
(2015) 03 DEL CK 0107
In the Delhi High Court
Case No : MAC. App. 1035/2012

HDFC ERGO Gen. Insurance Co. Ltd.

APPELLANT

Vs

Baby Khushbu and Others

RESPONDENT

Date of Decision : 03-03-2015

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 10 Rule 2, Order 12 Rule 6, Order 13 Rule 10, Order 13 Rule 3, Order 16 Rule 2
Criminal Procedure Code, 1973 (CrPC) — Section 195
Motor Vehicles Act, 1988 — Section 163-A, 165, 166, 167, 167
Suits Valuation Act, 1887 — Section 9

Citation : (2015) 03 DEL CK 0107

Hon'ble Judges : G.P. Mittal, J.

Bench : Single Bench

Advocate : Neerja Sachdeva, for the Appellant; Anshuman Bal, Advocates for the Respondent

Final Decision : Allowed

Judgement

G.P. Mittal, J.—The appeal is for reduction of compensation of Rs. 2,63,000/- awarded by the Motor Accident Claims Tribunal (the Claims Tribunal) to Respondent no. 1 Baby Khushbu for having suffered injuries in a motor vehicular accident which occurred on 03.06.2011.

2. The compensation awarded as tabulated on page 11 of the impugned judgment is extracted hereunder:-

3. The following contentions are raised by the learned counsel for the Appellant:-

(i) No details of the injuries have been given or discussed by the Claims Tribunal. The compensation awarded is thus, without any reasons and is arbitrary and excessive; and

(ii) Non-pecuniary damages have been awarded on the higher side and the counsel's fee has been wrongly awarded.

4. On the other hand, the learned counsel for Respondent no. 1 states that Respondent no. 1 has suffered serious injuries on head and multiple injuries all over the body. She remained admitted in the hospital for two days and the compensation awarded is hence, just and reasonable.

5. It is proved on record that Respondent no. 1 was aged only 3 years at the time of the accident. Immediately after the accident, she was removed to Baba Ambedkar Hospital and then she was referred to Dr. Ram Manohar Lohia Hospital. She was admitted in the hospital with history of loss of consciousness and seizure and she was also bleeding from her mouth. It was found that Respondent no. 1 had suffered fracture of the parietal bone. There were bruises and abrasion over other parts of the body as well but there was no other major injury.

6. A perusal of the record also reveals that Respondent no. 1 was discharged from the hospital on 05.06.2011. She was treated in a govt. hospital. At the same time, her parents have might have spent some amount towards purchase of medicines in view of the fact that Respondent no. 1 suffered serious injury i.e. fracture of the parietal bone.

7. Keeping in mind the period of hospitalisation and the injuries suffered, I tend to award the following sums to Respondent no. 1:-

8. As far as the question of award of counsel's fee and out of pocket expenses is concerned, this question was gone into by this Court at great length in MAC Appeal No. 645/2012 titled ICICI Lombard General Insurance Co. Ltd. vs. Kanti Devi and Ors., decided on 30th July, 2012 wherein it was held that counsel's fee is permissible only in accordance with the High Court Rules and Orders. Paras 8 to 20 of the judgment are as under:-

"8. It is true that Section 172 of the Act empowers a Claims Tribunal to award compensatory costs only in the eventualities as mentioned in Clause (a) and (b) of Section 172 sub-Section (1). Section 35(A) of the Code contains similar provisions regarding award of compensatory costs in respect of false or vexatious claims or defences.

9. A Claim Petition filed under Section 166 of the Act has to be inquired into and compensation must be awarded as provided under Section 168 of the Act. Section 169(2) of the Act also lays down the procedure and powers of the Claims Tribunal. It is extracted hereunder:-

"169. Procedure and powers of Claims Tribunals.

(1) x x x x

(2) The Claims Tribunal shall have all the powers of a Civil Court for the purpose of taking evidence on oath and of enforcing the attendance of witnesses and of compelling the discovery and production of documents and material objects and for such other purposes as may be prescribed; and the Claims Tribunal shall be

deemed to be a Civil Court for all the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974).

x x x x x"

10. A bare reading of Section 169(2) of the Act would show that the powers of Civil Courts have been conferred on a Claims Tribunal only for specific purposes as mentioned therein which certainly does not include the power to impose costs. However, Section 176 of the Act empowers the State Govt. to frame Rules for the purpose of carrying into effect the provisions given in Sections 165 to 174 of the Act and, in particular, as regard to the procedure to be followed by the Claims Tribunal and also with regard to the powers which are vested in a Civil Court which may be exercised by a Claims Tribunal.

