IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA

FAO (MV) No. 4241 of 2013
with FAO (MV) No. 77 of 2014

Reserved on: 30.03.2026
Date of decision: 07.04.2026

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1. FAO No. 4241 of 2013:

Kalyan Singh Chauhan (since dead through his LRs) & another.

…..Appellants.

Versus

M/s P.K. Construction & others.

…..Respondents.

2. FAO No. 77 of 2014:

The National Insurance Company Ltd.

…..Appellant.

Versus

Kalyan Singh Chauhan (since dead through his LRs) & others.

…..Respondents.

Coram
The Hon'ble Mr. Justice Sushil Kukreja, Judge.
[1]*Whether approved for reporting?* Yes.

FAO No. 4241 of 2013:

For the appellants: Mr. Shyam Singh Chauhan, Advocate.

For respondents No. 1 & 2: Mr. Dibender Ghosh, Advocate.

For respondent No. 3: Ms. Devyani Sharma, Sr.

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[1] *Whether reporters of Local Papers may be allowed to see the judgment?*

Advocate, with Ms. Srishti Negi, Advocate.

FAO No. 77 of 2014:

For the appellant: Ms. Devyani Sharma, Senior Advocate, with Ms. Srishti Negi, Advocate.

For respondents No. 1 & 2: Mr. Shyam Singh Chauhan, Advocate.

For respondents No. 3 & 4: Mr. Dibender Ghosh, Advocate.

Sushil Kukreja, Judge.

Since both these appeals are the offshoots of impugned award, dated 19.08.2013, passed by learned Motor Accidents Claims Tribunal (II), Shimla, District Shimla, H.P. (hereinafter for the sake of brevity referred to as "the learned Tribunal"), they are taken up together for consideration and disposal.

2. The appellants, who were petitioners/claimants before the learned Tribunal below (hereinafter referred to as "the petitioners/claimants") preferred appeal, i.e., FAO (MV) No. 4241 of 2013, under Section 173 of the Motor Vehicles Act, 1988 (for short 'the Act') against impugned award, dated 19.08.2013, passed by learned Tribunal below, whereby MAC Petition No. 121-S/2 of 2012/10, filed by the petitioners-claimants, under Section 166 of the Act, was allowed and

they were held entitled for compensation of Rs.6,22,000/- alongwith interest @ 9% per annum from the date of filing of the petition till the final realization of the amount, with a prayer to enhance the compensation amount and interest by modifying the award. On the other hand, appellant-National Insurance Company Limited, preferred appeal, i.e., FAO (MV) No. 77 of 2014, under Section 173 of the Act, against the aforesaid impugned award, with a prayer to allow the appeal by quashing and setting-aside the impugned award and exonerate the appellant-Insurance Company.

3. The facts giving rise to the instant appeals are that the petitioners/claimants, being the parents of Shri Udhey Singh (the deceased), preferred a claim petition under Section 166 of the Act claiming compensation from the respondents. As per the petitioners, on 17.01.2010, the deceased alongwith Babu Ram and Prakash was travelling in Tripper, bearing registration No. HP-63-6579, and was going from Theog to Kiartu. The aforesaid vehicle met with an accident, around 12:30 p.m. and rolled down into a gorge, resultantly the deceased sustained multiple grievous injuries and he was shifted to IGMC, Shimla, where he was declared dead. The petitioners/claimants further averred that

respondent No. 2-Shri Dila, was the driver of the offending vehicle and he, at the time of the accident, was driving the vehicle in a rash and negligent manner. The deceased, at the time of the accident, was only 28 years old and was MA in History and he used to work as Site Supervisor with respondent No. 1-M/s P.K. Constructions. The deceased used to got monthly salary of Rs.7980/- and he also used to assist his father in agricultural work. Lastly, the petitioners/claimants sought compensation of rupees twenty lacs.

4. Respondent No. 1- M/s P.K. Constructions, in its reply raised preliminary objection that the petitioners were stopped from filing the petition and the amount of compensation claimed was highly exorbitant. It was denied that the accident occurred due to rash and negligent driving of respondent No. 2. Rest of the averments made in the petition were admitted. Although, respondent No. 2-Shri Dila Ram (driver of the offending vehicle), filed separate reply, however, he took same plea, as taken by respondent No. 1.

5. Respondent No. 3-National Insurance Company, in its reply resisted the claim petition and took preliminary objections of maintainability, collusion between the

petitioners and respondents No. 1 and 2. As per the replying respondent, at the time of the accident, respondent No. 2 was not having valid and effective driving licence and the offending vehicle had no valid RC, fitness certificate, route permit and the deceased was travelling in the vehicle as gratuitous passenger. It was further averred that the offending vehicle was being driven in contravention of the provisions of the Motor Vehicle Act and in breach of the terms and conditions of the insurance policy. The replying respondent, on merits, averred that the amount claimed by the petitioners was highly exorbitant.

6. After hearing the learned counsel for the parties, the learned Tribunal below had allowed the claim petition and the petitioners/claimants were held entitled for compensation @ Rs.6,22,000/- alongwith interest @ 9% per annum from the date of filing of the petition till the final realization of the amount. The liability of the respondents was fixed as joint and several. However, respondent No. 3-Insurance Company, being insurer, was held liable to pay the award amount as indemnifier. Hence, FAO (MV) No. 4241 of 2013, has been preferred by the petitioners/claimants seeking enhancement of the compensation amount as well as the

interest thereon and National Insurance Company preferred FAO (MV) No. 77 of 2014 with a prayer to quash and set-aside the impugned award and exonerate the Insurance Company.

7. I have heard the learned Senior Counsel/counsel for the respective parties and carefully examined the entire records.

8. The learned counsel for the petitioners/claimants (appellants in FAO (MV) No.4241 of 2013) contended that the learned Tribunal below has wrongly taken the monthly salary of the deceased at Rs.4,000/- instead of Rs.7,980/-, which the deceased was actually drawing from his employer. He further contended that total monthly salary of the deceased Udhey Singh was Rs.7,980/-, which also stands proved from his salary certificate, Ex. PW-1/J. He also contended that the learned Tribunal below had failed to take into consideration the income, which the deceased was earning from agriculture. Thus, the findings rendered by the learned Tribunal below, in assessing the reasonable and just compensation, are based on surmises and conjectures, therefore, the compensation awarded by the learned Tribunal below deserves to be enhanced by modifying the award.

