



FAO-3905-2006 (O&M)

**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

FAO-3905-2006 (O&M)

Date of Decision: November 27, 2024

Mammnadin

.....Appellant

Vs.

Hukum Singh and others

.....Respondent(s)

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. Shivam Sharma, Advocate for
Mr. Ashish Gupta, Advocate
for the appellant.

Mr. Lalit Garg, Advocate
for the respondent-Insurance Co.

SUDEEPTI SHARMA J.

1. This is an old matter pertaining to the year 2006 but no one has put in appearance on behalf of the Insurance Company.

2. Previously vide order dated 18.07.2024 in FAO No.1682 of 2007, this Court had already issued directions to the Insurance Companies that in the event, any of their empanelled counsel fails to appear, the Court would request the counsel empanelled with the Insurance Companies, who is present in the Court to assist in the matters. Further, the concerned Insurance Companies were directed to disburse the current scheduled fees to the counsel engaged by this Court for assisting in the matters.

3. On the asking of the Court, Mr. Lalit Garg, Advocate accepts notice on behalf of the respondent-Insurance Company.

**FAO-3905-2006 (O&M)**

4. Learned counsel for the appellant has handed over copy of the paper-book alongwith relevant record to the learned counsel for respondent- Insurance Company.

5. In view of the order dated 18.07.2024 passed in FAO No.1682 of 2007, the Insurance Company is directed to disburse the current scheduled fees to Mr. Mr. Lalit Garg, Advocate, the counsel engaged by this Court in the present case.

FAO No. 3905-2006

1. The present appeal has been preferred against the award dated 05.06.2006 passed in the claim petition filed under Section 166/163-A of the Motor Vehicles Act, 1988 by the learned Motor Accident Claims Tribunal, Gurgaon (for short, 'the Tribunal') for enhancement of compensation granted to the claimant/appellant to the tune of Rs.36,000/- along with interest @ 7% per annum, on account of injuries suffered by the appellant in a Motor Vehicular Accident, occurred on the intervening night of 1/2.03.2003.

2. As sole issue for determination in the present appeal is confined to quantum of compensation awarded by the learned Tribunal, a detailed narration of the facts of the case are not reproduced for the sake of brevity.

SUBMISSIONS OF LEARNED COUNSEL FOR THE PARTIES

3. The learned counsel for the claimant-appellant contends that the compensation awarded by the learned Tribunal is on the lower side and deserves to be enhanced. Therefore, he prays that the present appeal be allowed and compensation should be enhanced as per latest law.

4. Per contra, learned counsel for the respondent-Insurance Company, however, vehemently argues that the award has rightly been passed and the amount



FAO-3905-2006 (O&M)

of compensation as assessed by the learned Tribunal has rightly been granted. He, thus prays for dismissal of the appeal.

5. I have heard learned counsel for the parties and perused the whole record of this case.

6. A perusal of the record indicates that Tribunal has rightly assessed the income of the injured as Rs.3000/- per month. A perusal of the award further indicates that the appellant suffered grievous injuries as he received 42 stitches on his body. His teeth have also been broken. He suffered 7% permanent disability, which was duly proved by PW4 -Dr. Subhash Sidhu. In view of the same, the amount awarded to the appellant under the conventional head is liable to be enhanced, as per latest law.

SETTLED LAW ON COMPENSATION

7. Hon'ble Supreme Court has settled the law regarding grant of compensation with respect to the disability. The Apex Court in the case of **Raj Kumar Vs. Ajay Kumar and Another (2011) 1 Supreme Court Cases 343**, has held as under:-

General principles relating to compensation in injury cases

5. The provision of the Motor Vehicles Act, 1988 ('Act' for short) makes it clear that the award must be just, which means that compensation should, to the extent possible, fully and adequately restore the claimant to the position prior to the accident. The object of awarding damages is to make good the loss suffered as a result of wrong done as far as money can do so, in a fair, reasonable and equitable manner. The court or tribunal shall have to assess the damages objectively and exclude from consideration any speculation



or fancy, though some conjecture with reference to the nature of disability and its consequences, is inevitable. A person is not only to be compensated for the physical injury, but also for the loss which he suffered as a result of such injury. This means that he is to be compensated for his inability to lead a full life, his inability to enjoy those normal amenities which he would have enjoyed but for the injuries, and his inability to earn as much as he used to earn or could have earned. (See C.K. Subramonia Iyer v. T. Kunhikuttan Nair, AIR 1970 Supreme Court 376, R.D. Hattangadi v. Pest Control (India) Ltd., 1995 (1) SCC 551 and Baker v. Willoughby, 1970 AC 467).

