IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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FAO-1931-1994 (O&M)
Date of decision: 02.02.2026

PREM SINGH AND OTHERS

. . . . Appellants

Vs.

Lakhan Singh and others

. . . . Respondents

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CORAM: HON'BLE MR JUSTICE DEEPAK GUPTA

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Present: - Mr.R.D. Gupta, Advocate, for the appellant.

Mr. Rahul Pathania, Advocate,
for respondent No.3-Insurance Company.

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DEEPAK GUPTA, J.

Notice to respondent No.1 could not be served as his fresh address was not available. However, as rightly pointed out by learned counsel for the appellants, no recovery rights have been granted to the Insurance Company in the present case. In such circumstances, presence of the driver is not essential for effective adjudication of the appeal. Consequently, service upon respondent No.1 is dispensed with.

2. Sh. Rahul Pathania, Advocate, has entered appearance on behalf of respondent No.3–Insurance Company.

3. The claimants are in appeal seeking enhancement of compensation. One Yashbir lost his life in a motor vehicular accident, which occurred on 12.07.1991. His parents, widow and minor daughter filed a claim petition under Section 166 of the Motor Vehicles Act, 1988, claiming compensation from the driver, owner and insurer of the offending vehicle. Learned Motor Accident Claims Tribunal, Sonipat vide award dated 01.06.1994, assessed the compensation at ₹1,34,400/- and held

respondent No.3-National Insurance Company liable to pay the same along with interest.

4. Learned counsel for the appellants contends that the deceased was working as a contractor and plumber and was holding a licence for the said vocation. His income was pleaded to be ₹4,000/- per month; however, the Tribunal assessed his income at only ₹1,000/- per month, which, according to the appellants, is on the lower side.

5. However, learned counsel fairly concedes that no cogent documentary evidence was produced to establish the actual income of the deceased. On specific query with regard to the prevailing minimum wages in the year 1991, it is admitted that minimum wages for an unskilled worker were approximately ₹800/- per month and for a skilled worker, at the most ₹1,000/- per month.

6. Though no notification regarding minimum wages of the relevant period has been brought on record, in the absence of proof of higher income and keeping in view the admitted position regarding minimum wages, this Court finds no ground to interfere with the finding of the Tribunal assessing the notional income of the deceased at ₹1,000/- per month.

7. However, learned counsel for the appellants rightly submits that no amount was awarded towards future prospects, despite the deceased being only 23 years of age at the time of death. It is further contended that the multiplier applied by the Tribunal is incorrect and that compensation under the conventional heads has not been awarded.

8. Learned counsel for the Insurance Company has no objection to the appeal being allowed to the aforesaid extent.

9. Since the deceased was admittedly 23 years of age, an addition of 40% towards future prospects is warranted. The annual income of the deceased, assessed on notional basis, comes to ₹12,000/-. After adding 40% towards future prospects, the same works out to ₹16,800/- per annum. As there were four dependents, deduction of one-third towards

personal expenses, as applied by the Tribunal, is found to be just and proper. After deduction, the annual loss of dependency comes to ₹11,200/-.

10. Keeping in view the age of the deceased, the appropriate multiplier is 18. Accordingly, compensation on account of loss of dependency is recalculated at ₹2,01,600/-.

11. Considering the fact that the accident took place in the year 1991, a sum of ₹5,000/- each is awarded under the heads of funeral expenses and loss of estate. Additionally, a sum of ₹8,000/- each is awarded to the claimants towards loss of consortium, filial consortium and parental consortium, totalling ₹32,000/-.

12. Thus, the total compensation payable comes to ₹2,43,600/-. After deducting the amount of ₹1,34,400/- already awarded by the Tribunal, the appellants are held entitled to an enhanced compensation of ₹1,09,200/-.

13. Consequently, the appeal is partly allowed. The appellants shall be entitled to the enhanced compensation of ₹1,09,200/-, payable jointly and severally by the respondents along with interest @ 7.5% per annum from the date of filing of the claim petition till actual realization. The amount shall be disbursed amongst the claimants in the same proportion as directed by the Tribunal.

(DEEPAK GUPTA)
02.02.2026 **JUDGE**
Vivek

Whether Speaking/reasoned *Yes*
Whether reportable *No*