
(2026) 02 UK CK 1730

In the Uttarakhand High Court

Case No : Appeal From Order No. 557 Of 2011

New India Assurance Co. Ltd.

APPELLANT

Vs

Dhanwati Devi & Others

RESPONDENT

Date of Decision : 10-02-2026

Acts Referred:

Motor Vehicles Act, 1988 — Section 2(15), 2(21), 2(48), 3, 10(2)(d), 10(2)(e), 166, 173

Citation : (2026) 02 UK CK 1730

Hon'ble Judges : Pankaj Purohit, J

Bench : Single Bench

Advocate : M.K. Goyal, Prem Prakash Singh Phartiyal, Basant Singh

Final Decision : Dismissed

Judgement

Pankaj Purohit, J

1. This appeal under Section 173 of the Motor Vehicles Act, 1988 has been preferred by the appellant- Insurance Company challenging the judgment and award dated 30.09.2011 passed by the learned Motor Accident Claims Tribunal / District Judge, Udham Singh Nagar, Rudrapur in Claim Petition No. 131 of 2007, whereby compensation to the tune of Rs.4,07,000/- along with interest @ 7% per annum has been awarded in favour of the claimants on account of the death of Ram Lakshan in a motor vehicle accident.

2. The brief facts, as emerge from the claim petition, are that on 14.01.2007 at about 7:30 p.m., the deceased Ram Lakshman, after finishing his duty at Dabur Factory, Rudrapur, was returning to his village Bagwala on a motorcycle bearing registration no. UA-06C-5120, along with his brother Vijay Bahadur. When they reached near Amira Rice Mill, within the jurisdiction of Police Station Bilaspur, District Rampur, a Mini Bus bearing registration no.UP-65E-4596, coming from the opposite direction, was driven in a rash and negligent manner and hit the motorcycle from the wrong side. As a result of the said accident, Ram Lakshan

sustained grievous injuries. He was initially taken to the Government Hospital, Rudrapur, where he succumbed to the injuries during treatment on 19.01.2007. An FIR was lodged at Police Station Bilaspur in relation to the said accident. It was pleaded that at the time of the accident, the deceased was aged about 39 years, was working as an Operator in Dabur India Limited, and was earning approximately Rs.4000/- per month and additionally he was also earning Rs.6,000/- from giving tuition classes. It was further submitted that he was made a permanent employee at Dabur factory and had started earning ₹ 6,450/- per month, making his total monthly income as Rs.12,450/-.The claimants asserted that due to the untimely death of the deceased, they suffered irreparable financial, mental, and emotional loss. Accordingly, a claim petition claiming compensation of Rs.25,00,000/-was filed against which the Tribunal had awarded a compensation of Rs.4,07,000 to the claimants.

3. In the claim petition, the claimants pleaded that the accident occurred solely due to the rash and negligent driving of the Mini Bus No. UP-65E-4596. It was asserted that the deceased was riding his motorcycle carefully and on the correct side of the road, whereas the bus was being driven at a high speed and in a negligent manner. It was further pleaded that the deceased was a permanent employee of Dabur India Limited, was drawing a monthly salary of about Rs.12,450/-, and was the sole earning member of the family. The claimants stated that they were entirely dependent upon the income of the deceased. On account of his death, they were deprived of financial support, love, affection, and security. The claimants further pleaded that at the time of the accident, the offending vehicle was duly insured, and the driver was holding a valid and effective driving licence, therefore, the liability to pay compensation was upon the insurance company.

4. The owner of the Mini Bus (Opposite Party No.1) filed a written statement denying the allegations of negligence. It was pleaded that the accident did not occur due to rash or negligent driving of the bus. According to the owner, the bus was being driven carefully and at a normal speed. It was further pleaded that the accident occurred due to the negligence of the motorcycle rider himself, who suddenly came in front of the bus. The owner also stated that at the time of the accident, the vehicle was duly insured, had valid registration, permit, and fitness certificate, and the driver was holding a valid and effective driving licence. Hence, if any compensation was to be paid, the liability was upon the insurance company.

