

2026:PHHC:035578



**119-1**

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

**FAO-254-2021 (O&M)**

**Date of Decision : 09.03.2026**

NATIONAL INSURANCE COMPANY LIMITED .... Appellant

VERSUS

AMRIT KAUR AND ORS .... Respondents

**AND**

**FAO-404-2020 (O&M)**

AMRIT KAUR AND ANR .... Appellants

VERSUS

JAGMOHAN SINGH @ SABBI AND ORS .... Respondents

**CORAM : HON'BLE MRS. JUSTICE ALKA SARIN**

Present : Mr. Gopal Mittal, Advocate  
for the appellant in FAO-254-2021 and  
for respondent No.3 in FAO-404-2020

Mr. Naveen Upadhyay, Advocate  
for respondents No.1 and 2 in FAO-254-2021 and  
for the appellants in FAO-404-2020.

**ALKA SARIN, J. (ORAL)**

**CM-2836-CII-2021 IN FAO-254-2021**

1. For the reasons stated in the application, the same is allowed and  
the delay in filing the appeal is condoned.

**FAO-254-2021 and FAO-404-2020**

2. The present order shall dispose off the above noted two appeals  
being FAO-404-2020 filed by the claimants and FAO-254-2021 filed by the

Insurance Company, both against the award dated 01.07.2019 passed by the Motor Accident Claims Tribunal, Ludhiana (hereinafter referred to as 'the Tribunal'). The parties are being referred to as the claimants, the owner and the driver and the insurance company for the sake of clarity.

3. The case as set up by the claimants in the claim petition was that on 21.10.2016, Harpreet Singh along with his two sisters, namely Ashu and Sahiba, Dimple brother-in-law and two nephews, namely Pari and Sidhu were coming back to their house at Ludhiana in an Alto car bearing registration No.PB-10FC-5702 after paying obeisance at Sri Harmandir Sahib, Amritsar. The car was being driven by Harpreet Singh. At about 8.30 am when they reached in the area of Shiv Shakti Marble, GT Road, Village Jamalpur, Phagwara, a Truck make Tata 2518 bearing registration No.PB-46M-9599 (hereinafter referred to as 'the offending vehicle') which was loaded with big stones was wrongly parked on the road without any signage or indication. The car which was driven by Harpreet Singh struck against the offending vehicle and due to the accident Harpreet Singh and Ashu died at the spot whereas Dimple died a few days later. It was stated that the accident took place due to wrongful act of the driver who parked the offending vehicle on the road. FIR No.145 dated 21.10.2016 at Police Station Sadar, Phagwara, District Kapurthala under Sections 283, 304-A, 337, 427 IPC was registered against the driver. It was further stated that the deceased was 21 years of age at the time of the accident.

4. The driver and the owner filed their joint written statement denying the accident. It was further the stand taken that the offending vehicle

was parked properly on the side of the road and with indication. It was further the stand that the deceased was not holding a valid driving licence. The insurance company filed its separate written statement raising various preliminary objections including that the driver was not holding a valid driving licence and that the offending vehicle did not have a valid registration certificate, route permit and fitness certificate at the time of alleged accident.

5. On the basis of the pleadings of the parties the following issues were framed by the Tribunal :

- 1) Whether deceased Harpreet Singh died in a motor vehicle accident caused by respondent No.1 Jagmohan Singh while driving Truck No. PB-46M-9599 in a rash and negligent manner on 21.10.2016 at 8.30 A.M. in the area of G.T. Road, Village Jamalpur, Phagwara, P.S. Sadar, Phagwara ? OPP
- 2) Whether claimants are entitled to compensation? If so to what extent and from whom ? OPP
- 3) Whether the petition is not maintainable ? OPR
- 4) Whether the respondent No.1 was not holding valid and effective driving licence at the time of accident ? OPR
- 5) Whether the respondent No.2 was not having valid vehicular documents at the time of accident ? OPR
- 6) Whether the petition is bad for non-joinder and mis-joinder of necessary parties ? OPR
- 7) Relief.

6. The Tribunal, holding the insurance company liable, had awarded the following compensation :

| Sr. No. | Heads                     | Compensation Awarded            |
|---------|---------------------------|---------------------------------|
| 1.      | Monthly income            | ₹10,000                         |
| 2.      | Annual income             | [₹10,000 x 12] = ₹1,20,000      |
| 3.      | Deduction 1/2             | [₹1,20,000 - ₹60,000] = ₹60,000 |
| 4.      | Future prospects @40%     | [₹60,000 + ₹24,000] = ₹84,000   |
| 5.      | Multiplier of 18          | [₹84,000 x 18] = ₹15,12,000     |
| 6.      | Funeral expenses          | ₹15,000                         |
| 7.      | Loss of estate            | ₹15,000                         |
| 8.      | Consortium                | ₹40,000                         |
|         | <b>Total Compensation</b> | <b>₹15,82,000</b>               |
|         | <b>Interest</b>           | <b>@ 6% per annum</b>           |

7. Subsequently, an application for review was filed which was disposed off vide order dated 01.02.2021 clarifying that though at one place the income had been assessed as ₹7,000 per month, however, the income of the deceased was taken to be ₹10,000 per month.

