** see also **New India Assurance Company Vs. Yogesh Devi (2012) 3 SCC 613 : (2012) 2 SCC (cri) 215. AIR 2012 SUPREME COURT 945**

REVIEW

No error apparent on the face of the record in the said judgment. Virtually the petitioner seems to have assailed the aforesaid judgment of this Court in the guise of the review petition which is not permissible in the eye of law **Smt. Parwati Devi Versus Branch Manager, United Insurance Company Limited 2019 (2) PLJR 803 : 2019 (3) BLJ 903**

The Tribunal has power to review its own order if it is convinced that it has been obtained by practicing fraud or misrepresentation **United India Insurance Company Vs. Rajendra Singh (2000) 3 SCC 581 AIR 2000 SC 1165 SEE ALSO Munna Kumar Singh Vs. The National Insurance Company 2006 (4) PLJR 262 The Chairman New India Assurance Company Vs. Most. Prabhawati Devi 2007 (1) PLJR 337.**

When a review is sought due to procedural defect, the inadvertent errors must be corrected by the Tribunal to prevent abuse of its process. If no error or illegality in the process has been committed the Tribunal has no jurisdiction to modify the judgement and the award. **The New India Assurance Company Ltd. vs Jamuna Devi 1996 (2) PLJR 566. see also Division Manager New India Assurance Company Ltd. vs. Smt. Kanti Devi 1999 (1) PLJR 248**

Motor Vehicles Act does not lay down any power of review since the tribunal works as court the provisions of C.P.C. applies the correction of mistake can be done by exercise of inherent jurisdiction under section 151 of the C.P.C. **Binod Kr. Choudhary vs. Kamal Narain Thakur 1997 (2) PLJR 30 see also 2024 (3) PLJR 865.**

RECOVERY OF THE AMOUNT PAID

The Insurance Company can directly approach the execution court for recovery of the amount paid in compensation if it is held by the Tribunal that the liability was with the insured and not with the insurer **National Insurance Company Vs. Baljit Kaur 2004 AIR SCW 212 ; Oriental Insurance Company Vs. Najappan and others 2004 AIR SCW 952 : AIR 2004 SUPREME COURT 1630**

REGISTRATION OF THE VEHICLE

Sections 39 and 43 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 **Narinder Singh Vs. New India Assurance Company Ltd.. AIR 2014 (SC) 3761**

REQUISITION OF VEHICLE BY GOVERNMENT

Requisition of property amounts to temporary deprivation of property from possession user of vehicle is changed from the real owner. The government on the basis of the requisition becomes owner of the vehicle and the Insurance Company cannot be held liable for payment of damages and loss caused during requisition. **Ram Narayan Singh Vs. The Election Commission and others 1996 (1) PLJR 621.**

Motor Vehicles Act (59 of 1988), S.168, S.2(30) - Representation of the People Act (43 of 1951), S.160 - MOTOR VEHICLES - ELECTION - POSSESSION - Compensation - Liability of registered owner - Car in question at time of accident was requisitioned by Magistrate for assembly elections - Being requisitioned by statutory authority, owner had no other alternative but to handover possession - Once possession is handed over, owner cannot exercise any control thereupon - State shall be, therefore, liable to pay compensation and not registered owner of car. **AIR 2008 SUPREME COURT 735 "National Insurance Co. v. Deepa Devi"**

ROLE OF THE TRIBUNAL

Once the foundational fact, namely, the actual occurrence of the accident, has been established, then the Tribunal's role would be to calculate the quantum of just compensation if the accident had taken place by reason of negligence of the driver of a motor vehicle and, while doing so, the Tribunal would not be strictly bound by the pleadings of the parties. Notably, while deciding cases arising out of motor vehicle accidents, the standard of proof to be borne in mind must be of preponderance of probability and not the strict standard of proof beyond all reasonable doubt which is followed in criminal cases. **'Sunita & Ors. Vs. Rajasthan State Road Transport Corporation & Ors., (2020) 13 SCC 486 see also RAJWATI @ RAJJO AND OTHERS Vs. UNITED INDIA INSURANCE COMPANY LTD. AND OTHERS 2023 (1) BLJ 190 (SC) : (2022) 12 JT 211**

REASONABLE DOUBT

The standard of proof beyond reasonable doubt cannot be applied while considering the petition seeking compensation on account of death or injury in a road traffic accident. **Mathew Alexander Vs. Mohammed Shafi and Anr. Criminal Appeal No. 1931 of 2023 (Arising out of SLP (Crl.) No.8211 of 2022) dated JULY 13, 2023**

SELF EMPLOYED

In case the deceased was self-employed or on a fixed salary, an addition of 40% of the established income should be the warrant where the deceased was below the age of 40 years. An addition of 25% where the deceased was between the age of 40 to 50 years and 10% where the deceased was between the age of 50 to 60 years should be regarded as the necessary method of computation. The established income means the income minus the tax component. **National Insurance Company Limited v. Pranay Sethi and Ors. AIR 2017 SUPREME COURT 5157 see also Rahul Sharma And Another Vs. National Insurance Company Limited And Others AIR 2021 SC 2255**

In case deceased who was not serving at the time of death and had no income at the time of death, their legal heirs shall also be entitled to future prospects by adding future rise in income Smt. Meena Pawaia And Others Vs. Ashraf Ali And Others Civil Appeal No.6724 Of 2021 Decided On : 18-11-2021

Increase towards future prospects - Cannot be denied to those employed on fixed wages or self-employed - 30% rule has to be equally applied. **AIR 2012 SUPREME COURT 2185 "Santosh Devi v. National Insurance Company Ltd."**

SALARY CERTIFICATE

In view of the Salary Certificate being duly proved, due weightage to it is to be given. Compensation to be paid on account of the death to be worked out by considering the salary certificate **S. Vasanthi Param Pal Sharda And Others Vs. Dhani Ram And Others AIR 2022 SC 4620 ; V. Pathmavathi And Others Vs. Bharthi Axa General Insurance Co. Ltd And Another 2026 INSC 131 : Docid # IndLaw Lib/2439068**

SETTLEMENT OF CLAIM

Pecuniary Expenses Three factors that need to be established are: (a) age of the deceased; (b) income of the deceased; and (c) the number of dependents - The issues that are to be determined by the Tribunal to arrive at the loss of dependency are: (i) additions/deductions to be made for arriving at the income; (ii) the deduction to be made towards the personal living expenses of the deceased; and (iii) the multiplier to be applied with reference to the age of the deceased. (*Para 17-18*) **Manusha Sreekumar v. United India Insurance Co. Ltd; 2022 LiveLaw (SC) 858 : AIR 2022 SC 5161**

The judgment in Sarla Verma was affirmed in **Reshma Kumari & Ors. v. Madan Mohan & Anr, (2013) 9 SCC 65**. Both the judgments were affirmed by the Constitution Bench of this Court reported as **National Insurance Company Limited v. Pranay Sethi & Ors., (2017) 16 SCC 680**. This Court in Pranay Sethi held as under:

"44. At this stage, we must immediately say that insofar as the aforesaid multiplicand/multiplier is concerned, it has to be accepted on the basis of income established by the legal representatives of the deceased. Future prospects are to be added to the sum on the percentage basis and "income" means actual income less the tax paid. The multiplier has already been fixed in Sarla Verma [**Sarla Verma v. DTC, (2009) 6 SCC 121 : (2009) 2 SCC (Civ) 770 : (2009) 2 SCC (Cri) 1002**] which has been approved in Reshma Kumari [**Reshma Kumari v. Madan Mohan, (2013) 9 SCC 65 : (2013) 4 SCC (Civ) 191 : (2013) 3 SCC (Cri) 826**] with which we concur. See also **R. VALLI AND OTHERS Vs. TAMIL NADU STATE TRANSPORT CORPORATION LIMITED** Civil Appeal No. 1269 of 2022 Decided on : 10-02-2022 **2022 BLJ (2) 160**

(i) The two-Judge Bench in Santosh Devi (AIR 2012 SC 2185) should have been well advised to refer the matter to a larger Bench as it was taking a different view than what has been stated in Sarla Verma (AIR 2009 SC 3104), a judgment by a co-ordinate Bench. It is because a co-ordinate Bench of the same strength cannot take a contrary view than what has been held by another co-ordinate Bench.