6. *The heads under which compensation is awarded in personal injury cases are the following :*

Pecuniary damages (Special Damages)

(i) Expenses relating to treatment, hospitalization, medicines, transportation, nourishing food, and miscellaneous expenditure.

(ii) Loss of earnings (and other gains) which the injured would have made had he not been injured, comprising :

(a) Loss of earning during the period of treatment;

(b) Loss of future earnings on account of permanent disability.

(iii) Future medical expenses. Non-pecuniary damages (General Damages)

(iv) Damages for pain, suffering and trauma as a consequence of the injuries.

(v) Loss of amenities (and/or loss of prospects of marriage).

(vi) Loss of expectation of life (shortening of normal longevity).



In routine personal injury cases, compensation will be awarded only under heads (i), (ii)(a) and (iv). It is only in serious cases of injury, where there is specific medical evidence corroborating the evidence of the claimant, that compensation will be granted under any of the heads (ii)(b), (iii), (v) and (vi) relating to loss of future earnings on account of permanent disability, future medical expenses, loss of amenities (and/or loss of prospects of marriage) and loss of expectation of life.

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19. We may now summarise the principles discussed above :

(i) All injuries (or permanent disabilities arising from injuries), do not result in loss of earning capacity.

(ii) The percentage of permanent disability with reference to the whole body of a person, cannot be assumed to be the percentage of loss of earning capacity. To put it differently, the percentage of loss of earning capacity is not the same as the percentage of permanent disability (except in a few cases, where the Tribunal on the basis of evidence, concludes that percentage of loss of earning capacity is the same as percentage of permanent disability).

(iii) The doctor who treated an injured-claimant or who examined him subsequently to assess the extent of his permanent disability can give evidence only in regard the extent of permanent disability. The loss of earning capacity is something that will have to be assessed by the Tribunal with reference to the evidence in entirety.



(iv) *The same permanent disability may result in different percentages of loss of earning capacity in different persons, depending upon the nature of profession, occupation or job, age, education and other factors.*

20. The assessment of loss of future earnings is explained below with reference to the following

Illustration 'A' : *The injured, a workman, was aged 30 years and earning Rs. 3000/- per month at the time of accident. As per Doctor's evidence, the permanent disability of the limb as a consequence of the injury was 60% and the consequential permanent disability to the person was quantified at 30%. The loss of earning capacity is however assessed by the Tribunal as 15% on the basis of evidence, because the claimant is continued in employment, but in a lower grade. Calculation of compensation will be as follows:*

a) Annual income before the accident : Rs. 36,000/-.

*b) Loss of future earning per annum
(15% of the prior annual income) : Rs. 5400/-.*

c) Multiplier applicable with reference to age : 17

d) Loss of future earnings : (5400 x 17) : Rs. 91,800/-

Illustration 'B' : *The injured was a driver aged 30 years, earning Rs. 3000/- per month. His hand is amputated and his permanent disability is assessed at 60%. He was terminated from his job as he could no longer drive. His chances of getting any other employment was bleak and even if he got any job, the salary was likely to be a pittance. The Tribunal therefore assessed his loss of future earning capacity as 75%.*

Calculation of compensation will be as follows :



a) Annual income prior to the accident : Rs. 36,000/- .

b) Loss of future earning per annum
(75% of the prior annual income) : Rs. 27000/-.

