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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

1. FAO-10524-2014 (O&M)
Date of Decision : 18.11.2025

The New India Assurance Company Ltd. ... Appellant(s)

Versus

Manju Devi & Ors ... Respondent(s)

2. FAO-7004-2015 (O&M)

Manju Devi & Ors ... Appellant(s)

Versus

Vikas Chand & Ors ... Respondent(s)

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Manan Bhardwaj, Advocate for the Insurance Company (appellant in FAO-10524-2014 and respondent No.3 in FAO-7004-2015).

Mr. TVS Lehal, Advocate for the claimants (respondent Nos.1 to 5 in FAO-10524-2014 and for the appellants in FAO-7004-2015).

ALKA SARIN, J. (Oral)

1. The present order shall dispose off the two above-captioned appeals being **FAO-10524-2014** filed by the Insurance Company and **FAO-7004-2015** filed by the claimants, both aggrieved by the impugned award dated 16.09.2014 passed by the Motor Accident Claims Tribunal, Chandigarh. The parties are being referred to as Insurance Company, driver and owner and the claimants for the sake of clarity.

2. Since the factum of the accident is not in dispute, the facts are not being adverted to for the sake of brevity.

3. In the present case, the deceased was 38 years of age and was stated to have been working as a driver. The accident took place on 07.03.2013 with a truck bearing registration No.HP-12-D-2528 (hereinafter referred to as 'offending vehicle'). The Tribunal had awarded the following compensation :

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹6,000/-
2	Annual Income	₹72,000/- [₹6,000 x 12]
3	Deduction - 1/4th	₹54,000/- [₹72,000 - ₹18,000]
4	Future Prospects - 50%	₹81,000/- [₹54,000 + ₹27,000]
5	Multiplier - 15	₹12,15,000/- [₹81,000 x 15]
6	Funeral expenses	₹25,000/-
7	Loss of consortium	₹1,00,000/-
8	Loss of love and affection	₹1,00,000/-
	Total Compensation	**₹14,40,000/-**
	Interest	**7.5%**

4. Learned counsel for the Insurance Company would contend that the driver of the offending vehicle was not holding a valid driving licence. It is further the contention of the learned counsel for the Insurance Company that the Tribunal has wrongly made an addition of 50% towards future prospects inasmuch as the deceased was not in a permanent job, hence, an addition of 40% ought to have been made instead of 50%. It is further the contention of the learned counsel that sufficient amount has already been awarded as compensation in the present case and that there is no scope of any enhancement.

5. Learned counsel for the claimants has contended that he does not challenge the deduction, addition of future prospects and multiplier as applied by the Tribunal. He, however, states that the income of the deceased has

wrongly been assessed as ₹6,000/- per month inasmuch as the minimum wage applicable to an unskilled worker in U.T. Chandigarh prevailing at the time of the accident was ₹7,788/- per month. It is further the contention of the learned counsel that the compensation awarded under the conventional heads as well as under the head 'loss of consortium' is not in accordance with the law laid down by the Hon'ble Supreme Court in the cases of **National Insurance Company Ltd. vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]**, **Magma General Insurance Company Limited vs. Nanu Ram alias Chuhru Ram & Ors. [(2018) 18 SCC 130]** and **N. Jayasree & Ors. vs. Cholamandalam M.S General Insurance Company Ltd. [2021(4) RCR (Civil) 642]**.

6. I have heard the learned counsel for the parties.

7. The argument of the learned counsel for the Insurance Company that the driver of the offending vehicle was not holding a valid driving licence deserves to be rejected inasmuch as issue No.3 as framed by the Tribunal was that "Whether respondent No.1 was having a valid and effective driving *licence at the time of accident? OPR*-3". The onus to prove the said issue was cast upon the Insurance Company. The driver and owner of the offending vehicle tendered a copy of the driving licence (Ex.R2). The driving licence was issued on 10.01.2011 with the endorsement of LTV/HTV w.e.f. 11.03.2012 and was valid upto 09.01.2014 for MC/LMV/LTV/HTV only. In the present case, the accident took place on 07.03.2013 i.e. during the validity of the driving licence. The Insurance Company failed to lead any evidence to show that the licence was not valid on the date of the accident.

8. The argument of the learned counsel for the Insurance Company that an addition of 50% has wrongly been made towards future prospects deserves to be accepted. In the present case, the deceased was admittedly 38 years of age and was not in a permanent job. Hence, as per the law laid down

by the Hon'ble Supreme Court in the case of **Pranay Sethi** (supra), an addition of 40% is made towards future prospects instead of 50%.

9. The argument of the learned counsel for the claimants that the income of the deceased has been assessed on the lower side deserves to be accepted inasmuch as the minimum wage applicable to an unskilled worker in U.T. Chandigarh at the time of the accident was ₹7,788/- per month. Hence, the income of the deceased is assessed as ₹7,788/- per month.

10. In the present case, since there is no challenge to the deduction and multiplier as applied by the Tribunal, the same are accordingly maintained. However, the compensation awarded under the conventional heads and under the head 'loss of consortium' is not as per the law laid down by the Hon'ble Supreme Court in the cases of **Pranay Sethi** (supra), **Magma General Insurance Company Limited** (supra) and **N. Jayasree** (supra), hence, the claimants would be entitled to ₹18,000/- (₹15,000+20% increase) towards loss of estate and ₹18,000/- (₹15,000+20% increase) towards funeral expenses and the claimants (wife and four children of the deceased) would also be entitled to ₹48,000/- each (₹40,000+20% increase) towards loss of consortium. Accordingly, the reworked compensation is as under :

Sr. No.	**Heads**	**Compensation Awarded**	
1	Monthly Income	₹7,788/-	
2	Annual Income	₹93,456/-	[₹7,788 x 12]
3	Deduction - 1/4th	₹70,092/-	[₹93,456 - ₹23,364]
4	Future Prospects - 40%	₹98,129/-	[₹70,092 + ₹28,037]
5	Multiplier - 15	₹14,71,935/-	[₹98,129 x 15]
6	Loss of estate	₹18,000/-	
7	Funeral expenses	₹18,000/-	
8	Loss of consortium (i) Parental [₹48,000/- x 4] (ii) Spousal	 ₹1,92,000/- ₹48,000/- (Total ₹2,40,000/-)	
	Total Compensation	**₹17,47,935/-**	

11. The amount in excess of and over and above the amount awarded by the Tribunal shall also attract interest @ 7.5% per annum from the date of filing of the claim petition till the realization of the entire amount.

12. In view of the decision by the Hon’ble Supreme Court in **Parminder Singh Vs. Honey Goyal & Ors. [AIR 2025 SC 1713 = 2025 SCC OnLine SC 567]**, after calculation of the enhanced amount, the same be transferred by the Insurance Company in the bank account(s) of the claimants within six weeks from today and the apportionment thereof shall be as per the direction of the Tribunal. The particulars of the bank account(s) alongwith the requisite documents(s) in support thereof shall be furnished by the claimants to the Insurance company within a period of two weeks from the date of this order and needful shall be done by the Insurance Company after verification thereof within four weeks thereafter alongwith up-to-date interest. The compliance shall be reported by the Bank to the Tribunal concerned.

13. In view of the above discussion, the appeals being **FAO-10524-2014** filed by the Insurance Company and **FAO-7004-2015** filed by the claimants stand disposed off and the impugned award passed by the Tribunal stands modified accordingly. Pending applications, if any, also stand disposed off.

18.11.2025 **(ALKA SARIN)**
Yogesh Sharma **JUDGE**

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: YES/NO