11. Govt. of NCT of Delhi in exercise of its power under Section 176 and under other Sections of the Act framed Delhi Motor Vehicle Rules, 1993. Chapter IX of the Delhi Motor Vehicle Rules deals with the provisions in relation to the Claims Tribunal. Rule 118 of the Delhi Motor Vehicle Rules lays down the procedure to be adopted by the Claims Tribunal. Rule 119 of the Delhi Motor Vehicle Rules further makes applicable certain other provisions of the First Schedule of the Code to the proceedings before the Claims Tribunal. Rule 119 of the Delhi Motor Vehicle Rules reads as under:-

"119. Power vested in the Civil Court which may be exercised by Claims Tribunal.- The following provisions of the first schedule to the Code of Civil Procedure, 1908, shall, so far as may be, apply to proceedings before the Claims Tribunal, namely:-

- (a) Order V, (Issue and Service of Summons) Rules 9 to 13 and 15 to 39;
- (b) Order IX (Appearance of Parties and Consequence of Non-appearance);
- (c) Order XIII (Production, Impounding and Return of Documents), Rules 3 to 10;
- (d) Order XVI (Summoning and Attendance of Witnesses), Rules 2 to 21;
- (e) Order XVII (Adjournments) and;
- (f) Order XXIII (Withdrawal and Adjustment of Suits), Rules 1 to 3."

12. Rule 119, therefore, also does not confer any power upon the Claims Tribunal with respect to the imposition of costs. The Govt. of NCT of Delhi framed another set of Rules, namely, the Delhi Motor Accident Claims Tribunal Rules, 2008 (the Claims Tribunal Rules, 2008) in exercise of its power under Section 176 of the Act. The said Rules, however, superseded the provisions of the Delhi Motor Vehicle Rules, 1993 insofar as the provisions relating to the Claims Tribunal in Chapter IX are concerned.

13. The preamble to the Claims Tribunal Rules, 2008 reads as under:-

"In exercise of the powers conferred by section 176 read with clause (41) of

section 2 and sub-section (1) of section 212 of Motor Vehicles Act, 1988 (59 of 1988), and in partial supersession of Chapter IX of the Delhi Motor Vehicles Rules, 1993 relating to Claims Tribunals, made vide this Government's Notification No. F2(1)/93-Law dated the 21st June, 1993, the Lieutenant Governor of the National Capital Territory of Delhi is pleased to make the following rules, namely..."

14. Rule 32 of the Claims Tribunal Rules, 2008 vests the Claims Tribunal with all the powers of a Civil Court in discharging its function as laid down in the Code. The same is extracted hereunder:-

"32. Vesting of powers of Civil Court in the Claims Tribunal - Without prejudice to the provisions of Section 169 of the Act every Claims Tribunal shall exercise all the powers of a Civil Court, and in doing so for discharging its functions it shall follow the procedure laid down in the Code of Civil Procedure, 1908 (5 of 1908)."

15. Thus, by virtue of Rule 32 of the Claims Tribunal Rules, 2008, the Claims Tribunal can exercise all the powers of a Civil Court and in doing so it has to follow the procedure laid down in the Code. It can be seen that the scope of power exercisable by the Claims Tribunal has thus been completely widened by virtue of the Claims Tribunal Rules, 2008, which means that the Claims Tribunal can exercise the powers of a Civil Court as laid down in the Code. Therefore, it would not be correct to say that the Claims Tribunal is empowered only to order payment of compensatory costs in cases of vexatious claims and defences and not otherwise. In other words, the Claims Tribunal would be competent to award costs like any other Civil Court under Section 35 read with Order XXA of the Code and subject to the Rules framed by the Delhi High Court in this regard.

QUESTION No. 2:-

16. Coming to the second question; it is urged by the learned counsels for the Appellant Insurance Companies that the Delhi High Court has framed Rules with regard to the payment of costs including the Counsel's fee. Part B of Chapter 16 Volume 1 of the Delhi High Court Rules (the Rules) governs the payment of the Counsel's fee in addition to the costs incurred by a Claimant in pursuing the proceedings before a Civil Court.

17. Section 35 and Order XXA of the Code which deal with the payment of costs and Rule 1; Rule 1A; Rule 2; Rule 8; Rule 9; Rule 12 and Rule 16 of Chapter 16 Volume 1 Part B of the Delhi High Court Rules (for short the Rules), which deals with the Counsel's fee are extracted hereunder:-

"35. Costs.

