

2025:PHHC:177253



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

FAO-5087-2023 (O&M)

Date of Decision : 22.12.2025

NEW INDIA ASSURANCE CO. LTD.

.... Appellant

VERSUS

JYOTI AND ORS

.... Respondents

AND

130-1

FAO-5407-2023 (O&M)

JYOTI AND ORS

.... Appellants

VERSUS

THE NEW INDIA ASSURANCE CO. LTD. AND ANR

.... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Ashwani Talwar, Senior Advocate with
Mr. Deepak Goyat, Advocate and
Mr. Siddheshwar Hans, Advocate
for the appellant in FAO-5087-2023 and
for respondent No.1 in FAO-5407-2023.

Mr. Gurasis Singh, Advocate for
Mr. Saurabh Dalal, Advocate
for respondents No.1 to 5 in FAO-5087-2023 and
for the appellants in FAO-5407-2023.

ALKA SARIN, J. (ORAL)

1. The present order shall dispose of the above noted two appeals being FAO-5087-2023 having been filed by the Insurance Company and FAO-5407-2023 having been filed by the claimants, both aggrieved by quantum of compensation awarded vide award dated 30.05.2023 passed by

the Motor Accident Claims Tribunal, Jhajjar (hereinafter referred to as ‘the Tribunal’). The parties are referred to as the Insurance Company, the owner, the driver and the claimants for the sake of clarity.

2. Brief facts of the present case are that the legal representatives of the deceased, namely, Dinesh filed a claim petition under Section 166 of the Motor Vehicles Act, 1988 (as amended upto date) for grant of compensation on account of the death of Dinesh in a motor vehicular accident which took place on 11.11.2019 near Village Sunderhati, District Jhajjar. On 11.11.2019, Dinesh (since deceased) was riding his motorcycle bearing registration No.HR-14P-2797 from Village Himanyupur to Sasroli Chowk. When he reached near Village Sunderhati (Jhajjar), a car bearing registration No.HR-14N-5670 (hereinafter referred to as ‘the offending vehicle’), which was being driven by the driver in a rash and negligent manner and at a high speed, hit the motorcycle of Dinesh and due to the impact, Dinesh fell down in the pits and sustained multiple injuries. The accident was witnessed by Balwan Singh son of Ghamandi Lal resident of Village Himanyupur as well as Gaje Singh son of Ami Lal resident of Village Sunderhati (Jhajjar) as the accident took place near their fields. Dinesh was shifted to CHC Jamalpur by them from where he was referred to Government Hospital, Jhajjar. Dinesh was thereafter taken to PGIMS, Rohtak where he succumbed to his injuries. Jai Narayan, the father of Dinesh got FIR No.307 dated 12.11.2019 registered at Police Station Salhawas. Notice was issued to the respondents. The driver and the owner of the offending vehicle filed his written statement stating that a false FIR has been registered against him and that the accident took place due to the sole

negligence of the deceased. It was further the stand taken that the offending vehicle was insured with the Insurance Company. Insurance Company also filed its written statement and stated that it was a case of hit and run and later-on a false FIR was registered. On the basis of the pleadings of the parties, the following issues were framed :

1. Whether the accident in question causing death of Dinesh S/o Jai Narain, took place due to the rash and negligent driving of Car bearing No.HR-14N-5670 by its driver, respondent No.1 ? OPP
2. If issue No.1 is proved in affirmative, whether the petitioners are entitled to the compensation, if so to what amount and from whom ? OPP
3. Whether the petition is not maintainable in the present form ? OPR-2
4. Whether respondent No.1 was not holding a valid and effective driving license on the date of accident in question, if so, its effect ? OPR-2
5. Whether the petition is bad for non-joinder of necessary parties and mis-joinder of parties ? OPR-3
6. Relief.

3. The Tribunal held that the driver and the owner of the offending vehicle was driving in a rash and negligent manner and awarded the following compensation :

Sr. No.	Heads	Compensation Awarded
1.	Monthly income	₹15,000
2.	Annual income	[₹15,000 x 12] = ₹1,80,000
3.	Deduction 1/4 th	[₹1,80,000 - ₹45,000] = ₹1,35,000
4.	Future prospects @40%	[₹1,35,000 + ₹54,000] = ₹1,89,000
5.	Multiplier of 16	[₹1,89,000 x 16] = ₹30,24,000
6.	Funeral expenses	₹16,500
7.	Loss of estate	₹16,500
8.	Loss of consortium	₹44,000
	Total Compensation	₹31,01,000
	Interest	6% per annum

The Tribunal further held the Insurance Company and the driver and the owner jointly and severally liable to pay the amount.

4. Aggrieved by the same, two appeals have been preferred - one being FAO-5087-2023 by the Insurance Company and the second being FAO-5407-2023 by the claimants.