(ii) As Rajesh has not taken note of the decision in Reshma Kumari (AIR 2013 SC (Supp) 474), which was delivered at earlier point of time, the decision in Rajesh is not a binding precedent.

(iii) While determining the income, an addition of 50% of actual salary to the income of the deceased towards future prospects, where the deceased had a permanent job and was below the age of 40 years, should be made. The addition should be 30%, if the age of the deceased was between 40 to 50 years. In case the deceased was between the age of 50 to 60 years, the addition should be 15%. Actual salary should be read as actual salary less tax.

(iv) In case the deceased was self-employed or on a fixed salary, an addition of 40% of the established income should be the warrant where the deceased was below the age of 40 years. An addition of 25% where the deceased was between the age of 40 to 50 years and 10% where the deceased was between the age of 50 to 60 years should be regarded as the necessary method of computation. The established income means the income minus the tax component.

(v) For determination of the multiplicand, the deduction for personal and living expenses, the tribunals and the courts shall be guided by paragraphs 30 to 32 of Sarla Verma which we have reproduced hereinbefore.

(vi) The selection of multiplier shall be as indicated in the Table in Sarla Verma read with paragraph 42 of that judgment.

(vii) The age of the deceased should be the basis for applying the multiplier.

(viii) Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses should be Rs. 15,000/-, Rs. 40,000/- and Rs. 15,000/- respectively. The aforesaid amounts should be enhanced at the rate of 10% in every three years.

In Pranay Sethi¹, this Court has awarded a total sum of Rs.70,000/- under conventional heads, namely, loss of estate, loss of consortium and funeral expenses. The said Judgment of the Constitution Bench was pronounced in the year 2017. Therefore, the claimants are entitled to 10% enhancement. Rs.16,500/- is awarded towards loss of estate and conventional expenses and Rs.44,000/- is awarded towards spousal consortium. Thus, the total compensation payable to the claimants is as under:

(1)	Towards loss of dependency	Rs.30,24,000/-
(2)	Towards loss of estate	Rs.16,500/-
(3)	Funeral expenses	Rs.16,500/-
(4)	Spousal consortium	Rs.44,000/-
	TOTAL	Rs.31,01,000/-

Rasmita Biswal and Ors. v. Divisional Manager, National Insurance Company Ltd. and Anr. AIR 2022 SC 85

Taking income from the agricultural labour work at Rs. 3,000/- per month and Rs. 1,500/- per month for the household work, the monthly income of the deceased is fixed at Rs. 4,500/- per month deducting 1/3rd for personal expenses, contribution of deceased towards the family is calculated at Rs. 3,000/- per month and Rs. 36,000/- per annum. Deceased Chanchali Nayak was aged 42 years. As per the second Schedule to the Motor Vehicles Act, 1988, for the age groups 40-45 years multiplier is "15". As per Sarla Verma (Smt.) and Ors. v. Delhi Transport Corporation and Anr. MANU/SC/0606/2009 : (2009) 6 SCC 121, for the age groups 41-45 years multiplier to be adopted is "14". Therefore, the multiplier of "12" adopted by the tribunal and the High

Court may not be correct. Hence, the multiplier of "12" adopted may not be correct. Adopting the multiplier of "14" loss of dependency is calculated at Rs. 5,04,000/- (3,000x12x14). As per the decision of the Constitution Bench in National Insurance Co. Limited v. Pranay Sethi and Ors. **AIR 2017 SUPREME COURT 5157** MANU/SC/1366/2017 : 2017 (13) SCALE 12, compensation of Rs. 15,000/- for loss of estate and Rs. 15,000/- for funeral expenses is awarded. Thus total compensation awarded to the claimants is enhanced to Rs. 5,34,000/- payable with interest at the rate of 7% per annum **Laxmidhar Nayak and Ors. Vs. Jugal Kishore Behera and Ors. AIR 2018 SUPREME COURT 204 MANU/SC/1506/2017 : 2017(13)SCALE718 ; 2018(1) BLJ 133 (SC) see also_RANI @ RAJ KUMARI AND OTHERS Vs. KAMLAKAT GUPTA AND OTHERS Docid # IndLawLib/2436484 2025 INSC 1393**

Claim is made under section 166 of the Motor Vehicles Act, the principles for determining compensation as per Section 163-A can be used as a guide. Thus, the Second Schedule can be used as a reference for determining compensation in a claim under Section 166 of the Act. **2011 AIR SCW 2685 "Sant Singh v. Sukhdev Singh"**

For the settlement of the policy the Insurance Company must produce the policy for doing justice **National Insurance Company vs. Jugal Kishore (1988) 1 SCC 626.**

Breach of policy the terms of the policy conditions by carrying humans in a goods vehicle more than the permitted number cannot be said to be such fundamental breach so as to afford ground to the insurer to indemnification unless there were some factors contributing to the cause of such accident. **B.V.Nagaraju vs. Oriental Insurance Company (1996) 4 SCC 647.**

10 % depreciation for the first year on the basis of the sum insured is permissible **Pradeep Kumar Jain vs. CITI Bank (1999) 6 SCC 361**

The deceased was admittedly a driver of a school bus and he was also owning a lorry which had a goods carriage permit. In the aforesaid circumstances, merely considering the salary of the deceased as a driver and not the additional income which he would be earning, cannot be justified. **Geeta and Ors. v. Manager, Bajaj Allianz Insurance Co. Ltd and Anr. AIR 2021 SC 5484**

SPLIT MULTIPLIER

Split multiplier cannot be applied unless specific reasons are recorded. The finding of the High Court that the deceased was having leftover service of only four years, cannot be construed as a special reason, for applying the split multiplier for the purpose of assessing the compensation. In normal course, compensation is to be assessed by applying multiplier as indicated by this Court in the judgment in Sarla Verma. As no other special reason is recorded for applying the split multiplier, judgment is fit to be set aside. **Sumathi v. National Insurance Co. Ltd. 2021 SCC Online SC 3697**

Split multiplier is a concept foreign to the Motor Vehicles Act, 1988 and is not to be used by the Tribunal and/or Courts in calculation of the compensation. **Preetha Krishnan & Ors. Versus The United India Insurance Co. Ltd. & ORS. 2025 INSC 1293**

STATUTORY DEPOSIT

Statutory Deposit (Amount paid) for the maintainability of the appeal has to adjusted with the award under challenge and released to the Claimant **United India Insurance Company Ltd. Vs. Manju Devi 1998 (3) PLJR 506**

STATUTORY LIABILITY

Statutory liability of an insurer is restricted to third-party liabilities — Insurer has no statutory liability to cover the risk of the owner or the driver stepping into the shoes of the owner. (Para 2) **MANJUSHA AND OTHERSVs. UNITED INDIA ASSURANCE COMPANY LIMITED AND ANOTHER** Docid # IndLawLib/2428058 : 2025 INSC 896

First proviso under section 173 is a condition precedent that an appeal shall be presented and entertained on fulfilment of the condition of depositing of Rs. 25000/- as required by the proviso. There is no provision that the amount should be refunded to the Insurance Company or the person, who is required to pay the amount of compensation on the matter being dismissed. There is a purpose and policy behind such a statutory provision incorporated in the Act, 1988. It is in this context, instead of refunding the amount, as requested, the proper course would be to direct the Registry to remit the amount of Rs. 25000/- to the Tribunal concerned for being disbursed to the petitioner towards satisfaction of the amount due and payable in terms of the award recorded by the Tribunal. **THE NEW INDIA INSURANCE CO. LTD Vs. GEETA DEVI AND OTHERS 2007 PLJR 236**