9. The learned Senior Counsel for National Insurance Company (appellant in FAO (MV) No. 77 of 2014) contended that the impugned award is liable to be quashed and set-aside on the ground that the learned Tribunal has wrongly decided the petition by holding that the Insurance Company (appellant) is liable to indemnify the insured, as the deceased was travelling in the offending vehicle as a gratuitous passenger in a goods carrying commercial vehicle and the risk of such passenger was not required to be mandatorily covered under the Act.

10. At the very outset, it may be pertinent to mention here that neither the insurance company nor the owner of the offending vehicle had assailed the findings of the learned Tribunal below so far it arrived at a finding that deceased-Udhey Singh had died on account of rash and negligent driving of respondent No. 2 Dila Ram, driver of offending vehicle, i.e., tipper, having registration No. HP-63-6579.

11. Now the first question which arises for consideration before this Court is as to what amount of compensation the petitioners are entitled on account of death of their deceased son Udhey Singh.

12. As per the matriculation certificate, Ex.PW-1/C,

tendered in evidence by PW-1 Kalyan Singh (one of the petitioners/claimants), the date of birth of the deceased was 26.02.1982, which means that the age of the deceased, at the time of the accident, was about 28 years. The petitioners have placed on record salary certificate, Ex.PW-1/J, wherein the salary of the deceased has been mentioned as Rs.4,000/- and apart from this salary, some allowances were also paid to the deceased and his total salary was mentioned as Rs.7,980/-. However, the learned Tribunal below had not taken into account the allowances for determining the monthly income of the deceased, being the actual expenses for house rent, travelling, ration and telephone. Therefore, after considering the age of the deceased and his qualification, the income of the deceased can be assessed at Rs.5000/- per month.

13. In ***Sarla Verma (SMT) & others vs. Delhi Transport Corporation & another, (2009) 6 SCC 121***, the Apex Court, on the question of deduction towards the personal and living expenses of the deceased held that, the personal and living expenses of the deceased should be deducted from his monthly income, to arrive at the contribution to the dependents. Where the deceased was married, the

deduction towards personal and living expenses of the deceased should be one-third where the number of dependent family members is 2 to 3; one-fourth where the number of dependent family members is 4 to 6; and one-fifth where the number of dependent family members exceeds 6. In regard to bachelors, normally, 50% is deducted as personal and living expenses, because it is assumed that a bachelor would tend to spend more on himself.

14. In the instant case, since the deceased was bachelor and his parents were dependent upon his income at the time of accident, 50% of his income is required to be deducted towards personal and living expenses, in view of the law laid down by the Hon'ble Supreme Court in ***Sarla Verma's*** case (supra).

15. In ***National Insurance Company Limited vs. Pranay Sethi & others, (2017) 16 SCC 680,*** it has been held that while determining the income, in case the deceased was self-employed or on a fixed salary and below the age of 40 years, an addition of 40% of the established income to the income of the deceased towards future

prospects should be made. Paras 59.4 of the said judgment read as follows:

> ***"59.4 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."***

16. In the instant case, at the time of accident, the deceased was of 28 years of age, therefore, in view of the law laid down by the Apex Court in ***Pranay Sethi's case (supra),*** an addition of 50% of the notional monthly income of the deceased can be made towards future prospects.

17. The learned Tribunal below has assessed the income of the deceased as Rs.5000/-. The deceased was 28 years old and while computing the future prospects @ 40%, the income of the deceased comes out to Rs.7000/- (5000/-+2000) per month. Thus, after the deduction of 50% of the income towards the personal expenses of the deceased, his contribution to family comes out to **Rs.3500/-** per month and his annual contribution comes out to **Rs42,000/-*(3500/- x 12).***

18. In ***Sarla Verma's*** case (supra), it has further been held by the Hon'ble Supreme Court that the multiplier to be

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

> ***'42. We therefore hold that the multiplier to be used should be as mentioned in column (4) of the Table above (prepared by applying Susamma Thomas, Trilok Chandra and Charlie), which starts with an operative multiplier of 18 (for the age groups of 15 to 20 and 21 to 25 years), reduced by one unit for every five years, that is M-17 for 26 to 30 years, M-16 for 31 to 35 years, M-15 for 36 to 40 years, M-14 for 41 to 45 years, and M-13 for 46 to 50 years, then reduced by two units for every five years, that is, M-11 for 51 to 55 years, M-9 for 56 to 60 years, M-7 for 61 to 65 years and M-5 for 66 to 70 years."***

19. Since the deceased was 28 years of age, as such by applying the multiplier of '17' as per the settled law, the compensation under the head, loss of dependency is re-fixed as **Rs.7,14,000/- (42,000/- x 17).**

20. Now, coming to the last aspect, i.e., the amount under conventional heads. In ***Pranay Sethi's*** case (supra),

the Hon'ble Supreme Court has held that for the conventional heads, namely, "Loss of Estate", "Loss of Consortium" and "Funeral Expenses" amount of compensation is fixed as Rs.15,000/-, Rs.40,000/- and Rs.15,000/- respectively and the aforesaid figures quantified by the Apex Court have to be enhanced on percentage basis, at the rate of 10%, in a span of every three years. The relevant portion of the aforesaid judgment is as under:

> ***"52……. …..It seems to us that 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 principle of revisiting the said heads is an acceptable principle. But the revisit should not be fact centric or quantum-centric. We think that it would be condign that the amount that we have quantified should be enhanced on percentage basis in every three years and the enhancement should be at the rate of 10% in a span of three years. We are disposed to hold so because that will bring in consistency in respect of those heads."***

21. In ***Magma General Insurance Company Limited Vs. Nanu Ram alias Chuhru Ram & others, reported in (2018) 18 Supreme Court Cases 130,*** the Hon'ble Supreme Court has laid down that consortium is not limited to spousal consortium and it also includes parental consortium as well as filial consortium. The relevant portion of the aforesaid judgment reads as under:-

> ***"21. A Constitution Bench of this Court in Pranay Sethi dealt with the various heads under which compensation is to be awarded in a death case. One***