(1) Subject to such conditions and limitations as may be prescribed, and to the provisions of law for the time being in force, the costs of an incident to all suits shall be in the discretion of the Court, and the Court shall have full power to determine by whom or out of what property and to what extent such costs are to be paid, and to give all necessary directions for the purposes aforesaid. The fact

that the Court has no jurisdiction to try the suit shall be no bar to the exercise of such powers.

(2) Where the Court directs that any costs shall not follow the event, the Court shall state its reasons in writing."

"ORDER XXA. COSTS

Rule 1. Provisions relating to certain items:-

Without prejudice to the generality of the provisions of this Code relating to costs, the Court may award costs in respect of-

(a) expenditure incurred for the giving of any notice required to be given by law before the institution of the suit;

(b) expenditure incurred on any notice which, though not required to be given by law, has been given by any party to the suit to any other party before the institution of the suit;

(c) expenditure incurred on the typing, writing or printing of pleadings filed by any party;

(d) charges paid by a party for inspection of the records of the Court for the purposes of the suit;

(e) expenditure incurred by a party for producing witnesses, even though not summoned through Court, and

(f) in the case of appeals, charges incurred by a party for obtaining any copies of judgments and decrees which are required to be filed along with the memorandum of appeal."

2. Costs to be awarded in accordance with the rules made by High Court- The award of costs under this rule shall be in accordance with such rules as the High Court may make in that behalf

x x x x x x x x x

"Rule 1. Suit for recovery of property, breach of contract or damages--In suits for the recovery of money or of specific property or a share of specific property, whether immovable or moveable, or for the breach of any contract or for damages:--

(a) If the amount or value of property, debt or damages decreed shall not exceed Rs. 25,000/- at 10 per cent on the amount or value decreed.

(b) If the amount of value shall exceed Rs. 25,000/- and not exceed Rs. 50,000/-, on Rs. 25,000/- at 10 per cent and on the remainder at 8 per cent.

(c) If the amount or value shall exceed Rs. 50,000/- and not exceed Rs. one lakh, on Rs. 50,000/- as above and on the remainder at 4 per cent.

(d) If the amount or value shall exceed Rs. 1,00,000/- and not exceed Rs. 5,00,000/- on Rs. 1,00,000/- as above and on the remainder at 2 per cent.

(e) If the amount or value shall exceed Rs. 5,00,000/- on Rs. 5,00,000/- as above and on the remainder at one per cent subject, however, that in no case the amount of fee shall exceed Rs. 20,000/-."

"Rule 1A. In the case of:

(i) Summary suits under Order XXXVII of the first Schedule to the Code of Civil Procedure, 1908, where the defendant does not appear or where leave to defend is refused or where a decree is passed on the defendant failing to comply with the conditions on which leave to defend was granted and appeals against decrees in suits.

(ii) Suit, the claim in which is admitted but only time or instalment for payment is asked for.

(iii) Suit which is got dismissed by a plaintiff for want of prosecution before settlement of issues or recording of any evidence, except evidence under Rule 2 of Order X of the Code of Civil Procedure.

(iv) Suit which is withdrawn before the settlement of issues or recording of any evidence except evidence under Rule 2 of Order X of the Code of Civil Procedure.

(v) Suit in which judgment is given on admission under Rule 6 of Order XII in the First Schedule to the Code of Civil Procedure, 1908, before the settlement of issues or recording of any evidence except evidence under Rule 2 of Order X of the Code of Civil Procedure.

(vi) Short causes, commercial causes and long causes in which no written statement is filed and appeals from decrees in such suits.

(vii) Suits compromised before the settlement of issues or recording of evidence except evidence under Rule 2 of Order X of the Code of Civil Procedure.

(viii) Any formal party to a suit or appeal, e.g., a trustee or estate holder who only appears to submit to the orders of the Court and asks for his costs.

(ix) A suit or appeal which has abated.

(x) A Plaint returned for presentation to the proper Court, the amount of Advocate's fees to be allowed shall be fixed by the Court disposing of the matter and shall not exceed 1/2 of that payable according to the rate specified in sub-rule (I) above:

Provided that in no case falling under this sub-rule the Advocate's fee shall be less than Rs. 500/-"

Rule 2. Others Suits--In suits for injuries to the person or character of the plaintiff, such as for assault or defamation or for injuries to the property, or to

enforce rights where the pecuniary value of such injury or right cannot be exactly defined, as in suits for the partition of joint property where partition is improperly resisted or any other suit of the kinds specified in the rules made by the High Court under Section 9 of the Suits Valuation Act, 1887 for the valuation of suits which do not admit of being satisfactorily valued, if the plaintiff succeeds, the Court may order the fee allowed to the plaintiff to be calculated with reference either to the amount decreed or according to the valuation of the suit according to such a sum as the Court shall think reasonable and shall fix with reference to the importance of the subject of dispute but the same shall not be less than Rs. 500/- and shall not exceed Rs. 5,000/-.