STEPS IN THE SHOES OF THE OWNER

Deceased driving motor vehicle after borrowing it from real owner - Thus he stepped into shoes of owner of vehicle - His L.Rs. could not claim compensation u/S.163-A. **AIR 2009 SUPREME COURT 3056 "Ningamma v. United India Insurance Co. Ltd."** See also **National Insurance Vs. Sanjay Sahay 2017 (4) BLJ 177 : 2018 (2) PLJR 359**

Borrower of the vehicle is not a third party as he steps in the shoes of the owners **Ninagamma Vs. United India Insurance Company 2009 AIRSCW 4916 : AIR 2009 SC 3056 : (2009) 13 SCC 710** see also **HDFC Bank Ltd. Vs. Kumari Reshma 2015 0 AIR(SC) 290; 2015 2 JLJR(SC) 9; 2015 2 PLJR(SC) 283** SEE ALSO **United India Insurance Company Ltd Versus Sumitra Devi M. A. No.674 of 2013 disposed of on 29-01-2019 ; United India Insurance Company Ltd Versus Sanjeev Kumar Singh M. A. No.122 of 2015 disposed of on 26-03-2019**

It is an admitted position that the deceased was the owner-cum-driver of the vehicle in question. The accident had occurred due to the rash and negligent driving of the vehicle by the deceased. No other vehicle was involved in the accident. The deceased himself was responsible for the accident. The deceased being the owner of the offending vehicle was not a third party within the meaning of the Act. **NATIONAL INSURANCE CO. LTD.VERSUS ASHALATA BHOWMIK AND ORS. AIR 2018 SUPREME COURT 4133 : 2018 0 Supreme (SC) 858; see also [RAMKHILADI AND ANOTHER Vs. THE UNITED INDIA INSURANCE COMPANY AND ANOTHER](#) Civil Appeal No. 9393 of 2019 Decided on : 07-01-2020 (SC) AIR 2020 (SC) 527 : (2020) 1 JLJR 272 : (2020) 1 PLJR 316**

TERRITORIAL JURISDICTION

In case the claimant(s) or legal representative(s) of the deceased have filed separate claim petition(s) in the territorial jurisdiction of different High Courts, in the said situation, the first claim petition filed by the claimant(s)/legal representative(s) shall be maintained by the said Claims Tribunal and the subsequent claim petition(s) shall stand transferred to the Claims Tribunal where the first claim petition was filed and pending. It is made clear here that the claimant(s) are not required to apply before Supreme Court seeking transfer of other claim petition(s) though filed in the territorial jurisdiction of different High Courts. The Registrar Generals of the High Courts shall

take appropriate steps and pass appropriate order in this regard in furtherance to the directions of this Court. **Gohar Mohammed v. Uttar Pradesh State Road Transport Corporation**, [2022 LiveLaw \(SC\) 1040](#) : 2023 (1) PLJR 228 (SC)

Objection of jurisdiction can be raised at any stage and the Tribunal where the claimant resides has jurisdiction to deal with Claim Cases **Mantoo Sarkar Vs. Oriental Insurance Company 2009 AIR SCW 136** see also **Divisional Manager The Oriental Insurance Company Vs. State Of Bihar 2010 (4) PLJR 1036**

The provision for territorial jurisdiction has to be interpreted consistent with the object of facilitating remedies for the victims of accidents. Hyper technical approach in such matters can hardly be appreciated. There is no bar to a claim petition being filed at a place where the insurance company, which is the main contesting parties in such cases, has its business. In such cases, there is no prejudice to any party. There is no failure of justice. Moreover, in view of categorical decision of this Court in Mantoo Sarkar (AIR 2009 SC 1022) (supra), contrary view taken by the High Court cannot be sustained. The High Court failed to notice the provision of Section 21 CPC. **Malati Sardar v. National Insurance Company Ltd. and Ors AIR 2016 SUPREME COURT 247**

The truck belong to a welfare organisation which was exempted to be insured, the Tribunal awarded compensation was rejected by the Single Judge of the High Court, holding that the Tribunal had no jurisdiction, not proper the Tribunal **whether had jurisdiction to adjudicate upon the claim-petition**. The provisions relating apportionment of the liability does not suggest an insurer in every case, because then on the same logic it will be necessary to have a driver of the vehicle apart from the owner. It cannot be suggested that an owner driven car is also exempted from the jurisdiction of the Claims Tribunals. **PARMANAND THAKUR Vs. COMMISSIONER, COAL MINES WELFARE ORGANISATION (1987) ACJ 551 : AIR 1988 Patna 156 : (1987) 35 BLJR 818 : (1987) PLJR 350 (D.B.)**

THIRD PARTY

Son of the owner of the vehicle is not a third Party **New India Assurance Company Vs. Sadanand Mukhi (2009) 2 SCC 417 : 2009 AIR SCW 1372**

Deceased being employee falls in category of third party It is obvious from the circumstances that the deceased was indeed a third party being neither the insurer nor the insured. **New India Assurance Co. Ltd v. Shanti Bopanna and Ors. AIR 2017 SUPREME COURT 2857**

THIRD PARTY LIABILITY OF INSURER

Insurer's liability - Act policy - Insurer-owner of motor vehicle himself getting injured due to his own negligent driving - Insurer is not liable to pay compensation – More so when additional premium was not paid in respect of entire risk of death or bodily injury of owner "**Oriental Insurance Co. Ltd. v. Jhuma Saha**" **AIR 2007 SUPREME COURT 1054 (2007) 9 SCC 263**

Limit of liability with regard to third party risk does not become unlimited higher than the statutory liability even after the issuance of comprehensive policy on the estimated value of the vehicle. The fact that the insurance policy is comprehensive is of no consequence. For an unlimited third party risk cover specific agreement and payment of separate premium is necessary. **New India Assurance Co. Ltd. vs. Shanti Bai (1995) 2 SCC 539 : AIR 1995 SC 1113** see also **National Insurance Company vs. Jugal Kishore (1988) 1 SCC 626 (SECTION 147 OF MOTOR VEHICLES ACT)**

A person dying or getting injured while alighting from a public service vehicle carrying passengers for hire or reward or pursuant to a contract of employment cannot be treated as a third party rather he must be considered as a passenger and the liability must be covered under section 147 of the MOTOR VEHICLES ACT. **NOORJAHAN (TMT) VS. SULTAN RAJIA ALIAS THAJU AND OTHERS (1997) 1 SCC 6.**

Terms indemnifying any person driving the car with permission of the insured provided such person was not indemnified under any other policy- effect of the proviso -- Liability of insurer vis-à-vis third party not effected.. **New Asiatic Insurance Co. Ltd. vs. Pessumal Dhanmal Aswani. AIR 1964 SC 1736 :(1964) 2 SCJ 428: (1964) 7 SCR 867 :1965 Mah IJ 257.**

In Dhanraj Vs. New India Assurance Company and others (2004) 8 SCC 553: AIR 2004 SUPREME COURT 4767 it has been held that the owner of the vehicle does not come within the definition of third party and the insurance policy does not require an insurance company to assume risk of the owner the vehicle. See also **United India Insurance Company Vs. Davinder Singh (2007) 8 SCC 698 ; Oriental Insurance Company Vs. Rajni Devi and others (2008) 5 SCC 736**

Liability of the insurer-Company is to the extent of indemnification of the insured against the respondent or a injured person, a third person or in respect of damages of property. Thus, if the insured cannot be fastened with any liability under the provisions of Motor Vehicles Act, the question of the insurer being liable to indemnify insured, therefore, does not arise. **AIR 2007 SUPREME COURT 1054 "Oriental Insurance Co. Ltd. v. Jhuma Saha"= 2007 AIR SCW 859**

TRANSFER

A Claims Tribunal having no territorial jurisdiction in a claim case can try a case if the same has been transferred to it by the High Court under its power under section 24 C.P.C. **Smt. Rekha Kumari vs. The Oriental Insurance Company (1995) 2 BLJR 1147.**