> ***of these heads is loss of consortium. In legal parlance, "consortium" is a compendious term which encompasses "spousal consortium", "parental consortium", and "filial consortium". The right to consortium would include the company, care, help comfort, guidance, solace and affection of the deceased, which is a loss to his family. With respect to a spouse, it would include sexual relations with the deceased spouse:***
>
> > ***21.1. Spousal consortium is general defined as rights pertaining to the relationship of a husband-wife which allows compensation o the surviving spouse for loss of "company, society, cooperation, affection, and aid of the other in every conjugal relation".***
> >
> > ***21.2. Parental consortium is granted to the child upon the premature death of a parent, for loss of "parental aid, protection, affection, society, discipline, guidance and training".***
> >
> > ***21.3. Filial consortium is the right of the parents to compensation in the case of an accidental death of a child. An accident leading to the death of a child causes great shock and agony to the parents and family of the deceased. The greatest agony for a parent is to lose their child during their lifetime. Children are valued for their love affection, companionship and their role in the family unit.***
>
> ***22. Consortium is a special prism reflecting changing norms about the status and worth of actual relationships. Modern jurisdictions world-over have recognized that the value of a child's consortium far exceeds the economic value of the compensation awarded in the case of the death of a child. Most jurisdictions therefore permit parents to be awarded compensation under loss of consortium on the death of a child. The amount awarded to the parents is a compensation for loss of love, affection, care and companionship of the deceased child."***

22. While placing reliance upon the judgment passed by the Hon'ble Apex Court in ***Pranay Sethi's*** case (supra), the Hon'ble Supreme Court in ***Sunita & ors. vs. United India Insurance Co. Ltd. & ors., Civil Appeal No.9538 of***

2025, decided on July 17, 2025, had enhanced the compensation under the conventional heads @ 10% after a span of every three years w.e.f. the year 2017 and held as follows:-

> ***"20. Regarding the monthly income of the deceased, we concur with the view taken by the Courts below in assessing the same to be Rs.12,000/- per month, for there being no error therein. Hence, in awarding compensation which is just and fair, we are inclined to increase the amount awarded under the conventional heads, namely, loss of estate, loss of consortium, and funeral expenses by 10% adverting to the settled principle of law laid down by this Court in National Insurance Co. Ltd. v. Pranay Sethi, that such amount should be revised every three years."***

23. Accordingly in view of the law laid down by the Hon'ble Supreme Court in ***Pranay Sethi's*** as well as ***Sunita's*** cases (supra), by enhancing the compensation under the conventional heads @ 10%, after every three years from the year 2017, the petitioners are entitled to loss of estate at Rs.19,965/-, funeral expenses at Rs.19,965/-, petitioner No.1, being widow of the deceased, is entitled to spousal consortium of Rs.53,240/-, and petitioners No.3 and 4, being children, are entitled to parental consortium of Rs.53,240/- each. Accordingly, the total amount of compensation comes out as under:

	Head	***Amount***
(i)	***Loss of dependency***	***Rs.7,14,000/-***
(ii)	***Funeral expenses***	***Rs.19,965,/-***
(iii)	***Loss of estate***	***Rs.19,965/-***

(iv)	***Fillial consortium***	***Rs.1,06,480/-(Rs.53,240/- payable to each of petitioners/ respondents No.3 & 4)***

Total compensation awarded: Rs.8,60,410/-

24. Now, the next question which arises for consideration is that whether the deceased was travelling in the offending vehicle as gratuitous passenger at the time of the accident or not.

25. Before adverting to the facts of the present case, this Court deems it appropriate to examine the law evolved with respect to unauthorized/gratuitous passengers travelling in the goods vehicle. Section 147 of the 1988 Act is *pari materia* to Section 95 of the 1939 Act. One of the major differences between the two enactments was that 1939 Act defines the expression “goods vehicle” whereas 1988 Act defines the term “goods carriage”. As per 2(8) of the 1939 Act, “goods vehicle” means any motor vehicle constructed or adapted for use for the carriage of goods, or any motor vehicle not so constructed or adapted when used for the carriage of goods solely or in addition to passengers'. However as per 2(14) of the 1988 Act, „goods carriage means any motor vehicle constructed or adapted for use solely for the carriage of goods, or any motor vehicle not so

constructed or adapted when used for the carriage of goods. The Hon'ble Supreme Court examined the liability of unauthorized/gratuitous passengers in the goods vehicle in ***New India Assurance Company vs. Satpal Singh & Ors. reported as (2000 (1) SCC 237).*** While examining the said question, the Hon'ble Supreme Court held that an insurance policy covering third party risk is not required to exclude gratuitous passenger in a vehicle no matter the vehicle is of any type or class. Hence in view of the law laid down by the Hon'ble Supreme Court in ***Satpal Singh (supra),*** the Insurance Company is held liable to pay compensation even for gratuitous passengers of the goods vehicle.

26. Subsequently, the Hon'ble Supreme Court in ***New India Assurance Company Ltd Vs Asha Rani & Ors. reported as 2003 (2) SCC 223*** examined the correctness of its earlier Judgment ***Satpal Singh (Supra)*** and overruled the said Judgment and held as follows:

> ***"26. In view of the changes in the relevant provisions in 1988 Act vis-a-vis 1939 Act, we are of the opinion that the meaning of the words "any person" must also be attributed having regard to the context in which they have been used i.e. 'a third party'. Keeping in view the provisions of 1988 Act, we are of the opinion that as the provisions thereof do not enjoin any statutory liability on the owner of a vehicle to get his vehicle insured for any passenger travelling in a goods vehicle, the insurers would not be liable therefor."***

27. Again, the 1988 Act was amended and Motor

Vehicles (Amendment) Act, 1994 came into effect. The material portion of the provision contained in Section 147 of the 1988 Act, as amended by the Motor Vehicles (Amendment) Act, 1994, reads as follows:

> ***"147. Requirements of policies and limits of liability- (1) In order to comply with the requirements of this Chapter, a policy of insurance must be a policy which-***
> ***(a) xxx xxx xxx***
> ***(b) insures the person or classes of persons specified in the policy to the extent specified in sub- section (2) (i) against any liability which may be incurred by him in respect of the death of or bodily injury to any person, including owner of the goods or his authorized representative carried in the vehicle or damage to any property of a third party caused by or arising out of the use of the vehicle in a public place;"***