5. The appellant- Insurance Company filed its written statement denying the allegations made in the claim petition. It was pleaded that no intimation of the accident was given to the insurance company. The Insurance Company further pleaded that the driver of the Mini Bus did not possess a valid and effective driving licence to drive the offending vehicle at the time of the accident. It was also pleaded that the claim petition was bad for non-joinder of necessary parties, particularly the registered owner and insurer of the motorcycle. The Insurance

Company disputed the income, age, and dependency as claimed by the claimants and contended that the compensation claimed was highly exaggerated. It was further pleaded that in case any liability was found, the same would be subject to the terms and conditions of the insurance policy.

6. On the basis of the pleadings of the parties, the learned Tribunal framed the following issues:

1. Whether the accident dated 14.01.2007 at about 7:30 p.m., near Amira Rice Mill, Police Station Bilaspur, District Rampur, occurred due to rash and negligent driving of Mini Bus No. UP-65E-4596, resulting in the death of Ram Lakshman? If so, its effect?

2. Whether on the date of the accident, the driver of the offending Mini Bus was not holding a valid and effective driving licence? If so, its effect?

3. Whether the registered owner of Motorcycle No. UA-06C-5120 and its insurance company were necessary parties to the claim petition? If so, its effect?

4. Whether the claimants are entitled to compensation? If so, how much and from which of the opposite parties?

7. While deciding Issue No.1, the Tribunal, upon appreciation of oral and documentary evidence including FIR, charge-sheet, post-mortem report, and eyewitness testimony, recorded a categorical finding that the accident occurred due to the rash and negligent driving of Mini Bus No. UP-65E-4596. The Tribunal held that the deceased was riding the motorcycle carefully, whereas the bus was being driven at high speed and on the wrong side. Accordingly, Issue No.1 was decided in favour of the claimants.

8. On Issue No.2, the Tribunal examined the driving licence produced on record and held that the driver of the Mini Bus was holding a valid and effective driving licence on the date of the accident. The Tribunal relied upon the licence validity period and relevant judicial precedents and rejected the plea of the Insurance Company. Hence, Issue No.2 was decided against the Insurance Company.

9. While deciding Issue No.3, the Tribunal held that the registered owner and insurer of the motorcycle were not necessary parties, as the accident occurred due to the negligence of the Mini Bus alone. Therefore, the claim petition was not bad for non-joinder of parties. Issue No.3 was decided in favour of the claimants.

10. On Issue No.4, the Tribunal assessed the age of the deceased as 39 years, determined his notional annual income at Rs.36,000/-, applied a multiplier of 15, deducted 1/4th towards personal expenses, and awarded compensation under conventional heads. The Tribunal ultimately awarded a total compensation of Rs.4,07,000/-, along with interest @ 7% per annum, fastening liability upon the Insurance Company.

11. Having heard learned counsel for the appellant–Insurance Company and learned counsel for the claimants, and upon a careful perusal of the material on

record as well as the findings returned by the Tribunal, this Court proceeds to examine the grounds urged in the present appeal. The principal contention advanced on behalf of the appellant–Insurance Company is that the driver of the offending Mini Bus was holding a driving licence authorising him to drive LMV (Private) and not LMV (Transport), and therefore, there was a breach of policy conditions absolving the insurer of its liability. It is submitted that the Tribunal erred in holding that a person holding a licence to drive LMV (Private) is competent to drive an LMV (Transport). This Court finds no merit in the said contention.

