IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

FAO No.3561 of 2002 (O&M)
Date of decision: 20.04.2026

Rohtash Singh and another

....Appellants

Versus

Angrez Singh alias Chander Bhan and others

...Respondents

CORAM: HON'BLE MR. JUSTICE YASHVIR SINGH RATHOR

Present: Ms. Maneet Kaushik, Advocate
for the appellants.

Mr. Virender Kumar, Advocate
for respondent No.1.

Mr. Aseem Aggarwal, Advocate
for respondent No.3.

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YASHVIR SINGH RATHOR. J.(Oral)

1. The aforesaid appeal has been instituted against the Award dated 1.4.2002 passed by Motor Accident Claims Tribunal, Karnal (**for short "Tribunal"**) in the petition under Section 166 of Motor Vehicles Act, 1988, filed by the appellants seeking enhancement of compensation on account of death of their daughter – Sonia aged 12 years in a motor vehicular accident due to the rash and negligent driving on the part of respondent No.1-Angrez Singh, while driving

the offending Three Wheeler (Auto Rickshaw) No.HR-45-5406 (**hereinafter referred to as `offending vehicle'**), owned by respondent No.2 and insured with respondent No.3-Insurance Company.

2. From the pleadings of parties, following issues were framed by learned Tribunal:-

> *"1. Whether the accident was caused by Respondent No.1 while driving three-wheeler No.HR-45-5406 rashly and negligently resulting into causing the death of Miss Sonia as alleged?OPPs*
>
> *2. Whether the petitioners are entitled to receive any compensation amount, if so how much and from whom? OPPs*
>
> *3. Whether the petitioners have no locus standi to file the petition?OPR*
>
> *4. Whether the petition is bad for non-joinder and mis-joinder of necessary parties?OPR*
>
> *5. Whether the claim petition is not maintainable?OPRs*
>
> *6. Whether Respondent No.1 was not holding a valid and effective driving licence to drive the three-wheeler at the time of accident? If so to what effect?OPR3.*
>
> *7. Relief."*

3. Thereafter, the parties led evidence in support of their case.

4. After hearing the parties and going through the material on the file, learned Tribunal awarded a sum of Rs.1,25,000/- as compensation for the death of Sonia along with interest @ 9% per annum from the date of filing of the claim petitions till realization payable by respondents No.1 to 3 jointly and severally.

5. Feeling aggrieved, the appeal in hand has been preferred. The material on file has been perused and parties have been heard.

6. The only issue required to be determined in the present appeal relates to the assessment of compensation. Therefore, the entire facts regarding the manner of the accident are not required to be reproduced in detail, as the Tribunal has already held under issue No.1 that the accident had occurred due to the rash and negligent driving on the part of respondent No.1, while driving offending vehicle, owned by respondent No.2 and insured with respondent No.3. No appeal or cross-objections have been filed by respondents, challenging the said finding and accordingly finding on issue No.1 is not required to be interfered with.

7. Learned counsel for the appellants argued that the impugned award, vide which compensation has been awarded is based on conjectures and surmises and is liable to be set aside and enhanced amount of compensation should be awarded. Learned counsel further contended that the income of the deceased has been assessed on the lower side. Future prospects have also not been added to the monthly income of the deceased, contrary to the settled provisions of law. No appropriate compensation has been awarded under the conventional heads, i.e. loss of consortium, loss of estate, and funeral expenses and he prayed that compensation be suitably enhanced. In support of his contentions, learned counsel for the appellants has relied upon 2025 ACJ 1624 titled **Karuna Parmar Vs. Prakash Sinha and others,** 2009(6) SCC 121 **Sarla Verma and others Vs. Delhi Transport Corporation and Another**, 2017 (16) SCC 680 **National Insurance Co. Ltd Vs. Pranay Sethi and Other**, 2018 (4) R.C.R. (Civil) 333

Magma General Insurance Co. Ltd. v. Nanu Ram alias Chuhru Ram & Others and (2021) 11 SCC 780 **United India Insurance Co. Ltd. Vs. Satinder Kaur.**

8. On the other hand, learned counsel for respondents argued that the adequate compensation has been awarded by the learned Tribunal and no interference in the said award is called for and appeal in hand be dismissed.

9. The term 'just compensation' has been elaborated by Hon'ble Supreme Court in **2009(1) RCR (Civil) 867 (SC), Syed Basheer Ahamed and Others Vs. Mohd. Jameel and Another**, and it has been held that while assessing compensation in a motor accident claims case, the Tribunal should award compensation which appears to be just. The expression "which appears to be just" vests a wide discretion in the Tribunal in the matter of determination of compensation. Nevertheless, the wide amplitude of such power does not empower the Tribunal to determine the compensation arbitrarily, or to ignore settled principles relating to determination of compensation. It has been further held that although the Act is a beneficial legislation, it can neither be allowed to be used as a source of profit, nor as a windfall to the persons affected nor should it be punitive to the persons liable to pay compensation and that determination of compensation must be based on certain data establishing reasonable nexus between the loss incurred by the victim or dependents. It has been further held that misplaced sympathy, generosity and benevolence cannot be the guiding factors for determining the compensation. As such, compensation is required to be assessed by taking into consideration above-said parameters.

10. As per version of claimants, their daughter Ms. Sonia aged 12 years had died in the accident in question who was studying in 5th Class as stated by PW1 – Rohtash Singh. The Tribunal in view of tender age of the deceased and the fact that she was not an earning member, assessed her notional income as Rs.15,000/- per annum approximately and after deducting one third of the amount towards personal expenses, assessed the loss of dependency Rs.10,000/- per annum and the Tribunal awarded a sum of Rs.1,20,000/- lump-sum as compensation and Rs.5,000/- for funeral expenses.

