2025:AHC:190587

HIGH COURT OF JUDICATURE AT ALLAHABAD

FIRST APPEAL FROM ORDER No. - 2520 of 2025

Regional Manager, Magma Hdi General Insurance Company Ltd.
.....Appellant(s)

Versus

Sanjay Kumar And 2 Others
.....Respondent(s)

Counsel for Appellant(s)	:	Utkarsh Birla
Counsel for Respondent(s)	:	

AFR

Court No. - 38

HON'BLE SANDEEP JAIN, J.

1. The instant appeal under Section 173 of the Motor Vehicles Act, 1988 has been preferred by the insurer of the offending Bolero No.UP-86T-8883 against the impugned judgment and award dated 15.07.2025 passed by the Motor Accident Claims Tribunal, Etah in MACP No. 561 of 2021, Sanjay Kumar Vs. Jattari Auto Sales, Aligarh Road & others, whereby, compensation of Rs.21,37,772/- alongwith interest at the rate of 7% per annum has been awarded to the claimant for the injuries sustained in a motor accident which occurred on 13.10.2021, which was ordered to be indemnified by the insurer of the offending vehicle.

2. Learned counsel for the appellant-insurance company submitted that he is only challenging the quantum of compensation awarded by the tribunal on the ground that the claimant failed to prove the nature of job and also the disability suffered by him. He also submitted that the tribunal has erred in awarding future prospects to the claimant. It was also submitted that the tribunal has erred in assessing the compensation on the basis of minimum wages of unskilled labour since it was not clear in which capacity the claimant was working in a factory. It was also specifically submitted by learned counsel for the appellant that he is not disputing the factum of accident and the negligence of the driver of the offending vehicle.

3. I have heard learned counsel for the appellant, perused the impugned judgment and documents submitted with the appeal.

4. The claimant stated in the claim petition that, on the date of the accident, he was about 40 years old and was employed in a bakery factory, earning Rs.20,000/- per month. He was also engaged in farming, earning Rs. 5,000/- per month, thus having a total monthly income of Rs.25,000/-. He further submitted that, due to the accident, he sustained injuries resulting in the amputation of his right leg above the knee, and has been permanently disabled. As a result, he is unable to perform his daily activities and is also unable to sustain his family. The claimant filed his disability certificate, which was issued by the Government of India, according to which he had suffered 70% permanent disablement, but the tribunal has assessed his functional disability at 60%.

5. The tribunal has duly considered that at the time of the accident, the claimant was working in a Biscuit factory of Bhagwan Das, Agra as a labour and due to amputation of his right let above the knee,he was not in a position to lift weight and was also not capable of transporting the goods from one place to another because he was dependent on others. In this fact situation, the tribunal has assessed his functional disability/earning capacity loss at 60%.

6. The tribunal has assessed the compensation on minimum wages of unskilled labour prevailing at the time of the accident which was Rs.1,10,220/- per annum. The tribunal has awarded future prospect of 40% and has taken the loss of earning capacity at Rs.66,132/- annually. The tribunal has awarded Rs.80,000/- towards treatment expenses, Rs.20,000/- towards transportation expenses, Rs.25,000/- towards special diet, Rs.54,000/- attendant expenses, Rs.20,000/- towards hospitality expenses, Rs.1 lac towards pain and suffering, Rs.50,000/- towards loss of amenities, Rs.50,000/- towards disfigurement, Rs.3 lacs towards artificial leg and Rs.50,000/- towards loss of expectancy of life. It is apparent that the tribunal has not awarded any interest on the future prospect of Rs.3,96,792/-.

7. The main submission of learned counsel for the appellant is that the

tribunal has erred in awarding future prospect to the claimant keeping in view his nature of injury.

8. Rule 220-A (5) of the U.P. Motor Vehicle Rules 1998 reads as under:-

220-A. Determination of compensation- (1)***

*(2)****

*(3)****

*(4)****

(5)For determination of compensation in case of injuries, partial or permanent disability provisions of Second Schedule of the Act shall apply :
Provided that the Claims Tribunal may also award compensation for future prospects according to sub-rule (3) in case of permanent disability depending upon the nature, extent and its effect on the future of disabled claimants.

9. From the evidence on record, it is apparent that the claimant was working as a labourer in a Biscuit factory whose right let was amputated above the knee, who suffered 70% permanent disability, but the tribunal has only assessed his functional disability/earning loss at 60% which cannot be said to be perverse.

10. Learned counsel for the appellant has relied upon the judgment of Apex Court in **Anoop Maheshwari Vs. Oriental Insurance Company Ltd. & others** reported in 2025 INSC 1076, in support of his argument that the tribunal has erred in awarding future prospect to the claimant.

11. The Apex Court in the case of ***Sidram vs. Divisional Manager, United India Insurance Co.Ltd. & Anr. (2023) 3 SCC 439***, held as under:-

31. It is now a well-settled position of law that even in cases of permanent disablement incurred as a result of a motor accident, the claimant can seek, apart from compensation for future loss of income, amounts for

future prospects as well. ***We have come across many orders of different tribunals and unfortunately affirmed by different High Courts, taking the view that the claimant is not entitled to compensation for future prospects in accident cases involving serious injuries resulting in permanent disablement. That is not a correct position of law. There is no justification to exclude the possibility of compensation for future prospects in accident cases involving serious injuries resulting in permanent disablement.*** *Such a narrow reading is illogical because it denies altogether the possibility of the living victim progressing further in life in accident cases — and admits such possibility of future prospects, in case of the victim's death.*

(emphasis supplied)

12. I have considered the above judgement of the Apex Court in the case of ***Anoop Maheshwari****(supra)* in which the factual situation was different. The claimant was running a business and since the High Court had already awarded just compensation, the Apex Court had refused to grant any compensation towards loss of future prospect, but it has not been held by the Apex Court that in case of permanent disability, compensation towards future prospects cannot be granted. It is apparent that under Rule 220-A of the above Rules, the tribunal can grant compensation for future prospect in a case involving permanent disability and in this case also considering the factual situation, the tribunal has granted compensation for future prospects at the rate of 40%, keeping in view the judgment of the Apex Court in the case of ***National Insurance Co.Ltd. vs. Pranay Sethi & Ors.(2017)16 SCC 680,*** since the claimant was aged below 40 years at the time of the accident. It is apparent that the tribunal has not awarded any interest on future prospects, which is erroneous.

13. It is also apparent that the Apex Courtin the case of ***Sidram****(supra)* has held that in accident cases involving serious injuries resulting in permanent disablement, compensation for future prospects should be awarded.

14. No other issue has been pressed by the learned counsel for the appellant.

15. In view of the aforesaid facts, the tribunal has not erred in awarding compensation for future prospects, keeping in view the serious injuries suffered by the claimant due to which his right leg was amputated above knee and he suffered 70% permanent disability.

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

17. The appeal is ***dismissed*** at the admission stage.

18. The impugned judgment and award of the Tribunal dated 15.07.2025 is affirmed.

19. Office is directed to remit back the statutory deposit made by the appellant to the Tribunal concerned, forthwith.

(Sandeep Jain,J.)

October 30, 2025
Himanshu

Digitally signed by :-
HIMANSHU YADAV
High Court of Judicature at Allahabad