IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

I. **FAO-1916-1993**

Dalip Singh and Another **. . . . Appellants**

Vs.

Girdawari . . . . Respondent

II. **FAO-1550-1994**

Girdawari **. . . . Appellant**

Vs.

Dalip Singh and Others . . . . Respondents

III. **FAO-592-1995**

Jagdish **. . . . Appellant**

Vs.

Dalip Singh and Others . . . . Respondents

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Reserved on: 22.04.2026
Pronounced on: 27.04.2026
Pronounced fully/operative part: Fully

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CORAM: HON'BLE MR JUSTICE DEEPAK GUPTA

Argued by:- Mr. Santosh K. Maurya, Advocate for
Mr. Ravi Kamal Gupta, Advocate for the
appellants- driver and owner in FAO-1916-1993.

Mr. Deepinder Singh Walia, Advocate for
the appellants- claimants in
FAO Nos.1550 of 1994 and 592 of 1995.

Respondent- Insurance Company already *ex parte*.

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DEEPAK GUPTA, J.

The present batch of three appeals arises out of a common award dated 04.11.1993 passed by the learned Motor Accident Claims Tribunal, Hisar, whereby three claim petitions filed under Section 166 of the Motor Vehicles Act were decided together. Two of the appeals have been preferred by the claimants seeking enhancement of compensation, whereas the third appeal has been filed by the driver and owner of the offending vehicle assailing the fastening of liability upon them.

2. The factual position emerging from the record is that on 02.10.1991 at about 01:30 PM, Balwant (since deceased), Naraini and Jagdish were travelling in Tata Cantor bearing registration No. HR-22-2557, which was being driven by respondent No.1 in a rash and negligent manner. Due to sudden application of brakes, the vehicle turned turtle, resulting in injuries to all the occupants. Balwant succumbed to the injuries on 15.10.1991. The claim petition on account of his death was filed by his widow and son, whereas separate petitions were filed by the injured claimants.

3. The learned Tribunal, upon appreciation of the evidence, returned a categorical finding that the accident had occurred on account of rash and negligent driving of the offending vehicle. The said finding has remained unchallenged in substance, particularly as the appeal filed by the driver and owner has not been pursued.

4. Even otherwise, this Court, upon reappraisal of the material on record, finds no perversity in the said finding, which is based upon proper appreciation of evidence and thus calls for no interference.

5. The principal question which arises for consideration is with regard to the adequacy of compensation awarded to the claimants on account of death of Balwant. The Tribunal assessed the income of the deceased at ₹1,000/- per month. Though it has been contended that the deceased was earning ₹2,000/- per month as an agriculturist, no cogent evidence has been produced to substantiate the same. Keeping in view the fact that the accident pertains to the year 1991 and the prevailing minimum wages at that time, the assessment of income at ₹1,000/- per month is maintained. The annual income, therefore, comes to ₹12,000/-.

6. However, the Tribunal has erred in not making any addition towards future prospects. In view of the law laid down in ***National Insurance Company Limited v. Pranay Sethi and ors. (2017) 16 SCC 680,*** an addition of 25% towards future prospects is warranted, considering that the deceased was 48 years of age. The annual income thus stands enhanced to ₹15,000/-.

7. Since there were two dependents, deduction of one-third towards personal expenses is appropriate. The annual loss of dependency, therefore, comes to ₹10,000/-. The Tribunal has applied an incorrect multiplier. As per the judgment of the Hon'ble Supreme Court in ***Sarla Verma and ors. v. Delhi Transport Corporation and anr. (2009) 6 SCC 121,*** the appropriate multiplier for a person aged 48 years is 13. Accordingly, the total loss of dependency is assessed at ₹1,30,000/-.

8. The Tribunal has further failed to award just compensation under conventional heads. In view of the law laid down in ***Magma General Insurance Co. Ltd. v. Nanu Ram alias Chuhru Ram and ors. 2018 (18) SCC 130,*** the claimants are entitled to consortium. However, bearing in mind that the accident occurred as far back as October 1991, the claimants are held entitled to compensation under the conventional heads as well. Accordingly, a sum of ₹15,000/- each is awarded towards spousal and parental consortium to the two claimants. Further, a sum of ₹7,500/- each is awarded under the heads of funeral expenses and loss of estate. On such re-computation, the total compensation is determined at ₹1,75,000/-.

9. It has also come on record that an amount of ₹18,000/- was spent on treatment of the deceased prior to his death. The said amount deserves to be reimbursed.

10. Thus, the total compensation payable to the claimants is re-computed as under:

- Loss of dependency : ₹1,30,000/-
- Consortium : ₹30,000/-

- Funeral expenses : ₹7,500/-
- Loss of estate : ₹7,500/-
- Medical expenses : ₹18,000/-
- **Total : ₹1,93,000/-**

11. After deducting the amount of ₹1,05,000/- already awarded by the Tribunal, the enhanced compensation works out to ₹88,000/-.

12. The claimants shall be entitled to the enhanced amount along with interest at the rate of 7.5% per annum from the date of filing of the claim petition till realization. The amount shall be shared equally between the claimants.

13. Coming to the appeal filed by the injured Jagdish, this Court finds that the compensation awarded by the Tribunal is wholly inadequate. Though there is no clear evidence of grievous injury or permanent disability, the nature of injuries, as reflected in the medico-legal report, clearly indicates that the claimant would have suffered pain and incurred some expenditure on treatment.

13. In the absence of precise documentary evidence, a reasonable assessment is required to be made. Accordingly, a sum of ₹10,000/- is awarded towards pain and suffering and ₹5,000/- towards medical expenses, making a total of ₹15,000/-. After deducting ₹500/- already awarded by the Tribunal, the enhanced compensation comes to ₹14,500/-, payable along with interest at the rate of 7.5% per annum from the date of filing of the claim petition till realization.

14. As regards the issue of liability, the Tribunal has exonerated the insurance company on the ground that the claimants were travelling in a goods vehicle in violation of the policy conditions. However, the legal position in this regard is now well settled. In ***Sunita and ors. v. United India Insurance Company Ltd. and ors., 2025 SCC Online SC 1464,*** the Hon'ble Supreme Court has reiterated that even in cases of breach of policy conditions, the insurance company is liable to first satisfy the award and thereafter recover the amount

from the owner of the vehicle. Similar view has been taken in ***Anu Bhanvara etc. v. IFFCO Tokio General Insurance Co. Ltd. and ors. (2020) 20 SCC 632,*** and ***Puttappa and ors. v. Rama Naik and anr. 2018 SCC Online SC 3496***.

15. In view of the aforesaid settled legal position, it is held that the insurance company shall pay the entire compensation amount, including the enhanced compensation awarded by this Court, to the claimants in the first instance and shall thereafter be entitled to recover the same from the owner of the offending vehicle.

16. Consequently, the appeal filed by the claimants on account of death of Balwant (FAO No.1550 of 1994) is partly allowed to the extent indicated above, the appeal filed by the injured Jagdish (FAO No.592 of 1995) is allowed, and the appeal filed by the driver & owner (FAO No.1916 of 1993) is dismissed for non-prosecution. All the appeals stand disposed of accordingly.

(DEEPAK GUPTA)
JUDGE

27.04.2026
Neetika Tuteja

Whether speaking/reasoned? Yes/No
Whether reportable? Yes/No

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