In a second hand purchase of vehicle, the insurance policy is deemed to be transferred to the extent of the liability of the third party since the deeming provision provides for transfer of third party risk only. **Complete Insulations (p) ltd. vs. New India Assurance Company Ltd. (1996) 1 SCC 221 : AIR 1996 S.C. 586 see also Rikhi Ram Vs. Smt. Sukhrania 2003 AIR SCW 780.**

In a second hand purchase of vehicle, information of transfer not given to the Insurance Company in the prescribed format. Yet Certificate shall be deemed to have been transferred, when information was given by the insured. No reply will mean acceptance **New India Assurance Company Ltd. Vs.Smt. Sheela Ram AIR 1999 S.C. 56. See also Rakhi Ram Vs. Sukhrania and others (2003) 3 SCC 97.**

In a second hand purchase of vehicle, the simple passing of the property in goods will be governed by the provisions of section 19 of the Sales Of Goods Act ,1930 **Vasantha Viswanathan vs. Elayalwar (2001) 8 SCC 133.**

TRANSFER OF OWNERSHIP

In terms of Section 50 of the Act, the transfer of a vehicle ought to be registered within 30 days of the sale. Section 50(1) of the Act obliges the transferor to report the fact of transfer within 14 days of the transfer. In case the vehicle is sold outside State, the period within which the transfer ought to be reported gets extended. On the other hand, the transferee is also obliged to report the transfer to the registering authority within whose jurisdiction the transferee has the residence or place of business where the vehicle is normally kept. Section 50 thus prescribes timelines within which the transferor and the transferee are required to report the factum of transfer. As per Sub-Section 3 of said Section 50, if there be failure to report the fact of transfer,

fine could be imposed and an action under Section 177 could thereafter be taken if there is failure to pay the amount of fine. These timelines and obligations are only to facilitate the reporting of the transfer. **It is not as if that if an accident occurs within the period prescribed for reporting said transfer, the transferor is absolved of the liability. Prakash Chand Daga Versus Saveta Sharma & Ors. 2018 0 Supreme(SC) 1266; AIR 2019 SUPREME COURT 66**

Even though in law there would be a transfer of ownership of the vehicle, that, by itself, would not absolve the party, in whose name the vehicle stands in RTO records, from liability to a third person Merely because the vehicle was transferred does not mean that such registered owner stands absolved of his liability to a third person. So long as his name continues in RTO records, he remains liable to a third person, **P.P. Mohammed vs. K. Rajappan and Ors. (2008) 17 SCC 624 SEE ALSO PRAKASH CHAND DAGA VERSUS SAVETA SHARMA & ORS. 2018 0 Supreme (SC) 1266;**

TRACTOR

Labourers traveling in tractor trollies - Insurance Company has no liability. **"United India Insurance Co. Ltd. v. Serjerao" AIR 2008 SUPREME COURT 460**

Tractor was insured only for carrying out agricultural work which would not include digging of earth and taking it in trolley to brick kiln - Respondent being mere passenger and not owner or driver, his claim petition could not have been allowed **AIR 2007 SUPREME COURT 1971 "Oriental Insurance Co. Ltd. v. Brij Mohan".**

Tractor-trailer falls under S. 2(14) as "goods carriage" and consequently it falls under definition of "transport vehicle" under S. 2(47) **AIR 2005 SUPREME COURT 3428 "Natwar Parikh and Co. Ltd., M/s. v. State of Karnataka"= 2005 AIR SCW 4361**

Tractor is a machine run by diesel or petrol. It is a self-propelled vehicle for hauling other vehicles. It is used for different purposes. It is also used for agricultural purposes, along with other implements. It is a self-propelled vehicle capable of pulling alone as defined under the definition of motor vehicles. It does not fall within any of the exclusions as defined under the Act. Thus, it is a motor vehicle in terms of the definition under Section 2(28) of the Act. So, even without referring to the definition of the Tractor in S. 2(44), if the definition of the motor vehicle as given under the Act is strictly construed, even then the Tractor is a motor vehicle as defined under the Act. **(Para 22) AIR 2013 SUPREME COURT 2150 "Chairman, R. S. R. T. Corporation v. Santosh"**

TRIAL OF CLAIM CASES (SECTION 169)

Difference in the make of the vehicle cannot be a ground to deny a rightful claim when the vehicle's registration number and other key details are consistent and correctly mentioned. **Parameshwar Subray Hegde Versus New India Assurance Co. Ltd. & ANR 2025 LiveLaw (SC) 334**

The Code of Civil Procedure, 1908 is not applicable to the proceedings before the Claims Tribunal except to the extent provided in sub-section (2) of Section 169 and the rules. Section 169 makes a provision that the Claims Tribunal shall follow the summary procedure subject to any rules that may be made in this behalf. The whole object of summary procedure is to ensure that claim application is heard and decided by the Claims Tribunal expeditiously. The inquiry under Section 168 and the summary procedure that the Claims Tribunal has to follow do not contemplate the controversy arising out of claim application being decided in piecemeal. The Claims Tribunal is required to dispose of all issues one way or the other in one go while deciding the claim application **Bimlesh and Ors v. New India Assurance Co. Ltd AIR 2010 SUPREME**

COURT 2591 SEE ALSO Smt. Rekha Devi Vs. Shyam Sunder Singh 2019 (2) PLJR 563

By virtue of Section 169 (2), the Tribunal is clothed with the powers of a Civil Court for the purpose of taking evidence on oath, enforcing the attendance of witnesses and compelling the discovery and production of documents and material objects but there is nothing in the Act from which it can be inferred that the Tribunal is bound by the technical rules of evidence. Therefore, the Tribunal cannot be faulted for having allowed the parties to lead secondary evidence. Rather, that was the only course available to the Tribunal for doing justice to the parties because the original file was lost in 1994 and the case had to be decided on the basis of reconstructed file. [NEW INDIA ASSURANCE CO. LTD. Vs. ANITA](#) (2011) 1 ACC 62 : (2011) 2 TAC 41

Section 137 of the Evidence Act defines what cross-examination means and Sections 139 and 145 speak of the mode of cross-examination with reference to the documents as well as oral evidence. **It is the jurisprudence of law that cross-examination is an acid-test of the truthfulness of the statement made by a witness on oath in examination-in-chief**, the objects of which are:

- (1) to destroy or weaken the evidentiary value of the witness of his adversary;
- (2) to elicit facts in favour of the cross-examining lawyer's client from the mouth of the witness of the adversary party;
- (3) to show that the witness is unworthy of belief by impeaching the credit of the said witness;

and the questions to be addressed in the course of cross-examination are to test his veracity; to discover who he is and what is his position in life; and to shake his credit by injuring his character.

The identity of the witness is necessary in the normal trial of cases to achieve the above objects and the right of confrontation is one of the fundamental guarantees so that he could guard himself from being victimised by any false and invented evidence that may be tendered by the adversary party. **Constitution Bench in Kartar Singh vs. State of Punjab, (1994) 3 SCC 569 see also Anita Sharma And Others Vs. The New India Assurance Company Limited And Another — 2021 (1) BLJ 159 (SC) : AIR 2021 SC 302**

The approach and role of Courts while examining evidence in accident claim cases ought not to be to find fault with non-examination of some best eye-witnesses, as may happen in a criminal trial; but, instead should be only to analyze the material placed on record by the parties to ascertain whether the claimant's version is more likely than not true. **Dulcina Fernandes vs. Joaquim Xavier Cruz, (2013) 10 SCC 646. see also Anita Sharma And Others Vs. The New India Assurance Company Limited And Another 2021 (1) BLJ 159 (Sc) AIR 2021 Sc 302**

UNBORN CHILD

Claim can be raised for the death of the unborn child **National Insurance Company Vs. Kusum & others (2011) 13 SCC 306 : (2012) 1 SCC (Cri) 859 : 2012 AIR SCW 266 .**