28. In ***National Insurance Company Ltd. vs. Baljit Kaur reported as 2004 (2) SCC 1***, the Hon'ble Supreme Court examined the issue of whether an insurance policy in respect of a goods vehicle would also cover gratuitous passengers, in view of the legislative amendment in 1994 to Section 147 of the 1988 Act. The Hon'ble Supreme Court held that the owner of the goods or his authorized representative would now be covered by the policy of insurance in respect of a goods vehicle. It was not the intention of the legislature to provide for the liability of the insurer with respect to passengers, especially gratuitous passengers, who were neither contemplated at the time the contract of insurance was entered into, nor any premium was paid to the extent of

the benefit of insurance to such category of people'. The relevant portion of the aforesaid judgement, inter alia, reads as follows:

> ***"11. Admittedly, it is incumbent upon a Court of law to eschew that interpretation of a statute that would serve to negate its true import, or to render the words of any provision as superfluous. Nonetheless, we find no merit in the above submissions proffered by the learned counsel for the respondent. The effect of the 1994 amendment on Section 147 is unambiguous. Where earlier, the words "any person" could be held not to include the owner of the goods or his authorized representative travelling in the goods vehicle, Parliament has now made it clear that such a construction is no longer possible. The scope of this rationale does not, however, extend to cover the class of cases where gratuitous passengers for whom no insurance policy was envisaged, and for whom no insurance premium was paid, employ the goods vehicle as a medium of conveyance.***
>
> ***12. We find ourselves unable, furthermore, to countenance the contention of the respondents that the words "any person" as used in Section 147 of the Motor Vehicles Act, would be rendered otiose by an interpretation that removed gratuitous NEUTRAL CITATION NO: 2023: DHC: 2763 passengers from the ambit of the same. It was observed by this Court in the case concerning New India Assurance Co. Ltd. Vs. Asha Rani (supra) that the true purport of the words "any person" is to be found in the liability of the insurer for third party risk, which was sought to be provided for by the enactment.***
>
> ***13. It is pertinent to note that a statutory liability enjoined upon an owner of the vehicle to compulsorily insure it so as to cover the liability in respect of a person who was travelling in a vehicle pursuant to a contract of employment in terms of proviso (ii) appended to Section 95 of the 1939 Act does not occur in Section 147 of the 1988 Act. The changes effected in the 1988 Act vis-`-vis the 1939 Act as regard definitions of 'goods vehicle', 'public service vehicle' and 'stage carriage' have also a bearing on the subject inasmuch as the concept of any goods carriage carrying any passenger or any other person was not contemplated.***
>
> ***… … … … … … … …***
>
> ***17. By reason of the 1994 Amendment what was added is "including the owner of the goods or his authorized representative carried in the vehicle". The liability of the owner of the vehicle to insure it compulsorily, thus, by reason of the aforementioned amendment included only the owner of the goods or his authorized representative carried in the vehicle besides the third parties. The***

> ***intention of the Parliament, therefore, could not have been that the words 'any person' occurring in Section 147 would cover all persons who were travelling in a goods carriage in any capacity whatsoever. If such was the intention there was no necessity of the Parliament to carry out an amendment inasmuch as expression 'any person' contained in sub-clause (i) of clause (b) of sub-section (1) of Section 147 would have included the owner of the goods or his authorized representative besides the passengers who are gratuitous or otherwise"***

29. Hence, the legal position as it stands today is that the owner/authorized representative of the owner of the goods travelling in a goods vehicle would be covered by the insurance policy. However, a gratuitous passenger travelling in a goods vehicle will not be covered by the insurance policy.

30. Based on this legal position, this Court now proceeds to examine the facts of the present case. The term 'gratuitous passenger' has no where been defined in the Act, however, it means, one, who has taken the lift in the vehicle. In this case, nothing of the sort has been proved by the Insurance Company, as, the perusal of the record demonstrates that the deceased was the employee of respondent No. 1, i.e., owner of the offending vehicle and was shifting the grits from one place to another.

31. In order to prove that the petitioner was a gratuitous passenger, burden is on the insurance company to prove that deceased was traveling as a gratuitous passenger, but it

has not examined any independent witness to establish that the deceased was traveling as a gratuitous passenger. The case of respondent No. 1 (owner of the vehicle) is that the deceased was employed by him as Site Supervisor and he used to supervise the working of the employees as well as of the Tipper, bearing registration No. HP-63-6579. Shri Promod Sud, who appeared in the witness-box as RW-1, categorically deposed that the deceased was Site In-charge and he was sitting in the tipper (offending vehicle). The tipper was loaded with grits and deceased was looking after the entire work. He further deposed that the deceased was shifting the grits from one place to another. This witness was cross-examined, but nothing favorable could be elicited from him.

32. Shri Dila Ram, Driver, appeared in the witness-box as RW-2, and deposed that vehicle, HP-63-6579 was being driven by him on the date of the accident and deceased was sitting with him in the same vehicle, being Munshi of the Company and also Site Supervisor of the Company. He further deposed that he was taking the construction material of the company in the aforesaid vehicle and he (deceased) had to show him the site where the

material was to be unloaded. As per this witness, he (deceased) used to accompany him in the vehicle on behalf of the owner in order to bring material, help in loading the same in the vehicle and then unloading at particular and desired place. This witness was also cross-examined, but nothing favorable could be elicited from him. Moreover, RW-3 Shri Narinder Negi, the then Administrative Officer (Legal), of the appellant National Insurance Company, Divisional Office, Shimla, also admitted in his cross-examination that the deceased was employee of respondent No. 1, i.e., M/s P.K. Construction Company.

33. The appellant- insurer has not led any evidence to prove that the risk of the owner of the goods or his authorized representative was not covered, in terms of Insurance Policy Ext. RW-3/A. It was for the insurer to plead and prove that risk of owner or his authorized representative was not covered. The insured has not committed any breach of the terms and conditions of the Insurance Policy Ext. RW-3/A. The appellant-Insurance Company failed to prove on record that the deceased was travelling as gratuitous passenger in the offending vehicle at the time of the accident.

