IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

(220) **FAO-1066-2002(O&M)**
Reserved on: 06.11.2025
Pronounced on: 10.11.2025

RUPINDER KAUR AND OTHERS … APPELLANTS

VERSUS

SHIV KUMAR AND OTHERS … RESPONDENTS

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present: Mr. Malkeet Singh, Advocate
for appellants.

Mr. R.C. Kapoor, Advocate
for respondent No.3.

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VIRINDER AGGARWAL, J.

1. This appeal has been preferred by the claimants seeking enhancement of compensation awarded vide award dated 24.07.2001 passed by the Motor Accident Claims Tribunal, Ambala, whereby the compensation of ₹4,99,100/- along with interest at 9% per annum was granted on account of death of Gurmeet Singh in a motor vehicular accident that took place on 24.12.1998.

BACKGROUND FACTS

2. The brief facts of the case are that on 24.12.1998, Gurmeet Singh (deceased) was travelling from Ambala to Chandigarh in a car bearing registration No. (HP-15-0930) along with Balkar Singh. At about 7:00 p.m., when the vehicle reached near village Dungdehri on the G.T. Road, a Canter bearing registration No. (PB-11-H-4851), driven by respondent No.1, approached from the opposite direction at a high speed and in a rash and negligent manner. The Canter, which was being driven on the wrong side in a

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zig-zag manner, suddenly swerved and violently collided with the car. Due to the impact, the car plunged into a *khud* and overturned. Gurmeet Singh sustained multiple grievous injuries and succumbed to injuries on the spot. The claimants thereafter filed the present petition seeking compensation of ₹20,00,000/- on account of his death.

3. Upon consideration of the oral and documentary evidence, the learned Tribunal held that the accident occurred due to the rash and negligent driving of respondent No.1. This conclusion was based primarily on the ocular depositions of Sulinder Singh (PW-3) and Balkar Singh (PW-4), as well as the FIR (Ex. P23) lodged promptly after the incident. For the purposes of computation, the learned Tribunal assessed the monthly income of the deceased at ₹3,000/-, deducted one-fifth towards personal expenses, applied a multiplier of 17, and thereby determined the loss of dependency at ₹4,89,600/-. In addition, the learned Tribunal has awarded ₹2500/- to the claimants on account of loss of estate and ₹2000/- on account of funeral expenses and ₹5000 on account of loss of consortium. Thereby, the total compensation awarded was ₹4,99,100/-.

CONTENTIONS

4. Learned counsel for the appellants have challenged the impugned award primarily on the ground that the compensation assessed is grossly inadequate. It is submitted that the deceased was an agriculturist and was also engaged in dairy farming, and therefore his income has been wrongly assessed on the lower side. It is further contended that the learned Tribunal failed to award just compensation in accordance with settled principles of law. It is argued that addition towards future prospects ought to have been granted, the correct multiplier should have been applied keeping in view the age of the deceased,

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and compensation under the conventional heads was also liable to be awarded correctly. Therefore, the learned counsel sought an increase in the quantum of award.

5. Learned counsel for respondent No.3 (insurance company) supported the award of the learned Tribunal, contended that the award had been passed after a proper and thorough appreciation of the evidence on record and therefore, did not warrant any interference by this Court.

OBSERVATIONS AND FINDINGS

6. I have carefully heard the arguments advanced by the learned counsel representing the appellants and have thoroughly examined the entire paper book.

7. The learned Tribunal, on an appreciation of the oral and documentary evidence adduced by the party, rightly came to the categorical conclusion that the accident had occurred due to the rash and negligent driving of the offending vehicle by respondent No.1. However, the learned Tribunal's approach in awarding the amount of ₹4,99,100/- without applying the future prospects, correct multiplier and accurate conventional heads, is erroneous and warrants interference. The Hon'ble Supreme Court has repeatedly emphasized the need for a structured and uniform approach to compensation in motor accident death cases to ensure just compensation under Section 166 of the Motor Vehicle Act.