12. The record reflects that the driver of the offending vehicle was holding a valid driving licence authorising him to drive Light Motor Vehicles. The distinction sought to be drawn by the Insurance Company between LMV (Private) and LMV (Transport) is no longer *res integra*. The Tribunal has rightly relied upon binding judicial precedents which have consistently held that a person holding a licence to drive a Light Motor Vehicle is competent to drive a transport vehicle falling within the definition of LMV, provided the vehicle does not exceed the prescribed weight limit. The Hon'ble Supreme Court in the case of *Mukund Dewangan v. Oriental Insurance Co. Ltd.*, (2017) 14 SCC 663 has held that the definition of "light motor vehicle" makes it clear that for a transport vehicle or omnibus, the gross vehicle weight of either of which or a motor car or tractor or roadroller the unladen weight of any of which, does not exceed 7500 kg. "Gross vehicle weight" has been defined in Section 2(15). The motor car or tractor or roadroller, the unladen weight of any of which does not exceed 7500 kg as defined in Section 2(48) of the Act, are also the light motor vehicle. No change has been made by Amendment Act 54 of 1994 in the provisions contained in Sections 2(21) and 10(2)(d) relating to the light motor vehicle. The definition of "light motor vehicle" has to be given full effect to and it has to be read with Section 10(2)(d) which makes it abundantly clear that "light motor vehicle" is also a "transport vehicle", the gross vehicle weight or unladen weight of which does not exceed 7500 kg as specified in the provision. Thus, a driver is issued a licence as per the class of vehicle i.e. light motor vehicle, transport vehicle or omnibus or another vehicle of other categories as per gross vehicle weight or unladen weight as specified in Section 2(21) of the Act. The provision of Section 3 of the Act requires that a person in order to drive a "transport vehicle" must have authorisation. Once a licence is issued to drive light motor vehicle, it would also mean specific authorisation to drive a transport vehicle or omnibus, the gross vehicle weight or motor car, roadroller or tractor, the unladen weight of which, as the case may be, does not exceed 7500 kg. The insertion of "transport vehicle" category in Section 10(2)(e) has no effect of obliterating the already defined category of transport vehicles of the class of light motor vehicle. A distinction is made in the Act of heavy goods vehicle, heavy passenger motor vehicle, medium goods vehicle and medium passenger motor vehicle on the basis of "gross vehicle weight" or "unladen weight" for heavy passenger motor vehicle, heavy goods vehicle, the weight, as the case may be, exceed 12,000 kg. "Medium goods vehicle" shall

mean any goods carriage other than a light motor vehicle or a heavy goods vehicle; whereas "medium passenger motor vehicle" means any public service vehicle or private service vehicle or educational institution bus other than a motorcycle, invalid carriage, light motor vehicle or heavy passenger motor vehicle. The Tribunal, therefore, committed no error in holding that the driver was duly licenced on the date of the accident. Consequently, no breach of policy conditions is established, and the Insurance Company cannot avoid its statutory liability on this ground.

13. The next submission advanced on behalf of the appellant is that the claim petition was bad for non-joinder of necessary parties, particularly the registered owner and insurer of the motorcycle involved in the accident. This Court is unable to accept the said submission. The Tribunal has recorded a categorical finding, based on evidence on record that the accident occurred solely due to the rash and negligent driving of the Mini Bus. Once negligence of the offending vehicle stands established the presence or absence of the owner or insurer of the motorcycle becomes inconsequential. The claim petition under Section 166 of the Motor Vehicles Act is not defeated merely because another vehicle was involved, when no negligence is attributed to it. The finding of the Tribunal on non-joinder, therefore, calls for no interference. Coming to the question of computation of compensation, it is contended that the multiplier applied and the deduction towards personal expenses are erroneous.

14. The Tribunal has assessed the age of the deceased as 39 years on the basis of documentary evidence. In view of the law laid down in *Sarla Verma v. DTC* (2009) 6 SCC 121 and reaffirmed in *National Insurance Company Ltd. vs. Pranay Sethi* (2011) 14 SCC 639, the appropriate multiplier for the age group of 36–40 years is '15'. The Tribunal has rightly applied the said multiplier. As regards deduction towards personal expenses, the Tribunal has deducted one-fourth of the income, keeping in view the number of dependants. This deduction is also strictly in consonance with the principles laid down in *Sarla Verma* (supra), wherein deduction of 1/4th is prescribed where the number of dependants is four. The Tribunal has thus applied the correct standard.

15. With respect to income, the Tribunal has taken a notional annual income of Rs.36,000/-, noting that although higher income was claimed, the same was not fully proved by cogent documentary evidence. This approach cannot be said to be perverse or arbitrary. The Tribunal has exercised a judicious balance between the pleadings and the proof on record. On the basis of the said income, after deduction towards personal expenses and application of the multiplier, the Tribunal has arrived at the loss of dependency and thereafter awarded compensation under conventional heads. The total compensation of Rs.4,07,000/-, along with interest @ 7% per annum, is found to be just, reasonable, and in accordance with settled legal principles.

16. In view of the above discussion, the appeal is dismissed. Rs.2,00,000 appears to be deposited by the appellant- Insurance Company before the claims

tribunal pursuant to interim order dated 22.12.2011 passed by the court. Rest of the amount of compensation shall be deposited by the appellant-Insurance Company before the claims tribunal within 2 months from today along with interest up to date. The respondent-claimant shall be entitled to receive the entire compensation so deposited.