34. Hence, in view of the above settled principle of law as well as the discussion made above, the Tribunal was justified in recording a finding that respondent No.2, has failed to establish that the deceased was traveling as gratuitous passenger in the offending vehicle and there was no breach of the terms and conditions of the insurance policy and had further rightly fastened the liability on the appellant-Insurance Company as indemnifier.

35. Consequently, in view of detailed discussion made here-in-above, the impugned award stands modified to the extent that the petitioners/claimants are held entitled to compensation in the sum of **Rs.8,60,410/-**. The rest of the terms and conditions of the award, including the interest component, shall remain the same. The appellant-Insurance Company shall be liable to pay the award amount as indemnifier.

36. In view of what has been discussed hereinabove, the appeal filed by the petitioners/claimants, i.e., FAO (MV) No. 4241 of 2013, is partly allowed and the appeal filed by the Insurance Company, i.e., FAO (MV) No. 77 of 2014, being devoid of merits, is dismissed.

Both the appeals stand disposed of in the above terms, so also the pending application(s), if any.

(Sushil Kukreja)
Judge

7th April, 2026
(virender)

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they were held entitled for compensation of Rs.6,22,000/- alongwith interest @ 9% per annum from the date of filing of the petition till the final realization of the amount, with a prayer to enhance the compensation amount and interest by modifying the award. On the other hand, appellant-National Insurance Company Limited, preferred appeal, i.e., FAO (MV) No. 77 of 2014, under Section 173 of the Act, against the aforesaid impugned award, with a prayer to allow the appeal by quashing and setting-aside the impugned award and exonerate the appellant-Insurance Company.

3. The facts giving rise to the instant appeals are that the petitioners/claimants, being the parents of Shri Udhey Singh (the deceased), preferred a claim petition under Section 166 of the Act claiming compensation from the respondents. As per the petitioners, on 17.01.2010, the deceased alongwith Babu Ram and Prakash was travelling in Tripper, bearing registration No. HP-63-6579, and was going from Theog to Kiartu. The aforesaid vehicle met with an accident, around 12:30 p.m. and rolled down into a gorge, resultantly the deceased sustained multiple grievous injuries and he was shifted to IGMC, Shimla, where he was declared dead. The petitioners/claimants further averred that

respondent No. 2-Shri Dila, was the driver of the offending vehicle and he, at the time of the accident, was driving the vehicle in a rash and negligent manner. The deceased, at the time of the accident, was only 28 years old and was MA in History and he used to work as Site Supervisor with respondent No. 1-M/s P.K. Constructions. The deceased used to got monthly salary of Rs.7980/- and he also used to assist his father in agricultural work. Lastly, the petitioners/claimants sought compensation of rupees twenty lacs.

4. Respondent No. 1- M/s P.K. Constructions, in its reply raised preliminary objection that the petitioners were stopped from filing the petition and the amount of compensation claimed was highly exorbitant. It was denied that the accident occurred due to rash and negligent driving of respondent No. 2. Rest of the averments made in the petition were admitted. Although, respondent No. 2-Shri Dila Ram (driver of the offending vehicle), filed separate reply, however, he took same plea, as taken by respondent No. 1.

5. Respondent No. 3-National Insurance Company, in its reply resisted the claim petition and took preliminary objections of maintainability, collusion between the

petitioners and respondents No. 1 and 2. As per the replying respondent, at the time of the accident, respondent No. 2 was not having valid and effective driving licence and the offending vehicle had no valid RC, fitness certificate, route permit and the deceased was travelling in the vehicle as gratuitous passenger. It was further averred that the offending vehicle was being driven in contravention of the provisions of the Motor Vehicle Act and in breach of the terms and conditions of the insurance policy. The replying respondent, on merits, averred that the amount claimed by the petitioners was highly exorbitant.

6. After hearing the learned counsel for the parties, the learned Tribunal below had allowed the claim petition and the petitioners/claimants were held entitled for compensation @ Rs.6,22,000/- alongwith interest @ 9% per annum from the date of filing of the petition till the final realization of the amount. The liability of the respondents was fixed as joint and several. However, respondent No. 3-Insurance Company, being insurer, was held liable to pay the award amount as indemnifier. Hence, FAO (MV) No. 4241 of 2013, has been preferred by the petitioners/claimants seeking enhancement of the compensation amount as well as the

interest thereon and National Insurance Company preferred FAO (MV) No. 77 of 2014 with a prayer to quash and set-aside the impugned award and exonerate the Insurance Company.

7. I have heard the learned Senior Counsel/counsel for the respective parties and carefully examined the entire records.

8. The learned counsel for the petitioners/claimants (appellants in FAO (MV) No.4241 of 2013) contended that the learned Tribunal below has wrongly taken the monthly salary of the deceased at Rs.4,000/- instead of Rs.7,980/-, which the deceased was actually drawing from his employer. He further contended that total monthly salary of the deceased Udhey Singh was Rs.7,980/-, which also stands proved from his salary certificate, Ex. PW-1/J. He also contended that the learned Tribunal below had failed to take into consideration the income, which the deceased was earning from agriculture. Thus, the findings rendered by the learned Tribunal below, in assessing the reasonable and just compensation, are based on surmises and conjectures, therefore, the compensation awarded by the learned Tribunal below deserves to be enhanced by modifying the award.

9. The learned Senior Counsel for National Insurance Company (appellant in FAO (MV) No. 77 of 2014) contended that the impugned award is liable to be quashed and set-aside on the ground that the learned Tribunal has wrongly decided the petition by holding that the Insurance Company (appellant) is liable to indemnify the insured, as the deceased was travelling in the offending vehicle as a gratuitous passenger in a goods carrying commercial vehicle and the risk of such passenger was not required to be mandatorily covered under the Act.

10. At the very outset, it may be pertinent to mention here that neither the insurance company nor the owner of the offending vehicle had assailed the findings of the learned Tribunal below so far it arrived at a finding that deceased-Udhey Singh had died on account of rash and negligent driving of respondent No. 2 Dila Ram, driver of offending vehicle, i.e., tipper, having registration No. HP-63-6579.

11. Now the first question which arises for consideration before this Court is as to what amount of compensation the petitioners are entitled on account of death of their deceased son Udhey Singh.