The claimants shall be entitled to a sum of Rs.1 lakh each instead of Rs. 50,000/- as awarded by the High Court for loss of foetus. [SHIV KUMAR AND OTHERS Vs. GAINDA LAL AND OTHERS](#) Civil Appeal No. 7629 of 2022 Decided on : 21-10-2022

VICARIOUS LIABILITY

Black's Law Dictionary defines "Vicarious Liability" as follows:

Liability that a supervisory party (such as an employer) bears for the actionable conduct of a subordinate or associate (such as an employee) because of the relationship between the two parties". (Page 927, Black's Law Dictionary, 7th Edition). SEE **Uttar Pradesh State Road Transport Corporation v. Kulsum and Others (2011) 8 SCC 142**: (2012) 1 PLJR 281 : (2012) 1 JLJR 41 see also **CIVIL APPEAL NOS.18490-18491 of 2017 UTTAR PRADESH STATE ROAD TRANSPORT CORPORATION ...Appellant(s) Vs. NATIONAL INSURANCE CO. LTD. & ORS. ...Respondent(s) Live Law 2021 SC 313 decided on July 14, 2021.**

WAIVER

A right can be waived by the party for whose benefit certain requirements or conditions had been provided for by a statute subject to the condition that no public interest is involved therein. Whenever waiver is pleaded it is for the party pleading the same to show that an agreement waiving the right in consideration of some compromise came into being. Statutory right, however, may also be waived by his conduct. **Krishna Bahadur vs. Purna Theatre and Ors. AIR 2004 SC 4282**

Waiver is an intentional relinquishment of a right. It involves conscious abandonment of an existing legal right, advantage, benefit, claim or privilege, which except for such a waiver, a party could have enjoyed. In fact, it is an agreement not to assert a right. There can be no waiver unless the person who is said to have waived, is fully informed as to his rights and with full knowledge about the same, he intentionally abandons them. (Vide *Dawsons Bank Ltd. v. Nippon Menkwa Kabushiki Kaisha* [MANU/PR/0024/1935](#) : AIR 1935 PC 79, *Basheshar Nath v. CIT* [MANU/SC/0064/1958](#) : AIR 1959 SC 149, *Mademsetty Satyanarayana v. G. Yelloji Rao* [MANU/SC/0310/1964](#) : AIR 1965 SC 1405, *Associated Hotels of India Ltd. v. S.B. Sardar Ranjit Singh* [MANU/SC/0333/1967](#) : AIR 1968 SC 933, *Jaswantsingh Mathurasingh v. Ahmedabad Municipal Corpn.* [MANU/SC/0469/1991](#) : 1992 Supp (1) SCC 5, *Sikkim Subba Associates v. State of Sikkim* [MANU/SC/0313/2001](#) : (2001) 5 SCC 629 and *Krishna Bahadur v. Purna Theatre.*)

In order to constitute waiver there must be voluntary and intentional relinquishment of a right. The essence of a waiver is an estoppel and where there is no estoppel, there is no waiver. Estoppel and waiver are questions of conduct and must necessarily be determined on the facts of each case.

There is no question of estoppel, waiver or abandonment. There is no specific plea of waiver acquiescence or estoppel, much less a plea of abandonment of right. That apart, the question of waiver really does not arise in the case. Admittedly, the tenants were not parties to the earlier proceedings. There is, therefore, no question of waiver of rights by Respondents 4-7 nor would this disentitle the tenants from maintaining the writ petition. **Municipal Corpn. of Greater Bombay v. Dr Hakimwadi Tenants' Assn. 1988 Supp SCC 55 SEE ALSO Galada Power and Telecommunication Ltd.Vs. United India Insurance Co. Ltd. and Ors. [MANU/SC/0935/2016/](#) AIR 2016 SC 4021**

WORKMAN

As per the above provision, a person to be qualified as a "workman" has to do any work of manual, unskilled, skilled, technical, operational, clerical or supervisory in nature. **The Management, M/s. Express Publications (Madurai) Ltd v. Lenin Kumar Ray, Arising out of SLP (C) 12876 of 2024 2024 Live Law (SC) 841**

WORKMEN'S COMPENSATION

the employer had clearly admitted the averments made in the claim petition filed by the claimants. In other

words, there was no contest. The insurer of the offending vehicle having filed the written statement seems to have not cross examined the claimants and their witnesses. Thus, the claim lodged by the claimants seeking for compensation would not partake the character of a "contested claim" as stipulated under the notification issued by the appropriate Government under Section 20 (1) and (2) of the W.C. Act. On this count itself, it has to be held that High Court fell in error in arriving at a conclusion that claim petition was not maintainable before the Deputy Labour Commissioner-cum-Commissioner for Workmen Compensation and claimants had to pursue their grievance before the jurisdictional Labour Court. **MAMTA DEVI AND OTHERS Vs. THE RELIANCE GENERAL INSURANCE COMPANY LIMITED AND ANOTHER — (2023) ACJ 1169 : (2023) 8 JT 466 : (2023) 8 SCALE 676 : (2023) 10 SCR 1133**

The Employees Compensation Act, 1923/ Workmen compensation Act, is a social beneficial legislation and its provisions and amendments thereto must be interpreted in a manner so as to not deprive the employees of the benefit of the legislation. The object of enacting the Act was to ameliorate the hardship of economically poor employees who were exposed to risks in work, or occupational hazards by providing a cheaper and quicker machinery for compensating them with pecuniary benefits. The amendments to the 1923 Act have been enacted to further this salient purpose by either streamlining the compensation process or enhancing the amount of compensation payable to the employee. **K. Sivaraman v. P. Sathishkumar 2020) 4 SCC 594 see also FULMATI DHARAMDEV YADAV & ANR. versus NEW INDIA ASSURANCE CO. LTD. & ANR. CIVIL APPEAL NO. 4713 OF 2023 (Arising out of SLP(C)No.17963 of 2019) 4 September 2023 2023 liveLaw (SC) 746**

Workmen's Compensation Commissioner is the last authority on facts, an appeal from an order of Commissioner can be entertained only if there is a substantial question of law to be considered **FULMATI DHARAMDEV YADAV & ANR. versus NEW INDIA ASSURANCE CO. LTD. & ANR. CIVIL APPEAL NO. 4713 OF 2023 (Arising out of SLP(C)No.17963 of 2019) 4 September 2023 2023 liveLaw (SC) 746**

Compensation payable to the employee of owner of vehicle that caused accident cannot be restricted merely to one under the Workmen's Compensation Act and it can be expanded provided the contractual document which is the policy of insurance incorporates such clause regarding the premium to be paid taking into account the nature of the policy. **AIR 2013 SUPREME COURT 2561 "Ramchandra v. Regional Manager, United India Insurance Co. Ltd."** It becomes immaterial as to whether the driver was having a valid Driving Licence or not if the deceased was the driver of the vehicle in question and was a workman **Oriental Insurance Company vs. Smt. Manjeet Kaur 2000 (4) PLJR 225 see also Smt. Dariyao Kanwar & others Vs. United India Insurance Company Docid#indlawlib/1603493 Civil Appeal No. 5416 of 2012 decided on 23.08.2023.**

The employer becomes liable to the compensation as soon as the injury was caused and there is no suspension of employer's liability pending settlement. Insurance Company Liable to pay the claim raised under the Workmen Compensation Act. **Pratap Narain Singh Deo vs. Shrinivas Sabata (1976) 1 SCC 289.**

Liability of insurance company - Injury caused by or arising out of use of motor vehicle - Workmen engaged in unloading food grains from tractor - Climbing down grocery pit to clean it - Falling down in pit and dying of suffocation - Death has no connection with use of motor vehicle - Insurer cannot be held liable to pay compensation. **2010 AIR SCW 5872 "Mamtaj Bi Bapusab Nadaf v. United India Insurance Co." (2010)10SCC536**

When it is proved that the accident has occurred due to the negligence of the deceased driver's dependents not liable for compensation under the Motor Vehicles but can raise their claim under the Workmen's