c) Multiplier applicable with reference to age : 17

d) Loss of future earnings : (27000×17) : Rs. 4,59,000/-

Illustration 'C' : The injured was 25 years and a final year Engineering student. As a result of the accident, he was in coma for two months, his right hand was amputated and vision was affected. The permanent disablement was assessed as 70%. As the injured was incapacitated to pursue his chosen career and as he required the assistance of a servant throughout his life, the loss of future earning capacity was also assessed as 70%. The calculation of compensation will be as follows :

a) Minimum annual income he would
have got if had been employed as an
Engineer : Rs. 60,000/-

b) Loss of future earning per annum
(70% of the expected annual income) : Rs. 42000/-

c) Multiplier applicable (25 years) : 18

d) Loss of future earnings : (42000×18) : Rs. 7,56,000/-

[Note : The figures adopted in illustrations (A) and (B) are hypothetical. The figures in Illustration (C) however are based on actuals taken from the decision in Arvind Kumar Mishra (supra)].

8. Hon'ble Supreme Court in the case of **National Insurance Company**

Ltd. Vs. Pranay Sethi & Ors. [(2017) 16 SCC 680] has clarified the law under

Sections 166, 163-A and 168 of the Motor Vehicles Act, 1988, on the following

aspects:-



(A) *Deduction of personal and living expenses to determine multiplicand;*

(B) *Selection of multiplier depending on age of deceased;*

(C) *Age of deceased on basis for applying multiplier;*

(D) *Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses, with escalation;*

(E) *Future prospects for all categories of persons and for different ages: with permanent job; self-employed or fixed salary.*

The relevant portion of the judgment is reproduced as under:-

“ Therefore, we think it seemly to fix reasonable sums. 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.”

RELIEF

9. In view of the above, the present appeal is allowed and award dated 05.06.2006 is modified. Accordingly, as per the settled principles of law as laid down by Hon’ble Supreme Court as mentioned above, the appellant-claimant is held entitled to the compensation amount as calculated below:-

Sr. No.	Heads	Compensation awarded
1.	Income	Rs.3000/- per month
2.	Loss of Future Prospect 25%	Rs.750/-(3000X25%)
3.	Annual Income	Rs.45,000/- (3750 X12)
4.	Loss of future earning on account of 7% disability	Rs.3150/- (7% of 45000)
5.	Multiplier of 14	Rs.37800/- (3150X14)
6.	Medical Expenses	Rs.3000/-
7.	Pain and suffering	Rs.30,000/-
8.	Transport Charges	Rs.5,000/-
9.	Loss of amenities of life	Rs.40,000/-
10.	Special Diet	Rs.20,000/-
	Total compensation awarded:-	Rs.1,35,800/-
	Deduction:- Amount awarded by Tribunal	Rs.36,000/-
	Enhanced amount of compensation	Rs.99,800/- (135800-36000) (rounded off to Rs.1,00,000/-)

10. So far as the interest part is concerned, as held by Hon’ble Supreme Court in **Dara Singh @ Dhara Banjara Vs. Shyam Singh Varma** 2019 ACJ 3176 and **R.Valli and Others VS. Tamil Nandu State Transport Corporation** (2022) 5 **Supreme Court Cases 107**, the amount so calculated shall carry an interest @ 9% per annum from the date of filing of the claim petition, till the date of realization.



FAO-3905-2006 (O&M)

11. Respondent No.3-Insurance Company is directed to deposit the enhanced amount along with interest with the Tribunal within a period of two months from the date of receipt of copy of this judgment. The Tribunal is directed to disburse the same to the appellant-claimant in his bank account. The appellant-claimant is directed to furnish his bank account details to the Tribunal.

12. Further Insurance Company is directed to disburse the current schedule fees to Mr. Lalit Garg, Advocate within a period of ten days from the date of receipt of certified copy of this order.

13. Before parting with the judgment, this Court extends its appreciation to Mr. Lalit Garg, Advocate, for his able assistance to the Court in the present matter.

14. Disposed of accordingly.

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

(SUDEEPTI SHARMA)
JUDGE

November 27, 2024

G Arora

Whether speaking/non-speaking : Speaking

Whether reportable : Yes