8. The insurance company has filed the appeal on two counts. Firstly, on the ground that the offending vehicle was not negligent. Secondly, on the ground of quantum. Learned counsel for the insurance company has contended that it was broad day light when the accident took place and that the offending vehicle was parked on the left side of the road and the car struck against the offending vehicle from behind. Hence it cannot be held that there was any negligence on the part of the driver of the offending vehicle. It is further the contention that at one place the Tribunal had referred to the income of the deceased as ₹7,000 per month however while assessing the compensation had taken the same as ₹10,000 per month.

9. *Per contra*, learned counsel for the claimants would contend that the driver of the offending vehicle chose not to step into the witness box and it was only the owner who had stepped into the witness box. It is further contended that the accident took place on GT Road/Highway and the offending vehicle was negligently parked without any signage leading to the accident. It is further the contention that Mahender Parsad Dabral had stepped into the witness box, who is the Accountant of Ajanta Glass House where the deceased was working. The said witness submitted Ex.C4 to Ex.C6 which clearly reveal that the salary of the deceased was ₹22,000 per month. The balance sheet for the assessment year 2016-17 was also placed on the record as Ex.C7. Learned counsel would further contend that though the claimants do not challenge the deduction made towards personal expenses, the addition made towards future prospects and the multiplier as applied by the Tribunal, however, the amounts awarded under the conventional heads i.e. loss of estate and funeral expenses and under the head loss of consortium are not in consonance with the law laid down by the Hon'ble Supreme Court. 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]**.
10. Learned counsel for the insurance company, at this stage, has pointed out that the said Mahender Parsad Dabral, who is alleged to be the

Accountant of Ajanta Glass House, did not bring on record any authorization letter in his favour on behalf of the Ajanta Glass House. It is further the contention that it was specifically put to the said witness whether he had brought the copy of the attendance register, ledger along with the balance sheet and he stated that he had not brought the same and that he would bring the copy of attendance register, VAT-20, Sales Tax Return, Account books from April 2015 onwards on the next date of hearing. However, despite the said statement, none of the aforementioned documents were produced by the said witness.

11. Heard.

12. In the present case the argument of the learned counsel for the insurance company that the deceased was negligent in driving the vehicle and that there was no negligence on the part of the driver of the offending vehicle deserves to be rejected. The driver of the offending vehicle chose not to step into the witness box. The said witness would have been the best witness to depose whether the offending vehicle was rightly parked or not. The absence of any such evidence and the fact that the offending vehicle was parked without any signage on the highway is *per se* negligence. Further, in the absence of any such evidence having been led to show that there was any indication that the offending vehicle was parked and was not moving, no fault can be found with the finding returned by the Tribunal. The second argument of the learned counsel that the income had wrongly been assessed as at one place the income was assessed as ₹7,000 per month and eventually the Tribunal assessed the same as ₹10,000 per month deserves to be rejected.

Along with the appeal, the insurance company had itself appended the order passed in the review application. In the review application the figure stood corrected to ₹10,000 per month.

13. In view thereof, there is no merit in the arguments raised by the learned counsel for the insurance company. Accordingly, the appeal being FAO-254-2021 filed by the insurance company is dismissed.

14. The argument of the learned counsel for the claimants that the income of the deceased had wrongly been assessed and that his income was ₹22,000 per month cannot be accepted in the absence of any cogent evidence. The witness, who is alleged to be the Accountant, did not produce any authorization in his favour on record. He also failed to produce on record the attendance register, VAT-20, Sales Tax Return, Account books from April 2015 onwards, which he stated he would on the next date of hearing. The original of the ledger book was also not produced by the said witness. In the absence of any cogent and reliable evidence, no fault can be found with the assessment of the income of the deceased as ₹10,000 per month. The same is accordingly maintained. Since there is no challenge to the deduction made towards personal expenses, the addition made towards future prospects and the multiplier as applied by the Tribunal, the same are maintained. Further, the amount awarded under the conventional heads and under the head loss of consortium are on the lower side. 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 the parents of the deceased, would also be entitled to ₹48,000 each (₹40,000 + 20% increase) towards loss of consortium.

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

| Sr. No. | Heads                           | Compensation Awarded            |
|---------|---------------------------------|---------------------------------|
| 1.      | Monthly income                  | ₹10,000                         |
| 2.      | Annual income                   | [₹10,000 x 12] = ₹1,20,000      |
| 3.      | Deduction 1/2                   | [₹1,20,000 - ₹60,000] = ₹60,000 |
| 4.      | Future prospects @40%           | [₹60,000 + ₹24,000] = ₹84,000   |
| 5.      | Multiplier of 18                | [₹84,000 x 18] = ₹15,12,000     |
| 6.      | Funeral expenses                | ₹18,000                         |
| 7.      | Loss of estate                  | ₹18,000                         |
| 8.      | Loss of consortium<br>i. Filial | [₹48,000 x 2] = ₹96,000         |
|         | <b>Total Compensation</b>       | <b>₹16,44,000</b>               |

16. 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.

17. 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 particulars of the bank accounts along with the requisite documents in support thereof shall be furnished by the claimants to insurance company within a period of two weeks from today and needful shall be done



by 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.

18. In view of the above discussion, the appeal filed by the insurance company being FAO-254-2021 is dismissed and the appeal filed by the claimants being FAO-404-2020 is disposed off. The award passed by the Tribunal is modified accordingly. Pending applications, if any, also stand disposed off.

**09.03.2026**  
*Aman Jain*

**(ALKA SARIN)**  
**JUDGE**

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