Compensation Act. **Oriental Insurance Company Ltd. vs. Most. Baidehi Devi 1997 (1) PLJR 827**

If the driver of the insured vehicle is murdered while on duty the insurance company is liable to pay towards compensation under the Workmen Compensation Act but the penalty has to be paid by the owner. **National Insurance Co.Ltd. VS Presiding Officer Labour Court 2000 (2) PLJR 806: 2000 ACJ 343**

Liability of insurer - Claimant travelling as spare driver in goods vehicle - Was not driving accident vehicle - In fact was employed as driver on other vehicle - And was travelling only in pursuance of direction of employer to visit work site - Claimant even though travelling in cabin is no more than gratuitous passenger - Insurance Company not liable to pay compensation - Insurer also not liable under proviso to S. 147(1) as claimant who was admittedly not driving vehicle could not be said to have suffered injury in course of his employment. **AIR 2013 SUPREME COURT 1064 "Manager, National Insurance Co. Ltd. v. Saju P. Paul"**

Compensation payable to the employee of owner of vehicle that caused accident cannot be restricted merely to one under the Workmen's Compensation Act and it can be expanded provided the contractual document which is the policy of insurance incorporates such clause regarding the premium to be paid taking into account the nature of the policy. The rider no doubt is that the statutory liability cannot be more than what is required under the statute under Section 95 of the Motor Vehicles Act. But that cannot bind the parties or prohibit from contracting or creating unlimited or higher liability to cover wider risk and the insured is bound by the terms of the contract specified in the policy in regard to unlimited or higher liability as the case may be. Thus, it is although correct that limited statutory liability cannot be extended to make it unlimited or higher, it is also manifestly clear that insofar as the entitlement of the claimant/deceased cleaner of the vehicle is concerned, the same cannot be restricted to the compensation under the Workmen's Compensation Act and is entitled to compensation even under the Motor Vehicles Act which will depend upon the terms and conditions of the policy of insurance. **AIR 2013 SUPREME COURT 2561 "Ramchandra v. Regional Manager, United India Insurance Co. Ltd."**

The statutory policy only covers the employees of the insured, either employed or engaged by him in a goods carriage. It does not cover any other kind of employee and therefore, someone who travels not being an authorised agent in place of the owner of goods, and claims to be an employee of the owner of goods, cannot be covered by the statutory policy and to hold otherwise would tantamount to causing violence to the language employed in the Statute **Sanjeev Kumar Samrat v. National Insurance Co. Ltd. and Ors AIR 2013 SUPREME COURT 1125**

WRITTEN STATEMENT

There has to be a specific admission and denial of the pleading in the plaint. All allegations in the plaint must be dealt with para wise. (para 15, 15.1, 15.02) **THANGAM AND ANOTHER Vs. NAVAMANI AMMAL AIR 2024 SC 1324 : (2024) 4 SCC 247 :**

WORDS AND PHRASES

"**accidental means**" conveys the idea that the consequences of the actions and events that produced death were unexpected.

Accidental death" and " death by accidental means" connote a death that was in some sense unexpected. The two phrases have essentially the same meaning." **Smt. Alka Shukla v. Life Insurance Corporation of**

India AIR 2019 SUPREME COURT 2088 *see also* NATIONAL INSURANCE COMPANY LTD. versus THE CHIEF ELECTORAL OFFICER & ORS **2023 LiveLaw (SC) 90**

'Any Person' Or 'Passenger'

The phrases 'any person' and 'any passenger' occurring in cls. (i) and (ii) of sub-sec. (b) to S. 147(1) are of wide amplitude. However, the proviso to the sub-section carves out an exception in respect of one class of persons and passengers, namely, employees of the insured, in other words, if the 'person' or 'passenger' is an employee, then the insured is required under the statute to cover only certain employees **Ramashray Singh Appellant v. New India Assurance Co. Ltd. and others Respondents AIR 2003 SUPREME COURT 2877**

'BODILY INJURY'

Colinvaux's Law of Insurance explains the expression

"It is usual for the policy to require an accident to manifest itself as "bodily injury" to the assured. The most obvious form of bodily injury is external trauma causing physical injury, but the phrase is not limited to injury to the exterior of the body: the term "bodily injury", when used in a personal accident policy, is not limited to lesions, abrasions or broken bones. Nor is it essential that there should be an external mark of injury on the assured's body..." see also **Smt. Alka Shukla v. Life Insurance Corporation of India AIR 2019 SUPREME COURT 2088**

CAUSE OF DEATH

The injuries suffered in the accident, as deposed by PW-1, the Doctor and found by the Tribunal were not very serious. The non-healing ulcer could have been for various causes, especially when the victim was known to be a diabetic, which necessitated the skin grafting procedure. The procedure also was carried out successfully but in the aftermath of the surgery, the patient succumbed to death.

Merely by reason of the proximity of the accident and the death or the possibility of acute myocardial infarction occurring for reason of a long bed rest, it cannot be assumed, without clear evidence to substantiate the death having been caused as a result of the injuries sustained in the accident that the death occurred by reason of the accident. There cannot be found even a preponderance of probability, going by the Doctor's evidence. We cannot interfere with the well-considered judgment of the High Court, which though rejected the claim for compensation for death, considered the claim for injuries sustained. We are unable to interfere with the findings of the High Court. **HASEENA AND OTHERS Vs. THE UNITED INDIA INSURANCE CO. LTD. AND ANOTHER Docid # IndLawLib/2432313 : 2025 INSC 1075**

CONSTITUTION BENCH

A decision of the Constitution Bench of this Court cannot be questioned on certain suggestions about different interpretation of the provisions under consideration. It remains trite that the binding effect of a decision of this Court does not depend upon whether a particular argument was considered or not, provided the point with reference to which the argument is advanced, was actually decided therein. **AMRITLAL Vs. SHANTILAL SONI AND OTHERS (2022) 4 SCALE 500**

DEATH OCCURRED BY REASON OF THE ACCIDENT

The injuries suffered in the accident, as deposed by PW-1, the Doctor and found by the Tribunal were not very serious. The non-healing ulcer could have been for various causes, especially when the victim was known to be a diabetic, which necessitated the skin grafting procedure. The procedure also was carried out successfully but in the aftermath of the surgery, the patient succumbed to death.

Merely by reason of the proximity of the accident and the death or the possibility of acute myocardial infarction occurring for reason of a long bed rest, it cannot be assumed, without clear evidence to substantiate the death having been caused as a result of the injuries sustained in the accident that the death occurred by reason of the accident. There cannot be found even a preponderance of probability, going by the Doctor's evidence. We cannot interfere with the well-considered judgment of the High Court, which though rejected the claim for compensation for death, considered the claim for injuries sustained. We are unable to interfere with the findings of the High Court. **HASEENA AND OTHERS Vs. THE UNITED INDIA INSURANCE CO. LTD. AND ANOTHER** Docid # IndLawLib/2432313 : 2025 INSC 1075

Employment

employment" refers only to regular employees **SUSHILABEN INDRAVADAN GANDHI AND ANOTHER Vs. THE NEW INDIA ASSURANCE COMPANY LIMITED AND OTHERS 2020 (3) BLJ 496 (SC) AIR 2020 SUPREME COURT 1977**

Income

The actual salary less tax amount ought to have been taken into consideration by the Tribunal for determining the compensation amount, in light of the dictum of the Constitution Bench of this Court in paragraph 59.3 of **Pranay Sethi NATIONAL INSURANCE COMPANY LIMITED Vs. BIRENDER AND OTHERS** Decided on : **AIR 2020 (SC) 434 : (2020) 1 JLJR 328 : (2020) 1 PLJR 372 .**

It includes those benefits, either in terms of money or otherwise, that are taken into consideration for payment and professional tax. **Vijay Kumar Rastogi v. Uttar Pradesh State Roadways Transport Corporation. AIR 2018 SUPREME COURT 819 see also Sarita Rai Vs. Ramayan Singh 2018 (1) BLJ 166 : 2018 (2) PLJR 462.: The Divisional Manager Oriental Insurance Company Vs. Manorma Sinha 2022 (4) BLJ 706 ; D.M. United India Insurance Company Vs. Sarita Devi 2022 BLJ (6) 672**