8. Firstly, as regards the assessment of income, the learned Tribunal assessed the monthly income of the deceased at ₹3,000/-. I find no reason to interfere with the said assessment. As the deceased was an agriculturist and was also engaged in dairy farming, and no evidence was produced of his income. Therefore, a higher income cannot be presumed in absence of any cogent

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documentary evidence. At the same time, keeping in view the year of accident, the nature of avocation and the prevailing earnings of an unskilled labour that period, the income of ₹3,000/- per month assessed by the learned Tribunal is reasonable and calls for no enhancement.

9. However, it is to be noted that the computation of compensation is not in conformity with the settled principles of law governing assessment of just compensation. The learned Tribunal has failed to make additions towards future prospects, which is now mandatory even in the case of self-employed, as held by the Constitution Bench of the Hon'ble Supreme Court in ***National Insurance Co. Ltd. v. Pranay Sethi*, (2017) 16 SCC 680**. Further, the deduction of one-fifth towards personal expenses is not correct. As the learned Tribunal has rightly treated only the widow, minor children and parents of the deceased as dependents (Total 5 Dependents) and has correctly excluded the grandfather and sisters of the deceased from the category of dependents. However, while computing the deduction, the learned Tribunal appears to have proceeded as if all of them were dependents (Total 8 Dependents) and on that erroneous premise, applied a deduction of one-fifth. Therefore in case of the 4 to 6 dependents the appropriate deduction should be **one-fourth** in accordance with the settled law in ***Sarla Verma v. DTC*, (2009) 6 SCC 121.** Additionally, the learned Tribunal has not rightly awarded amount under the conventional heads such as loss of consortium, loss of estate and funeral expenses, which have been recognised as integral components of just compensation by the Hon'ble Supreme Court in ***Pranay Sethi* (supra)** and later affirmed in ***Magma General Insurance Co. Ltd. v. Nanu Ram alias Chuhru Ram*, (2018) 18 SCC 130**.

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10. Accordingly, the compensation is required to be reassessed by applying the above judgments and considering the age of the deceased as **25 years**. The reassessment is structured as under:

<u>REASSESSED COMPUTATION</u>

Particulars	Tribunal Award (**₹**)	**Reassessed Award (₹)**
Annual Income	36,000/-	**36,000/-**
Income With Future Prospects (40%)	x	**50,400/-** **(36,000 + 14400)**
Deduction	7,200/- (1/5th For Personal Expenses) (8 dependents)	**12,600/-** **(1/4th For Personal Expenses)** **(5 Dependents)**
Annual Contribution To Family	28,800/-	**37,800/-**
Multiplier **(age 25 yrs)**	17	**18**
Loss Of Dependency	**4,89,600/-** **(28,800 × 17)**	**6,80,000/-** **(37,800 × 18)**
Spousal Consortium	5000/-	**40,000/-**
Parental Consortium	x	**80,000/-** **(40,000 × 2)**
Filial Consortium	x	**80,000/-** **(40,000 × 2)**
Loss Of Estate	2,500	**15,000/-**
Funeral Expenses	2,000	**15,000/-**
Total	₹4,99,100/-	**₹9,10,400/-**

11. Resultantly, the compensation awarded by the learned Tribunal is enhanced from ₹4,99,100/- to **₹9,10,400/-**. The enhanced amount shall carry the same interest at rate of 7% per annum from the date of filing of the claim petition till realization. The liability of respondent Nos. 1,2 and 3 shall remain joint and several as held by the learned Tribunal.

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12. The appeal is accordingly partly **allowed** with modification of the award to the above extent. All other conditions of the award, not inconsistent with this judgment, shall remain unaltered.

13. Since the main case has been decided, pending miscellaneous application(s), if any, stands also disposed of.

(VIRINDER AGGARWAL)
JUDGE

10.11.2025
Saurav Pathania

(i) Whether speaking/reasoned : Yes/No
(ii) Whether reportable : Yes/No

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