5. Learned senior counsel appearing for the Insurance Company would contend that it is clearly a false case which has been planted and that initially the FIR which was lodged on 12.11.2019 did not mention the name of the owner of the offending vehicle or the vehicle number. It was only after a period of almost a month that the car number was introduced on the basis of the statement of Gaje Singh (PW4). It is further the contention of the learned senior counsel that Balwan Singh, who was stated to be an eyewitness, also did not give any such car number. Learned senior counsel would further contend that Balwan Singh was the one who had taken the deceased to the hospital and the name of Gaje Singh did not figure anywhere. On quantum, learned senior counsel appearing on behalf of the Insurance Company would

contend that sufficient amount has already been awarded as compensation in the present case and there is no scope of any enhancement.

6. *Per contra*, learned counsel appearing on behalf of the claimants would contend that the statement of Gaje Singh was recorded on the next day i.e. 12.11.2019 by the Police. Gaje Singh, who appeared as PW4, was also one of the eye-witnesses and was cited as a witness in the list of witnesses appended with the final report under Section 173 Criminal Procedure Code, 1973 (Section 193 BNSS). Learned counsel would further contend that though the claimants do not challenge the income as assessed, the deduction and the addition made towards future prospects and the multiplier as applied by the Tribunal, however, the amounts awarded under the conventional heads and under the head loss of consortium are also on the lower side. In support of his contentions the learned counsel for the claimants has relied upon the judgments of 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. Chola mandalam M.S General Insurance Company Ltd. [2021(4) RCR (Civil) 642]**.

7. Heard.

8. In the present case the argument of the learned senior counsel for the Insurance Company that it is a planted case and as such the Tribunal ought to have dismissed the claim petition deserves to be rejected. Though the FIR was registered on the statement of Jai Narayan i.e. the father of the deceased, however, it has come in evidence that on the very same day when the FIR was

lodged, the statements of PW4 Gaje Singh and Balwan Singh were recorded by the Police i.e. 12.11.2019 wherein they mention the registration number of the offending vehicle. It is an admitted fact that the challan (Ex.P4) has already been presented in the Court concerned. PW4 Gaje Singh was cross-examined at length by the learned counsel for the Insurance Company however nothing could be elicited from the said witness that he was deposing falsely. Once the statement of Gaje Singh was recorded by the Police on the very same day i.e. 12.11.2019 immediately after the registration of the FIR, it cannot be said that a false case has been planted. There is no motive attributed to Gaje Singh as to why he would falsely depose in favour of the claimants.

9. Since there is no challenge to the income as assessed, the deduction and the addition made towards future prospects and the multiplier as applied by the Tribunal, the same are maintained. The argument of the learned counsel for the claimants that the amounts awarded under the conventional heads and under the head loss of consortium are on the lower side deserves to be accepted. 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), 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. The claimants, being widow, children and parents of the deceased, would also be entitled to ₹48,000 each (₹40,000 + 20% increase) towards loss of consortium.

10. Accordingly, the reworked compensation to which the claimants are entitled to is as under :

Sr. No.	Heads	Compensation Awarded
1.	Monthly income	₹15,000
2.	Annual income	[₹15,000 x 12] = ₹1,80,000
3.	Deduction 1/4 th	[₹1,80,000 - ₹45,000] = ₹1,35,000
4.	Future prospects @40%	[₹1,35,000 + ₹54,000] = ₹1,89,000
5.	Multiplier of 16	[₹1,89,000 x 16] = ₹30,24,000
6.	Funeral expenses	₹18,000
7.	Loss of estate	₹18,000
8.	Loss of consortium (i) Spousal (ii) Parental (iii) Filial	₹48,000 [₹48,000 x 2] = ₹96,000 [₹48,000 x 2] = ₹96,000 Total = ₹2,40,000
	Total Compensation	₹33,00,000

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. The amount shall be apportioned between the claimants as directed by the Tribunal.

12. In view of the decision by the Hon'ble Supreme Court in **Parminder Singh vs. Honey Goyal & Ors. [AIR 2025 (SC) 1713]**, after calculation of the enhanced amount, the same be transferred by the Insurance Company in the bank accounts of the claimants within a period of six weeks from today. The claim of the minor claimants shall be kept in an FDR with a nationalized bank fetching maximum rate of interest. The particulars of the bank accounts along with the requisite documents in support thereof shall be furnished by the claimants to the Insurance company within a period of two weeks from today and needful shall be done by the Insurance Company after verification thereof within a period of four weeks thereafter along with up-to-

date interest. The compliance shall be reported by the Bank to the Tribunal concerned.

13. In view of the above discussion, the appeal filed by the Insurance Company being FAO-5087-2023 is dismissed and the appeal filed by the claimants being FAO-5407-2023 is allowed. The impugned award passed by the Tribunal is modified accordingly. Pending applications, if any, also stand disposed off.

22.12.2025
Aman Jain

(ALKA SARIN)
JUDGE

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: Yes/No