12. As per the matriculation certificate, Ex.PW-1/C,

tendered in evidence by PW-1 Kalyan Singh (one of the petitioners/claimants), the date of birth of the deceased was 26.02.1982, which means that the age of the deceased, at the time of the accident, was about 28 years. The petitioners have placed on record salary certificate, Ex.PW-1/J, wherein the salary of the deceased has been mentioned as Rs.4,000/- and apart from this salary, some allowances were also paid to the deceased and his total salary was mentioned as Rs.7,980/-. However, the learned Tribunal below had not taken into account the allowances for determining the monthly income of the deceased, being the actual expenses for house rent, travelling, ration and telephone. Therefore, after considering the age of the deceased and his qualification, the income of the deceased can be assessed at Rs.5000/- per month.

13. In ***Sarla Verma (SMT) & others vs. Delhi Transport Corporation & another, (2009) 6 SCC 121***, the Apex Court, on the question of deduction towards the personal and living expenses of the deceased held that, the personal and living expenses of the deceased should be deducted from his monthly income, to arrive at the contribution to the dependents. Where the deceased was married, the

deduction towards personal and living expenses of the deceased should be one-third where the number of dependent family members is 2 to 3; one-fourth where the number of dependent family members is 4 to 6; and one-fifth where the number of dependent family members exceeds 6. In regard to bachelors, normally, 50% is deducted as personal and living expenses, because it is assumed that a bachelor would tend to spend more on himself.

14. In the instant case, since the deceased was bachelor and his parents were dependent upon his income at the time of accident, 50% of his income is required to be deducted towards personal and living expenses, in view of the law laid down by the Hon'ble Supreme Court in ***Sarla Verma's*** case (supra).

15. In ***National Insurance Company Limited vs. Pranay Sethi & others, (2017) 16 SCC 680,*** it has been held that while determining the income, in case the deceased was self-employed or on a fixed salary and below the age of 40 years, an addition of 40% of the established income to the income of the deceased towards future

prospects should be made. Paras 59.4 of the said judgment read as follows:

> ***"59.4 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."***

16. In the instant case, at the time of accident, the deceased was of 28 years of age, therefore, in view of the law laid down by the Apex Court in ***Pranay Sethi's case (supra),*** an addition of 50% of the notional monthly income of the deceased can be made towards future prospects.

17. The learned Tribunal below has assessed the income of the deceased as Rs.5000/-. The deceased was 28 years old and while computing the future prospects @ 40%, the income of the deceased comes out to Rs.7000/- (5000/-+2000) per month. Thus, after the deduction of 50% of the income towards the personal expenses of the deceased, his contribution to family comes out to **Rs.3500/-** per month and his annual contribution comes out to **Rs42,000/-*(3500/- x 12).***

18. In ***Sarla Verma's*** case (supra), it has further been held by the Hon'ble Supreme Court that the multiplier to be

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

> ***'42. We therefore hold that the multiplier to be used should be as mentioned in column (4) of the Table above (prepared by applying Susamma Thomas, Trilok Chandra and Charlie), which starts with an operative multiplier of 18 (for the age groups of 15 to 20 and 21 to 25 years), reduced by one unit for every five years, that is M-17 for 26 to 30 years, M-16 for 31 to 35 years, M-15 for 36 to 40 years, M-14 for 41 to 45 years, and M-13 for 46 to 50 years, then reduced by two units for every five years, that is, M-11 for 51 to 55 years, M-9 for 56 to 60 years, M-7 for 61 to 65 years and M-5 for 66 to 70 years."***

19. Since the deceased was 28 years of age, as such by applying the multiplier of '17' as per the settled law, the compensation under the head, loss of dependency is re-fixed as **Rs.7,14,000/- (42,000/- x 17).**

20. Now, coming to the last aspect, i.e., the amount under conventional heads. In ***Pranay Sethi's*** case (supra),

the Hon'ble Supreme Court has held that for the conventional heads, namely, "Loss of Estate", "Loss of Consortium" and "Funeral Expenses" amount of compensation is fixed as Rs.15,000/-, Rs.40,000/- and Rs.15,000/- respectively and the aforesaid figures quantified by the Apex Court have to be enhanced on percentage basis, at the rate of 10%, in a span of every three years. The relevant portion of the aforesaid judgment is as under:

> ***"52……. …..It seems to us that 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 principle of revisiting the said heads is an acceptable principle. But the revisit should not be fact centric or quantum-centric. We think that it would be condign that the amount that we have quantified should be enhanced on percentage basis in every three years and the enhancement should be at the rate of 10% in a span of three years. We are disposed to hold so because that will bring in consistency in respect of those heads."***

21. In ***Magma General Insurance Company Limited Vs. Nanu Ram alias Chuhru Ram & others, reported in (2018) 18 Supreme Court Cases 130,*** the Hon'ble Supreme Court has laid down that consortium is not limited to spousal consortium and it also includes parental consortium as well as filial consortium. The relevant portion of the aforesaid judgment reads as under:-

> ***"21. A Constitution Bench of this Court in Pranay Sethi dealt with the various heads under which compensation is to be awarded in a death case. One***

> ***of these heads is loss of consortium. In legal parlance, "consortium" is a compendious term which encompasses "spousal consortium", "parental consortium", and "filial consortium". The right to consortium would include the company, care, help comfort, guidance, solace and affection of the deceased, which is a loss to his family. With respect to a spouse, it would include sexual relations with the deceased spouse:***
>
> > ***21.1. Spousal consortium is general defined as rights pertaining to the relationship of a husband-wife which allows compensation o the surviving spouse for loss of "company, society, cooperation, affection, and aid of the other in every conjugal relation".***
> >
> > ***21.2. Parental consortium is granted to the child upon the premature death of a parent, for loss of "parental aid, protection, affection, society, discipline, guidance and training".***
> >
> > ***21.3. Filial consortium is the right of the parents to compensation in the case of an accidental death of a child. An accident leading to the death of a child causes great shock and agony to the parents and family of the deceased. The greatest agony for a parent is to lose their child during their lifetime. Children are valued for their love affection, companionship and their role in the family unit.***
>
> ***22. Consortium is a special prism reflecting changing norms about the status and worth of actual relationships. Modern jurisdictions world-over have recognized that the value of a child's consortium far exceeds the economic value of the compensation awarded in the case of the death of a child. Most jurisdictions therefore permit parents to be awarded compensation under loss of consortium on the death of a child. The amount awarded to the parents is a compensation for loss of love, affection, care and companionship of the deceased child."***