Rule 8. Miscellaneous proceedings--In any miscellaneous proceedings or for any matter other than that of appearing, acting or pleading in a suit prior to decree, the fee shall not exceed:

(i) rupees two hundred and forty in the Court of a District Judge or of an officer exercising the powers of a Subordinate Judge of the 1st, 2nd, 3rd and 4th class or in a Court of Small Causes; and

(ii) rupees forty-eight in the Court of an officer exercising the powers of a Subordinate Judge in respect of cases the value of which is below Rs. 1,000.

Rule 9. Undefended suits--If a suit in any Court of original jurisdiction be undefended, the fee shall be calculated at one-half the sum at which it would have been charged had the suit been defended.

x x x x x x x x x

Rule 12. Appeals--In appeals the fee shall be half of the fee calculated on the same scale as in the original suits and the principles of the above rules as to original suits shall be applied, as nearly as may be.

x x x x x x x x x

Rule 16. Certificate as to fees to be filled by counsel in the Court of District Judges--Notwithstanding anything contained in the rules and notwithstanding any order of the Presiding Officer, no fee to any legal practitioner appearing in civil appeals, or original suits in the Court of District Judges shall except, as in these rules hereinafter provided, be allowed on taxation between party and party, or shall be included in any decree or order, unless the party claiming to have such fee allowed shall, before the final hearing, fill in the Court, a certificate signed by the legal practitioner certifying the amount of the fee or fees actually paid by or on behalf of his client to him or to any other legal practitioner in whose place he may have appeared."

18. A perusal of Section 35 read with Order XXA of the Code would show that normally the costs shall follow the event and in case the Court directs otherwise, it is required to state reasons in writing. It is further revealed that expenditure in serving any notice required by law or even otherwise; expenditure incurred on

typing, writing and printing of pleadings; charges paid by party for inspection of the Court's record; expenditure incurred by a party for producing witnesses; and in case of Appeal the charges incurred by a party for obtaining copy of the judgment and decree; are broadly payable without limiting the scope of the costs.

19. It is urged on behalf of the Appellant Insurance Companies that the proceedings in a Petition under Section 166 of the Act or for that matter under Section 163-A of the Act are miscellaneous proceedings covered under Rule 8 of the Rules and the Counsel's fee shall be payable on the scale as mentioned in Rule 8. Rule 8 extracted earlier apply to misc. proceedings or for any matter other than that of appearing, pleading etc. in a suit prior to the decree.

20. On the other hand, Rule 1 of Chapter 16 Volume 1 Part B of the Rules is very widely worded and also includes Suit for damages. A Claim Petition under Section 166/163-A is in respect of damages for the injuries caused to the Claimant payable by the driver, the owner and the Insurer. Thus, in my view Rule 1 is the appropriate Rule which would apply to the Claim Petition under the Act. In the circumstances, apart from the award of costs under other heads, as mentioned under Order XXA, the Counsel's fee shall be payable on the scale as given in Rule 1."

9. The Claims Tribunal therefore, could have allowed the Claim Petition only with costs with would have included the counsel's fee.

10. The compensation is accordingly reduced from Rs. 2,63,000/- to Rs. 77,500/-.

11. By an order dated 17.09.2012, only 25% of the awarded amount, less counsel's fee and out of pocket expenses was ordered to be deposited. Balance compensation along with interest @ 9% as awarded by the Claims Tribunal shall be deposited in UCO Bank, Delhi High Court Branch, New Delhi within six weeks.

12. It is stated by learned counsel for Respondent no. 1 that 25% of the deposited amount was released to Respondent no. 1 in pursuance of the order passed by this Court.

13. The balance amount shall be kept in fixed deposit till Respondent no. 1 attains the age of 18 years. The guardian/parents of Respondent no. 1 shall be entitled to have premature withdrawal for the educational needs of Respondent no. 1, for which Respondent no. 1 shall be entitled to move an application before the Claims Tribunal. The Claims Tribunal shall be at liberty to release the amount on satisfying about the grounds for premature withdrawal.

14. The appeal is allowed in above terms.

15. Statutory amount, if any, deposited shall be refunded to the Appellant Insurance Company on deposit of the balance compensation.

16. Pending applications, if any, also stand disposed of.