



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

(101)

FAO No. 487 of 1996 (O&M)**Reserved on: 21.01.2026****Pronounced on: 27.01.2026****Uploaded on: 28.01.2026**

Joginder Pal Handa

...Appellant

Versus

State of Haryana and another

...Respondents

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present:- Mr. Pradeep Virk, Senior Advocate with
Mr. Kamal Deep, Advocate,
for the Appellant.

Mr. Ved Parkash, Sr. DAG, Haryana
for the Respondent No.1

Mr. J.S. Dahiya, Advocate
for the Respondent No.2(Through V.C.).

VIRINDER AGGARWAL, J.

1. The present appeal has been preferred by the claimant-injured seeking enhancement of compensation awarded vide award dated 21.02.1995 passed by the Motor Accident Claims Tribunal, Ambala, whereby the compensation of ₹50,000/- along with interest at 12% per annum was granted on account of injury in a motor vehicular accident that took place on 07.09.1991. Dissatisfied with the said assessment and the quantum of compensation, the claimant has approached this Court.

BACKGROUND FACTS

2. On 07.09.1991, the appellant was driving his scooter bearing no. PAU-5612 and met with an accident due to rash and negligent driving of the



offending vehicle (Jeep bearing no. HNE-995) driven by the Respondent no.2. As a result of the accident, he suffered fracture of both bones of the right leg and other parts of the body and thereafter remained under treatment for a considerable period. A disability certificate on record shows that he has suffered 50% permanent physical disability of the right lower limb. It is the case of the appellant that he was a qualified Engineer by profession and remained under employment in Indian Navy and also in Merchant Navy Shipping Corporation of India and other firms. That prior to the accident, he had got appointment from M/S. Ocean Clan Maritime Private Limited Singapore. The contract was to commence shortly and he was to join shortly after the date of accident. He was to draw a salary of USD 1500 per month. However, because of the injuries and permanent disability suffered in the accident, he could not join the said employment and permanently lost his career prospects in the Merchant Navy. Hence, he had filed the Claim Petition for compensation amounting to ₹35,00,000/-.

3. Upon appreciation of the oral and documentary evidence on record, the learned Tribunal concluded that the accident in question and the resultant injuries of appellant were duly proved and occurred due to the rash and negligent driving of respondent No.2, driver of Jeep bearing no. HNE-995. The learned Tribunal awarded compensation under medical expenses, pain and suffering and allied heads. However, the learned Tribunal declined to accept the projected income on the ground that the claimant had last worked in the year 1990 and there was no proof of actual income on the date of accident. Consequently, only 10,000/- was awarded towards loss of future earning capacity and loss of amenities. However, the learned Tribunal awarded a total



compensation of ₹ 50,000/- including other different heads like medical expenses, pain and suffering.

CONTENTIONS

4. Learned counsel for the appellant argued that the compensation awarded by the learned Tribunal is grossly inadequate and inconsistent with the settled principles for determining just compensation. Learned counsel submits that the learned Tribunal erred in ignoring the contract of employment duly proved on record showing that the appellant was selected as third Engineer and was to receive USD 1500 per month. It is argued that the income was not speculative but a concrete contractual appointment which the appellant could not join only because of the accident. It is further submitted that though the medical disability is assessed at 50%, the functional disability is 100% because the appellant can no longer work as a marine engineer, which requires full physical fitness and sea-worthiness certification and for that work he was found eligible and was contracted.

5. Learned counsel for the respondents supports the award of the learned Tribunal and submits that the alleged income is hypothetical and uncertain. It is argued that the claimant was not actually earning at the time of accident and therefore no future loss ought to be granted.

OBSERVATIONS AND FINDINGS

6. I have heard learned counsel for the parties and perused the complete records. On due consideration of the findings recorded by the learned Tribunal, particularly on the issue of negligence and fastening of liability, I find no reason to take a different view. The findings on those aspects are accordingly affirmed.