Depreciation is the deduction allowed for the decline in the real value of tangible or intangible assets over its useful life. Its value varies over time and cannot amount to tangible income for the purposes of computing annual income in a claim before the MACT. **Malarvizhi & Ors. Versus United India Insurance Company Limited & Anr. 2019 0 Supreme(SC) 1338;**

Assessments of income should be objective. If tax returns are used, details of tax payments must be presented to enable the court to calculate income correctly. **New India Assurance Co. Ltd. v. Sonigra Juhi Uttamchand, 2025 LiveLaw (SC) 18 : 2025 INSC 15 : (2025) 3 SCC 23**

Income Tax Deduction On interest

Section 194 A (3) (ix) provides for deduction of income tax to such income credited or paid by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid during the financial year does not exceed fifty thousand rupees; **Inserted by the Finance Act, 2003, with effect from 1st June, 2003.**

In the said circumstances, it was not open to the District Judge to hold to the contrary. As a matter of fact, the District Judge was exercising his jurisdiction with regard to executing the award but while executing the same he had to be conscious of the fact that any such payment would be subject to statutory provisions. There being clear provision under the income tax act with regard to deduction of tax, it was not open to the District Judge to have held to the contrary. **National Insurance Co. Ltd. Versus SUSHMA Through Finance Secretary Deptt. Of Finance 2016 4 PLJR 1006; 2015 0 Supreme(Pat) 1367; see also New India Assurance Company Vs. Commissioner Income Tax and others C.W.J.C. 12429 OF 2019 DISPOSED of on 14.07.2023. 2023 (5) BLJ 513**

Third party risks - Phrases 'any person' and 'any passenger' - Coverage of - If concerned employee is neither a driver, nor conductor, nor examiner of tickets, insured cannot claim that the employer comes under the description 'any person' or 'passenger'. **RAMASHRAY SINGH Vs. NEW INDIA ASSURANCE CO. LTD. AND OTHERS AIR 2003 SC 2877**

The **Tractor** is a machine run by diesel or petrol. It is a self-propelled vehicle for hauling other vehicles. It is used for different purposes. It is also used for agricultural purposes, along with other implements. It is a self-propelled vehicle capable of pulling alone as defined under the definition of motor vehicles. It does not fall within any of the exclusions as defined under the Act. Thus, it is a motor vehicle in terms of the definition under Section 2(28) of the Act. So, even without referring to the definition of the Tractor in S. 2(44), if the definition of the motor vehicle as given under the Act is strictly construed, even then the Tractor is a motor vehicle as defined under the Act. **AIR 2013 SUPREME COURT 2150 "Chairman, R. S. R. T. Corporation v. Santosh"**

Jugaad is covered in the definition of the motor vehicles under Section 2(28) of the Act, **AIR 2013 SUPREME COURT 2150 "Chairman, R. S. R. T. Corporation v. Santosh"**

Accident - Includes any untoward, unexpected event. **2013 AIR SCW 283 "Param Pal Singh v. M/s. National Insurance Co."**

Effective in the expression of effective Driving licence as under section 3 of the Motor Vehicle Act, 1988 means a valid licence both as regard the period and type of vehicle. **Ashok Gangadhar Maratha Vs. Oriental Insurance Company (1999) 6 SCC 620: 2000 ACJ 319**

A photocopy of a driving licence does not prove that the driver had a valid driving licence **United India Insurance Co.Ltd. Vs. Anbari and others 2000 ACJ 469**

A light Motor vehicle even though designed as a transport vehicle , but not used as a transport vehicle, the vehicle will be treated as A light Motor vehicle **Ashok Gangadhar Maratha Vs. Oriental Insurance Company (1999) 6 SCC 620.**

The term accident means some unexpected and unforeseen event or overlooked mischief **United India Insurance Company vs. Somari Devi 1999 ACJ 864.**

Composite Negligence - Concept Explained.

'Composite negligence' refers to negligence on part of two or more persons. Where a person is injured as a result of negligence on part of two or more wrong doers, it is said that the person was injured on account of the composite negligence of those wrongdoers. In such a case, each wrongdoer, is jointly and severally liable to the injured for payment of the entire damages and the injured person has the choice of proceeding against all or any of them. On the other hand where a person suffers injury, partly due to the negligence on the part of another person or persons, and partly as a result of his own negligence, then the negligence on the part of the injured which contributed to the accident is referred to as his contributory negligence. Where the injured is guilty of some negligence, his claim for damages is not defeated merely by reason of the negligence on his part but the damages recoverable by him in respect of the injuries stands reduced in proportion to his contributory negligence. **AIR 2008 SC (Supp) 1644 "Shiv Singh Chak v. Baby Jain" see also A.P.S.R.T.C. and Anr v. K. Hemalatha and Ors 2008 AIR SCW 4712**

The mere position of the vehicles after accident, as shown in a Scene Mahazar, cannot give a substantial proof as to the rash and negligent driving on the part of one or the other. When two vehicles coming from

opposite directions collide, the position of the vehicles and its direction etc. depends on number of factors like speed of vehicles, intensity of collision, reason for collision, place at which one vehicle hit the other, etc. From the scene of the accident, one may suggest or presume the manner in which the accident caused, but in absence of any direct or corroborative evidence, no conclusion can be drawn as to whether there was negligence on the part of the driver. In absence of such direct or corroborative evidence, the Court cannot give any specific finding about negligence on the part of any individual. **AIR 2013 SUPREME COURT 2293 "Jiju Kuruvila v. Kunjamma Mohan"**

It would not be appropriate for the court/tribunal to determine the extent of composite negligence of the drivers of two vehicles involved in accident in the absence of impleadment of other joint tortfeasors. In such a case, impleaded joint tortfeasor should be left, in case he so desires, to sue the other joint tortfeasor in independent proceedings after passing of the decree or award **Khenyei v. New India Assurance Co. Limited and Ors. AIR 2015 SUPREME COURT 2261**

Interpretation Of Statutes

It is by now a certain law that an action to be taken in a particular manner as provided by a statute, must be taken, done or performed in the manner prescribed and in no other manner or not at all. **Meera Sahni vs. Lieutenant Governor of Delhi and Ors., (2008) 9 SCC 177** see also **Babu Verghese v. Bar Council of Kerala [(1999) 3 SCC 422]** wherein it was held as under : (SCC pp. 432-33, paras 31-32) The origin of this rule is traceable to the decision in **Taylor v. Taylor [(1875) 1 Ch D 426]** which was followed by **Lord Roche in Nazir Ahmad v. King Emperor [(1936) 63 IA 372 : AIR 1936 PC 253 (2)]**

This rule has since been approved by this Court in **Rao Shiv Bahadur Singh v. State of Vindh Pradesh, AIR 1954 SC 322** and again in **Deep Chand v. State of Rajasthan AIR 1961 SC 1527. State of U.P. v. Singhara Singh AIR 1964 SC 358** and the rule laid down in Nazir Ahmad case (supra) was again upheld. This rule has since been applied to the exercise of jurisdiction by courts and has also been recognised as a salutary principle of administrative law” see also **CRIMINAL REVISION No. 685 of 2025 Pushpraj Bajaj, Versus 1. The Union of India through the Assistant Director, Enforcement Directorate, Patna decided on 11.11.2025.**

In interpreting documents relating to a contract of insurance , the duty of the court is to interpret the words in which the contract is expressed by the parties, because it is not the court to make a new contract , however reasonable, if the parties have made it themselves. **General Assurance Society Ltd. Vs. Chandumull Jain AIR 1966 SC 1644** see also **AIR 2004 SC 1700 and AIR 2020 SC 1977.**

