
(2018) 02 CHH CK 0183

Chhattisgarh High Court

Case No: MISC. APPEAL (C) NO. 681 Of 2012

Akhtari Begum And Ors

APPELLANT

Vs

Rajesh Dhote And Ors

RESPONDENT

Date of Decision: Feb. 9, 2018

Acts Referred:

Motor Vehicles Act, 1988 " Section 140, 166, 173

Citation: (2018) 02 CHH CK 0183

Hon'ble Judges: P. Sam Koshy, J

Bench: Single Bench

Advocate: Shivendu Pandya, Tarkeshwar Nande

Final Decision: Allowed/Disposed Of

Judgement

P. Sam Koshy, J

1. The present is an appeal under Section 173 of the Motor Vehicles Act, 1988, filed by the appellant-claimants seeking enhancement of the

compensation awarded.

2. Challenge in the present appeal is to the award dated 30.3.2011 passed by the Seventh Additional Motor Accident Claims Tribunal, Raipur, in Claim

Case No. 34/2009.

3. Vide the impugned award, the learned Tribunal, in a death case, under Section 166/140 of the Motor Vehicles Act, has awarded a compensation of

Rs.3,24,500/- in favour of the claimants with interest thereon at the rate of 6% per annum. While passing the award, the learned Tribunal has

exonerated the insurance company of its liability and has fastened the liability for payment of compensation upon the owner and the driver of the

offending vehicle i.e. a Truck, bearing registration no CG07-C- 6185.

4. Learned counsel for the appellant-claimants submits that it is a case where the vehicle involved was duly insured with the respondent no.3-

insurance company. He further submits that the only ground of exonerating the insurance company of its liability is that the driver at the relevant point

of time did not have a valid licence to drive the offending vehicle. He next submits that it is a case where at best the Tribunal should have ordered for

pay and recovery. He also submits that the quantum of compensation needs reconsideration as the income assessed was on the lower side so also the

claimants would be entitled for a compensation under the head, future prospects. He further contended that the deduction made towards personal

expenses also needs modification inasmuch as the deduction would be 1/4th instead of 1/3rd taking into consideration the number of claimants.

5. Learned counsel for respondent no.3-insurance company however opposing the appeal submits that the finding of the Tribunal does not warrant

interference both on the liability aspect as well as on the quantum of compensation. He further submits that since the driver did not have a licence, the

liability cannot be fastened upon the insurance company as it amounts to a clear breach of policy condition. So far as quantum of compensation is

concerned, he submits that the Tribunal has passed the award taking into consideration the evidence which have come on record. He thus prayed for

the rejection of the appeal.

6. Having considered the contentions put forth on either side and on perusal of record, true it is that the finding of the Tribunal that the driver of the

offending vehicle did not have a licence on the date of accident stood established.

Further, it is by now settled by a series of decisions of the Hon'ble

Supreme Court starting from National Insurance Co. Ltd. v. Swaran Singh & Others 2004 (3) SCC 297 up till the decision of the Hon'ble Supreme

Court in the case of Manuara Khatun & Ors. v. Rajesh Kumar Singh & Others 2017 (4) SCC 796. That, under such circumstances, the doctrine of

'pay and recovery' can be applied. What also has to be borne in mind is that the insurance company in the instant has covered the risk of the offending

vehicle by issuing a package policy. Under this circumstance also, this Court is of the opinion that it is a fit case where the doctrine of 'pay and

recovery' should be applied and it is accordingly ordered that the amount of compensation shall be honoured by the insurance company with a liberty

to recover the same by initiating appropriate recovery proceeding against the owner and the driver of the offending vehicle.

7. So far as quantum of compensation is concerned, it is a case of the claimants that the deceased was employed as a labour in Nandan Steel at

Raipur and was being paid an amount of Rs.300/- a day i.e. Rs.9000/- a month. The Tribunal in the instant case has assessed the income of the

deceased at Rs.3000/- a month which is unreasonably low. Considering the total facts and circumstances of the case and also the fact that it is a case

where the accident is of May, 2009, this Court thinks it proper to assess the monthly income of the deceased at Rs.5000/- instead of Rs.3000/-.

Similarly, in the light of a recent Larger Bench's decision of the Hon'ble Supreme Court in the case of National Insurance Company Limited v. Pranay

Sethi & Others SLP (Civil) No. 25590 of 2014, decided on 31.10.2017, the claimants would also be entitled for 25% of the monthly income towards

future prospects for the purpose of quantifying the compensation.

8. Accordingly, taking Rs.5000/- as the monthly income of the deceased, the yearly income comes to Rs.60,000/- to which if 25%, i.e., Rs.15,000/-, is

added towards future prospects, the amount would come to Rs.75,000/- of which if 1/4th, i.e., Rs.18,750/-, is deducted towards personal expenses, the

amount left would be Rs.56,250/- which if multiplied applying the multiplier of 14, the amount towards loss of dependency would come to Rs.7,87,500/-

which the claimants shall be entitled for instead of Rs.3,12,000/- which the Tribunal has assessed. The claimants in addition shall also be entitled for a

lump sum compensation of Rs.70,000/- towards conventional heads instead of Rs.12,500/- which the Tribunal has awarded. Thus, making the total

compensation payable to the claimants at Rs.8,57,500/- instead of Rs.3,24,500/- which the Tribunal has awarded.

9. The impugned award stands accordingly modified and enhanced from Rs.3,24,500/- to Rs.8,57,500/- which the appellant-claimants shall be entitled

for. The enhanced amount of Rs.5,33,000/- shall also carry interest at the same rate as has been fixed by the learned Tribunal. It shall be the

responsibility of the insurance company to pay the entire amount of compensation. However, the insurance company shall be at liberty to recover the

same from the owner and the driver of the offending vehicle by initiating appropriate recovery proceeding.

10. The appeal thus stands allowed and disposed of accordingly.