
(2025) 10 AHC CK 0062

Allahabad HC

Case No: First Appeal From Order No. - 1880 Of 2025

New India Assurance Company
Limited

APPELLANT

Vs

Sangeeta Devi

RESPONDENT

Date of Decision: Oct. 16, 2025

Acts Referred:

- Motor Vehicles Act, 1988 — Section 173

Hon'ble Judges: Sandeep Jain, J

Bench: Single Bench

Advocate: Amit Singh

Final Decision: Dismissed

Judgement

Sandeep Jain, J

1. The instant appeal under Section 173 of the Motor Vehicles Act, 1988 has been preferred by the Insurance Company of the offending vehicle D.C.M. No.UP-78-GN-1291 against the impugned judgment and award dated 03.06.2025 passed by the Motor Accidents Claims Tribunal, Kanpur Dehat, in Motor Accident Claim Petition No. 273 of 2024 (Smt. Sangeeta Devi and others vs. The New India Assurance Company Ltd. and another), whereby, for the untimely death of Haribabu in an accident that took place on 08.01.2023, the Tribunal has awarded compensation of Rs.48,56,250/- along with interest at the rate of 7.5% per annum to the claimants, which has been ordered to be indemnified by the insurer of the offending vehicle.

2. Factual matrix is that on 08.01.2023, Haribabu was travelling in a loader No.UP-77-AT-3631 from Kanpur to his home, then between Bairi and Baagpur, near Village Sambharpur within the jurisdiction of

Police Station Shivli, District Kanpur Dehat at about 5:00 P.M., the above vehicle was hit from behind by the offending vehicle D.C.M. No.UP-78-GN-1291, which was being driven in a rash and negligent manner, due to which the loader overturned and Haribabu sustained grievous injuries, who was taken to the Government Hospital, Shivli from where he was referred to Halet Hospital, Kanpur Nagar, but just after leaving Shivli Hospital, he died. On the date of the accident, the deceased was about 36 years old, who was the owner of the above loader and was earning Rs.27,000/- per month. The Tribunal keeping in view, that he was paying EMI of Rs.18,250/- towards the payment of loan taken for purchasing the above loader, and also appreciating that after paying the above EMI, he was at least earning Rs.7,000/- per month in order to sustain his family of six persons, concluded that he was earning Rs. 18,250 + Rs. 7,000 = Rs. 25,250/- per month.

3. The Tribunal, keeping in view that the deceased had five dependents, made a deduction of one-fourth from the above income, awarded future prospects at the rate of 40%, since the deceased was aged between 36-40 years, applied a multiplier of 15, awarded Rs. 15,000/- each towards loss of estate and funeral expenses, and Rs. 40,000/- towards loss of consortium. In all, the Tribunal awarded compensation of Rs. 48,56,250/- along with interest at the rate of 7.5% per annum to the claimants, which was ordered to be indemnified by the insurer of the aforesaid D.C.M. vehicle.

4. In view of the above factual matrix, learned counsel for the appellant-Insurance Company submitted that there was no documentary proof of the income of the deceased, as such, the Tribunal erred in assessing the compensation on the basis of his monthly income of Rs.25,250/-.

5. I have heard the learned counsel for the appellant-Insurance Company, perused the impugned judgment and the documents submitted by the appellant with the appeal.

6. The Apex Court in the case of Gurpreet Kaur & Ors. vs. United India Insurance Co. Ltd. & Ors. 2022 SCC OnLine SC 1778, held as under:-

"8. Though, there is no evidence on record regarding the income of deceased Pyara Singh, however, from the testimony of P.W.4 - Amar Kumar, Assistant Manager, Kotak Mahindra Bank Limited, it is clear that the deceased - Pyara Singh was regularly making the payment of Rs. 11,550/- as instalment to discharge his loan liability towards the tractor. At this rate, the entire loan was paid back within a year or so. That clearly establishes the earning capacity of the deceased. It is also the case of the appellants-claimants that the deceased was working as a contractor and was earning Rs. 50,000/- per month. The Tribunal adopted a balanced approach and keeping in view factors like : (i) the payment of monthly instalment of Rs. 11,550/- towards loan of the tractor; (ii) Maintaining a family comprising of wife, two minor children and parents; (iii) Affording tractor and motorcycle;

(iv) that the deceased was working as a contractor; assessed his income at Rs. 25,000/- per month.

9. In our considered view, the Tribunal's approach is quite justified in law as well as on facts. In the summary proceedings where the approach of the Tribunal's determination must be in conformity with the object of the welfare legislation, it was rightly held that the monthly income of the deceased could not be less than Rs. 25,000/-. The reason assigned by the High Court to reduce the monthly income of the deceased is totally cryptic and has no rationale. The Notification of Minimum Wages Act can be a guiding factor only in a case where there is no clue available to evaluate monthly income of the deceased. 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 as presumed by the High Court."

(emphasis supplied)

7. From the law laid down by the Apex Court in the case of Gurpreet Kaur (supra) it is evident that if the deceased was enjoying a particular lifestyle and incurring recurring expenditure, which was proved by the claimants, the Tribunal can assess his income on the basis of the expenditure incurred by him. In the instant case, the claimants proved before the Tribunal that the deceased was the owner of the loader, which was purchased on loan, and the deceased was paying a regular EMI of Rs. 18,250/- per month towards repayment of loan. The Tribunal has considered this aspect and further concluded that, since there were five dependents of the deceased, he must have been earning at least an additional amount of Rs. 7,000/- per month to sustain his family.

8. Accordingly, the Tribunal has assessed the total income of the deceased as Rs. 18,250 + Rs. 7,000 = Rs. 25,250/- per month, which cannot be said to be erroneous or perverse, in the facts and circumstances of the case.

9. It is to be noted that under Rule 220-A of the U.P. Motor Vehicle Rules, 1998, the claimants were entitled to future prospects at the rate of 50%, as he was below 40 years of age on the date of the accident; however, the Tribunal has awarded future prospects only at the rate of 40%.

10. In view of the above, the amount of compensation awarded by the Tribunal cannot be reduced.

11. Accordingly, this appeal has got no merit and is liable to be dismissed at the admission stage.

12. The appeal is dismissed at the admission stage.

13. The impugned judgment and award of the Tribunal is affirmed.

14. Office is directed to remit back the statutory deposit made by the Insurance Company to the Tribunal concerned, forthwith.