22. While placing reliance upon the judgment passed by the Hon'ble Apex Court in ***Pranay Sethi's*** case (supra), the Hon'ble Supreme Court in ***Sunita & ors. vs. United India Insurance Co. Ltd. & ors., Civil Appeal No.9538 of***

2025, decided on July 17, 2025, had enhanced the compensation under the conventional heads @ 10% after a span of every three years w.e.f. the year 2017 and held as follows:-

> ***"20. Regarding the monthly income of the deceased, we concur with the view taken by the Courts below in assessing the same to be Rs.12,000/- per month, for there being no error therein. Hence, in awarding compensation which is just and fair, we are inclined to increase the amount awarded under the conventional heads, namely, loss of estate, loss of consortium, and funeral expenses by 10% adverting to the settled principle of law laid down by this Court in National Insurance Co. Ltd. v. Pranay Sethi, that such amount should be revised every three years."***

23. Accordingly in view of the law laid down by the Hon'ble Supreme Court in ***Pranay Sethi's*** as well as ***Sunita's*** cases (supra), by enhancing the compensation under the conventional heads @ 10%, after every three years from the year 2017, the petitioners are entitled to loss of estate at Rs.19,965/-, funeral expenses at Rs.19,965/-, petitioner No.1, being widow of the deceased, is entitled to spousal consortium of Rs.53,240/-, and petitioners No.3 and 4, being children, are entitled to parental consortium of Rs.53,240/- each. Accordingly, the total amount of compensation comes out as under:

	Head	***Amount***
(i)	***Loss of dependency***	***Rs.7,14,000/-***
(ii)	***Funeral expenses***	***Rs.19,965,/-***
(iii)	***Loss of estate***	***Rs.19,965/-***

(iv)	***Fillial consortium***	***Rs.1,06,480/-(Rs.53,240/- payable to each of petitioners/ respondents No.3 & 4)***

Total compensation awarded: Rs.8,60,410/-

24. Now, the next question which arises for consideration is that whether the deceased was travelling in the offending vehicle as gratuitous passenger at the time of the accident or not.

25. Before adverting to the facts of the present case, this Court deems it appropriate to examine the law evolved with respect to unauthorized/gratuitous passengers travelling in the goods vehicle. Section 147 of the 1988 Act is *pari materia* to Section 95 of the 1939 Act. One of the major differences between the two enactments was that 1939 Act defines the expression “goods vehicle” whereas 1988 Act defines the term “goods carriage”. As per 2(8) of the 1939 Act, “goods vehicle” means any motor vehicle constructed or adapted for use for the carriage of goods, or any motor vehicle not so constructed or adapted when used for the carriage of goods solely or in addition to passengers'. However as per 2(14) of the 1988 Act, „goods carriage means any motor vehicle constructed or adapted for use solely for the carriage of goods, or any motor vehicle not so

constructed or adapted when used for the carriage of goods. The Hon'ble Supreme Court examined the liability of unauthorized/gratuitous passengers in the goods vehicle in ***New India Assurance Company vs. Satpal Singh & Ors. reported as (2000 (1) SCC 237).*** While examining the said question, the Hon'ble Supreme Court held that an insurance policy covering third party risk is not required to exclude gratuitous passenger in a vehicle no matter the vehicle is of any type or class. Hence in view of the law laid down by the Hon'ble Supreme Court in ***Satpal Singh (supra),*** the Insurance Company is held liable to pay compensation even for gratuitous passengers of the goods vehicle.

26. Subsequently, the Hon'ble Supreme Court in ***New India Assurance Company Ltd Vs Asha Rani & Ors. reported as 2003 (2) SCC 223*** examined the correctness of its earlier Judgment ***Satpal Singh (Supra)*** and overruled the said Judgment and held as follows:

> ***"26. In view of the changes in the relevant provisions in 1988 Act vis-a-vis 1939 Act, we are of the opinion that the meaning of the words "any person" must also be attributed having regard to the context in which they have been used i.e. 'a third party'. Keeping in view the provisions of 1988 Act, we are of the opinion that as the provisions thereof do not enjoin any statutory liability on the owner of a vehicle to get his vehicle insured for any passenger travelling in a goods vehicle, the insurers would not be liable therefor."***

27. Again, the 1988 Act was amended and Motor

Vehicles (Amendment) Act, 1994 came into effect. The material portion of the provision contained in Section 147 of the 1988 Act, as amended by the Motor Vehicles (Amendment) Act, 1994, reads as follows:

> ***"147. Requirements of policies and limits of liability- (1) In order to comply with the requirements of this Chapter, a policy of insurance must be a policy which-***
> ***(a) xxx xxx xxx***
> ***(b) insures the person or classes of persons specified in the policy to the extent specified in sub- section (2) (i) against any liability which may be incurred by him in respect of the death of or bodily injury to any person, including owner of the goods or his authorized representative carried in the vehicle or damage to any property of a third party caused by or arising out of the use of the vehicle in a public place;"***

28. In ***National Insurance Company Ltd. vs. Baljit Kaur reported as 2004 (2) SCC 1***, the Hon'ble Supreme Court examined the issue of whether an insurance policy in respect of a goods vehicle would also cover gratuitous passengers, in view of the legislative amendment in 1994 to Section 147 of the 1988 Act. The Hon'ble Supreme Court held that the owner of the goods or his authorized representative would now be covered by the policy of insurance in respect of a goods vehicle. It was not the intention of the legislature to provide for the liability of the insurer with respect to passengers, especially gratuitous passengers, who were neither contemplated at the time the contract of insurance was entered into, nor any premium was paid to the extent of

the benefit of insurance to such category of people'. The relevant portion of the aforesaid judgement, inter alia, reads as follows:

> ***"11. Admittedly, it is incumbent upon a Court of law to eschew that interpretation of a statute that would serve to negate its true import, or to render the words of any provision as superfluous. Nonetheless, we find no merit in the above submissions proffered by the learned counsel for the respondent. The effect of the 1994 amendment on Section 147 is unambiguous. Where earlier, the words "any person" could be held not to include the owner of the goods or his authorized representative travelling in the goods vehicle, Parliament has now made it clear that such a construction is no longer possible. The scope of this rationale does not, however, extend to cover the class of cases where gratuitous passengers for whom no insurance policy was envisaged, and for whom no insurance premium was paid, employ the goods vehicle as a medium of conveyance.***
>
> ***12. We find ourselves unable, furthermore, to countenance the contention of the respondents that the words "any person" as used in Section 147 of the Motor Vehicles Act, would be rendered otiose by an interpretation that removed gratuitous NEUTRAL CITATION NO: 2023: DHC: 2763 passengers from the ambit of the same. It was observed by this Court in the case concerning New India Assurance Co. Ltd. Vs. Asha Rani (supra) that the true purport of the words "any person" is to be found in the liability of the insurer for third party risk, which was sought to be provided for by the enactment.***
>
> ***13. It is pertinent to note that a statutory liability enjoined upon an owner of the vehicle to compulsorily insure it so as to cover the liability in respect of a person who was travelling in a vehicle pursuant to a contract of employment in terms of proviso (ii) appended to Section 95 of the 1939 Act does not occur in Section 147 of the 1988 Act. The changes effected in the 1988 Act vis-`-vis the 1939 Act as regard definitions of 'goods vehicle', 'public service vehicle' and 'stage carriage' have also a bearing on the subject inasmuch as the concept of any goods carriage carrying any passenger or any other person was not contemplated.***
>
> ***… … … … … … … …***
>
> ***17. By reason of the 1994 Amendment what was added is "including the owner of the goods or his authorized representative carried in the vehicle". The liability of the owner of the vehicle to insure it compulsorily, thus, by reason of the aforementioned amendment included only the owner of the goods or his authorized representative carried in the vehicle besides the third parties. The***

> ***intention of the Parliament, therefore, could not have been that the words 'any person' occurring in Section 147 would cover all persons who were travelling in a goods carriage in any capacity whatsoever. If such was the intention there was no necessity of the Parliament to carry out an amendment inasmuch as expression 'any person' contained in sub-clause (i) of clause (b) of sub-section (1) of Section 147 would have included the owner of the goods or his authorized representative besides the passengers who are gratuitous or otherwise"***

29. Hence, the legal position as it stands today is that the owner/authorized representative of the owner of the goods travelling in a goods vehicle would be covered by the insurance policy. However, a gratuitous passenger travelling in a goods vehicle will not be covered by the insurance policy.

30. Based on this legal position, this Court now proceeds to examine the facts of the present case. The term 'gratuitous passenger' has no where been defined in the Act, however, it means, one, who has taken the lift in the vehicle. In this case, nothing of the sort has been proved by the Insurance Company, as, the perusal of the record demonstrates that the deceased was the employee of respondent No. 1, i.e., owner of the offending vehicle and was shifting the grits from one place to another.

31. In order to prove that the petitioner was a gratuitous passenger, burden is on the insurance company to prove that deceased was traveling as a gratuitous passenger, but it

has not examined any independent witness to establish that the deceased was traveling as a gratuitous passenger. The case of respondent No. 1 (owner of the vehicle) is that the deceased was employed by him as Site Supervisor and he used to supervise the working of the employees as well as of the Tipper, bearing registration No. HP-63-6579. Shri Promod Sud, who appeared in the witness-box as RW-1, categorically deposed that the deceased was Site In-charge and he was sitting in the tipper (offending vehicle). The tipper was loaded with grits and deceased was looking after the entire work. He further deposed that the deceased was shifting the grits from one place to another. This witness was cross-examined, but nothing favorable could be elicited from him.

32. Shri Dila Ram, Driver, appeared in the witness-box as RW-2, and deposed that vehicle, HP-63-6579 was being driven by him on the date of the accident and deceased was sitting with him in the same vehicle, being Munshi of the Company and also Site Supervisor of the Company. He further deposed that he was taking the construction material of the company in the aforesaid vehicle and he (deceased) had to show him the site where the

material was to be unloaded. As per this witness, he (deceased) used to accompany him in the vehicle on behalf of the owner in order to bring material, help in loading the same in the vehicle and then unloading at particular and desired place. This witness was also cross-examined, but nothing favorable could be elicited from him. Moreover, RW-3 Shri Narinder Negi, the then Administrative Officer (Legal), of the appellant National Insurance Company, Divisional Office, Shimla, also admitted in his cross-examination that the deceased was employee of respondent No. 1, i.e., M/s P.K. Construction Company.

33. The appellant- insurer has not led any evidence to prove that the risk of the owner of the goods or his authorized representative was not covered, in terms of Insurance Policy Ext. RW-3/A. It was for the insurer to plead and prove that risk of owner or his authorized representative was not covered. The insured has not committed any breach of the terms and conditions of the Insurance Policy Ext. RW-3/A. The appellant-Insurance Company failed to prove on record that the deceased was travelling as gratuitous passenger in the offending vehicle at the time of the accident.

34. Hence, in view of the above settled principle of law as well as the discussion made above, the Tribunal was justified in recording a finding that respondent No.2, has failed to establish that the deceased was traveling as gratuitous passenger in the offending vehicle and there was no breach of the terms and conditions of the insurance policy and had further rightly fastened the liability on the appellant-Insurance Company as indemnifier.

35. Consequently, in view of detailed discussion made here-in-above, the impugned award stands modified to the extent that the petitioners/claimants are held entitled to compensation in the sum of **Rs.8,60,410/-**. The rest of the terms and conditions of the award, including the interest component, shall remain the same. The appellant-Insurance Company shall be liable to pay the award amount as indemnifier.

36. In view of what has been discussed hereinabove, the appeal filed by the petitioners/claimants, i.e., FAO (MV) No. 4241 of 2013, is partly allowed and the appeal filed by the Insurance Company, i.e., FAO (MV) No. 77 of 2014, being devoid of merits, is dismissed.

Both the appeals stand disposed of in the above terms, so also the pending application(s), if any.

(Sushil Kukreja)
Judge

7th April, 2026
(virender)