The Hindi is the official language in the State of Bihar in a case of conflict between Hindi and English version, it is Hindi version which has to prevail. **DR. (MAJOR) MEETA SAHAI Vs. STATE OF BIHAR (2017) 1 PLJR 594 (D.B.) ; Dr. Sachidanand Sinha v. The Collector, Patna and others, 1989 PLJR 1141 (F.B.)**

Just Compensation

The amount actually due and payable is to be awarded despite the claimants having sought for a lesser amount and the claim petition being valued at a lesser value. **Mona Baghel v. Sajjan Singh Yadav, 2022 LiveLaw (SC) 734** see also **KAVITA BALOTHIYA & ORS. VERSUS SANTOSH KUMAR & ANR.**

Citation : 2024 LiveLaw (SC) 546

Conception of "just compensation" has to be viewed through the prism of fairness, reasonableness and non-violation of the principle of equitability - In a case of death, the legal heirs of the claimants cannot expect a windfall - Simultaneously, the compensation granted cannot be an apology for compensation. It cannot be a pittance. **RAJ BALA AND OTHERS Vs. RAKEJA BEGAM AND OTHERS (2023) ACJ 254 : AIR 2022 SC 5145**

The term compensation has not been defined in the Act of 1988. By interpretative process, it has been understood to mean to recompense the claimants for the possible loss suffered or likely to be suffered due to sudden and untimely death of their family member as a result of motor accident. Two cardinal principles run through the provisions of the **Motor Vehicles** Act of 1988 in the matter of determination of compensation. Firstly, the measure of compensation must be just and adequate; and secondly, no double benefit should be passed on to the claimants in the matter of award of compensation. Section 168 of the Act of 1988 makes the first principle explicit. Sub-section (1) of that provision makes it clear that the amount of compensation must be just.

The word "just" means -fair, adequate, and reasonable. It has been derived from the Latin word "justus", connoting right and fair. In para 7 of State of Harayana & Anr. vs. Jasbir Kaur & Ors., (2003) 7 SCC 484 it has been held that expression "just" denotes that the amount must be equitable, fair, reasonable and not arbitrary. In para 16 of Smt. Sarla Verma & Ors. vs. Delhi Transport Corporation & Anr., (2009) 6 SCC 121 this Court has observed that the compensation "is not intended to be a bonanza, largesse or source of profit". That however may depend upon facts and circumstances of each case, as to what amount would be a just compensation. Reliance General Insurance Co. Ltd. Vs. Shashi Sharma & Ors. – AIR 2016 SUPREME COURT 4465: 2016 0 Supreme(SC) 745 , MANU/SC/1095/2016 see also Sebastiani Lakra & Ors Versus National Insurance Company Ltd. & Anr. AIR 2018 (SC) 5034; National Insurance Company Ltd. Vs. Mannat Johal And Ors. Etc. 2019 0 Supreme (SC) 484; AIR 2019 SUPREME COURT 2079 ; Krishna & Ors. Versus Tek Chand & Ors.: 2024 Livelaw (Sc) 116

Outward Violent And Visible

The expression "outward violent and visible" signifies that the cause of the accident must be external. Moreover, the injury must be the cause of the death within the period of 180 days. There has to be proximate relationship between the injury and the death to the exclusion of all other causes. **Smt. Alka Shukla v. Life Insurance Corporation of India AIR 2019 SUPREME COURT 2088 see also NATIONAL INSURANCE COMPANY LTD. versus THE CHIEF ELECTORAL OFFICER & ORS 2023 LiveLaw (SC) 90**

Pleadings

The evidence which was not a part of the pleadings couldn't be led in the trial. **Srinivas Raghavendrarao Desai (Dead) By Lrs. Versus V. Kumar Vamanrao @ Alok And Ors., Civil Appeal No(S). 7293-7294 Of 2010 Citation : 2024 LiveLaw (SC) 194**

Vicarious Liability

Black's Law Dictionary defines "Vicarious Liability" as follows:

Liability that a supervisory party (such as an employer) bears for the actionable conduct of a subordinate or associate (such as an employee) because of the relationship between the two parties". (Page 927, Black's Law

Dictionary, 7th Edition). SEE **Uttar Pradesh State Road Transport Corporation v. Kulsum and Others (2011) 8 SCC 142: (2012) 1 PLJR 281 : (2012) 1 JLJR 41** see also **CIVIL APPEAL NOS.18490-18491 of 2017 UTTAR PRADESH STATE ROAD TRANSPORT CORPORATION Vs. NATIONAL INSURANCE CO. LTD. & ORS. Live Law 2021 SC 313 decided on July 14, 2021.**

'Violent'

according to Black Law's Dictionary means: **10th Edition.**

"1. Of, relating to, or characterised by strong physical force <violent blows to legs>. 2. Resulting from extreme or intense force <violent death.>3. Vehemently or passionately threatening <violent words>."

'Visible'

according to Black Law's Dictionary¹⁰ means something which is: **10th Edition.**

"1. Perceptible to the eye; discernible by sight. 2. Clear, distinct, and conspicuous."

A passage from Colin Vaux's Law of Insurance **11th Edition** discusses the effect and the impact of the expressions

"" **Violent** ". The notion of violence... is not limited to the situation where another person does violence to the assured, and it has been said that the word is used simply as the antithesis of "without any violence at all". "Violent means" include any external, impersonal cause, such as drowning, or the inhalation of gas. Thus, 'violent' does not necessarily imply actual violence, as where the assured is bitten by a dog... The element of violence will obviously be present where the injury is inflicted by a third party or by some natural phenomenon, since there could otherwise be no effect upon the body of the assured."

"" **External** ". It is the means of causing the injury which must be external, rather than the injury itself. Thus, a rupture or other internal injury is quite capable of falling within the ambit of a personal accident policy. Given this distinction, it appears that the word "external" in these policies merely serves to reiterate the general principle that the injury must not be attributable to natural causes. It will therefore be obvious that a given type of injury may fall within or without the policy according to the event which caused it, and it is this cause which must always be examined."

"" **Visible** ". It is probable that this word adds nothing to the policy coverage, since every external cause must also be visible. It appears to be included merely for purposes of emphasis."

An accident postulates a mishap or an untoward happening, something which is unexpected and unforeseen. A bodily injury caused by an accident is not limited to any visible physical marks in the form of lesions, abrasions or broken bones on the body. A bodily injury can be caused by violent means that are external and relate to the use of strong physical force or even threatening someone by the use of violent words or actions.

Smt. Alka Shukla v. Life Insurance Corporation of India AIR 2019 SUPREME COURT 2088 see also NATIONAL INSURANCE COMPANY LTD. versus THE CHIEF ELECTORAL OFFICER & ORS 2023 LiveLaw (SC) 90

Wage

Wages - Conveyance Allowance or Travelling Allowance - Any Travelling Allowance or the value of any travelling concession would be outside the purview of the term 'wages', **The Employees State Insurance Corporation Vs. M/S Texmo Industries (2021) 3 JLJR 30 : (2021) 3 PLJR 28 : (2021) 7 SCALE 438 : (2021) 3 SCT 181**

Widow Re-marriage

Even after re-marriage widow is liable for compensation of the death of her first husband. **Sobha Jain and others Vs. Bihar State Tribal Co- Operative Development Corporation Ltd. Ranchi 1983 ACJ 327.**

Minor children of the deceased are entitled to the multiplier adopted by the Tribunal despite the remarriage of the deceased's wife, as their loss of dependency is not extinguished by the mother's remarriage. **The Oriental Insurance Co. Ltd. Vs. Niru @ Niharika And Others. Docid # IndLawLib/2427828 : 2025 INSC 82 Special Leave Petition (C) No. 11340 of 2020 with Special Leave Petition (C) No. 22136 of 2024 Decided on : 14-07-2025**

Written Statement

Owner of vehicle admitted in written statement that vehicle owned by him was involved in accident - Said admission in pleadings would be sufficient to hold that concerned vehicle was involved in accident **AIR 2011 SUPREME COURT 671 "Saroj v. Het Lal"**