11. However, Hon'ble Supreme Court in **Karuna Parmar's case (supra)** while relying upon judgment rendered by the Hon'ble Supreme Court in 2024 SCC Online SC 3692, **Baby Sakshi Greola Vs. Manzoor Ahmad Simon,** has held that minimum wages payable to a skilled worker in the concerned State have to be taken into consideration while assessing income in the case of death of a child because that would be the minimum amount which a child would have earned on attaining the age of majority. In **Karuna Parmar's case (supra)**, a girl aged 6 years had died and taking into consideration the minimum wages for skilled workers in the year 2014 to be Rs.223 per day, annual income was assessed as Rs.80,280/- and thereafter, future prospects were applied and after applying multiplier of 18, the compensation was assessed.

12. In the present case, deceased was 12 years of age and the accident had taken place on 4.7.2000 and during those days, minimum wages earned by a skilled person in State of Haryana were around Rs.2,500/- per month and accordingly, income of deceased is taken as **Rs.2,500/- per month**.

13. Since, deceased was 12 years of age, 40% amount has to be added to the income of the deceased towards future prospects in view of law laid down in **Pranay Sethi's case (supra),** which takes her income to **Rs.3,500/- per month (Rs.2,500/- + Rs.1,000/-).**

14. As per law laid down in **Sarla Verma's case (supra),** 50% of the earnings have to be deducted towards personal and living expenses. After deducting 50% of income towards personal expenses, the monthly loss of dependency comes out to **Rs.1,750/-** and the annual loss of dependency comes out to **Rs.21,000/- (Rs.1,750/- X 12).**

15. Since deceased was 12 years of age, multiplier of 18 has to be applied in view of the guidelines laid down in **Karuna Parmar's case (supra)**, and after applying the same, the total loss of dependency comes out to **Rs.3,78,000/- (Rs.21,000/- X 18).**

16. In addition to this, claimant No.2 (mother of the deceased) is held entitled to a sum of **Rs.70,000/-** under conventional heads i.e. **Rs.40,000/-** towards 'loss of consortium', **Rs.15,000/-** towards 'loss of estate' and **Rs.15,000/-** on account of 'funeral expenses', as per law laid down in **Pranay Sethi's case (supra).** Likewise, claimant No.1 (father of the deceased) is also held entitled to a sum of **Rs.40,000/-** on account of 'loss of filial consortium', in view of law laid down in **Nanu Ram's case (supra)** and **Satinder Kaur's case (supra)**, which takes the compensation to **Rs.4,88,000/- (Rs.3,78,000/- + Rs.70,000/- + Rs.40,000/-)**.

17. The Tribunal had held the Insurance Company liable to pay compensation and the liability of respondents was held to be joint and several. However, against the said award, the Insurance Company had instituted FAO No.4511 of 2002 which has been decided vide judgment dated 11.2.2014 (titled **"The Oriental Insurance Company Limited Vs. Rohtash Singh and others**,) and by way of this judgment, the Insurance Company has been exonerated of its liability to indemnify the insured on the ground that driver did not possess a valid and effective licence authorising him to drive a three wheeler. However, Insurance Company has been directed to pay the awarded amount with a right to recover the same from the insured/ owner and driver.

18. Resultantly, the compensation to be awarded to the appellants/claimants is assessed as under:-

S.No.	**Under Head**	**Compensation awarded by the High Court**
1.	Monthly income of deceased	Rs.2,500/- per month
2.	Age of deceased	12 years
3.	Future prospects @40%	Rs.1,000/-
4.	Total income	Rs.3,500/-
5.	Number of dependents	2
6.	Deduction of 50% towards personal expenses of the deceased	Rs.1,750/-
7.	Annual loss of dependency	Rs.21,000/- (Rs.1,750/- X 12)
8.	Multiplier	18
9.	Compensation on account of Loss of dependency	Rs.3,78,000/- (Rs.21,000/- X 18)
10.	Compensation under conventional heads to claimant No.2-mother	Rs.70,000/-

11.	Compensation to claimant No.1 for loss of filial consortium	Rs.40,000/-
	Total Compensation	**Rs.4,88,000/-**
	Interest	**9%**

19. As a result of aforesaid discussion, the appeal is partly accepted with costs and appellants are held entitled to a sum of **Rs.3,63,000/- (Rs.4,88,000/- - Rs.1,25,000/-)** as enhanced compensation over and above the compensation awarded by the Tribunal along with interest at the rate of 9% per annum from the date of filing of claim petition i.e. 26.7.2000 till realization payable by respondents No.1 and 2 jointly and severally, to be shared equally by the appellants. However, the Insurance Company shall first of all pay the enhanced amount to the claimants but it shall have a right to recover the same from the insured as well as driver as already ordered in FAO No.4511 of 2002. As father of the deceased has died during pendency of the appeal, the share of father will go to his legal heirs.

20. Registry is directed to email the authenticated copy of the award to the respondent Insurance Company in terms of directions issued by the Hon'ble Supreme Court in Writ Petition (Civil) No.534 of 2020 titled **Bajaj Allianz General Insurance Company Versus Union of India and others,** decided on 16.03.2021 and Insurance Company shall comply with the directions as issued under Clause (F) of the said judgment.

21. A photocopy of this order be placed on the file of the connected

cases.

22. Pending misc. application(s), if any, shall also stand disposed of.

(YASHVIR SINGH RATHOR)
JUDGE

20.04.2026
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Whether speaking/reasoned.	:	Yes/No
Whether Reportable.	:	Yes/No