However, the core issue arising in the appeal is whether the claimant's income



can be assessed on the basis of the contract of employment and the effect thereof on the quantum of compensation

(i) Income

7. The learned Tribunal has declined to accept the income projected by the claimant primarily on the ground that he had last worked in the year 1990 and was not in active employment at the time of accident. The said finding, in the considered opinion of this Court, is contrary to the evidence available on record and therefore cannot be sustained. The evidence on record clearly establishes that the claimant had initially served in the Indian Navy and thereafter continued his professional career in the Merchant Navy and other shipping establishments on contractual basis. The discharge certificate issued by the competent authority, placed on record as Ex. P-53, substantiates that the claimant had requisite technical qualifications, marine experience and valid sea service credentials enabling him to undertake employment in merchant vessels. Even the findings recorded by the learned Tribunal acknowledge that the claimant had remained engaged in maritime service after his retirement from the Indian Navy and had been working on contractual assignments subject to medical fitness and availability of contracts. Therefore, the conclusion drawn by the learned Tribunal that the claimant had stopped working altogether after 1990 is not borne out from the record and deserves to be discarded.

8. It further stands duly proved that vide Contract of Employment dated 04.09.1991, issued by M/s Ocean Clan Maritime Pvt. Ltd., Singapore, the claimant had been appointed as Third Engineer on board MV “Offi Gloria”, and was scheduled to join the said vessel on 15.09.1991. The contract of employment forms part of the record. Thus, the appointment was not a mere

possibility or expectation but a concrete and enforceable engagement which



was to commence within a few days. Unfortunately, before the claimant could join the said assignment, the accident occurred on 07.09.1991, in which he sustained grievous injuries resulting in fracture of the right leg. As borne out from the medical evidence on record, including the testimony of the doctor from PGI examined as PW-4 and the disability certificate Ex. PW-4/A, the claimant's right leg got shortened by about 1½ inches, and he was left with permanent physical disability, affecting his ability to walk normally. The medical evidence further establishes that the claimant remained under prolonged treatment and suffered lasting functional limitations. Owing to the said disability, the claimant could not meet the stringent medical fitness standards required for service in Merchant Navy and, consequently, could not join the said contractual employment. The joining of the claimant was thus imminent, and the only reason for non-joining was the accident and the resultant disability.

9. It is a matter of natural and reasonable inference that once an appointment letter is issued to a person, such loss of employment opportunity cannot be termed as speculative or imaginary. It becomes a *reasonable and prospective certainty*. The issuance of an appointment letter carries with it a presumption of certainty of employment, subject only to completing formal joining. Further, when a person has successfully obtained an appointment letter, the income corresponding to that post cannot be termed hypothetical or uncertain. Therefore, the *prospective income* must be treated as income for computing loss of future income. The fact that the person could not physically join due to a sudden accident does not dilute the certainty of appointment, and this cannot be used to deprive him of their rightful compensation.



10. In the present case, as per the contract of employment on record, the claimant was offered a monthly salary of USD 1500. In the facts and circumstances of the present case, this Court holds that the said amount represents the legitimate prospective income of the claimant and deserves to be adopted for the purpose of computation of loss of future income arising out of permanent disability suffered in the accident. Consequently, the claimant's monthly income is determined at USD 1500 as legitimate prospective income for computation of compensation. At the relevant time, the average conversion rate of USD to INR was approximately ₹25 per dollar, therefore the monthly income in Indian currency works out to $USD\ 1500 \times ₹25 = ₹37,500$ per month.

11. Moreover, the Motor Vehicles Act is a beneficial and welfare-oriented legislation intended to provide *just, fair, and reasonable* compensation. The Courts are obligated to adopt a pragmatic approach so that compensation reflects the real loss of income and future earning capacity, rather than hypothetical or minimal figures. The principle that "compensation must be realistic and not symbolic" reinforces that documentary evidence such as an appointment letter must be given full evidentiary weight. In this context, the reassessment of income on the basis of the appellant's appointment is consistent with the object and purpose of the Act.

(ii) Reassessment Of Compensation

12. For the purpose of reassessment of compensation, the first issue which requires determination is the extent of functional disability so as to compute the loss of future earning capacity. The Unique Disability ID of the claimant bearing No. PB0410619450006829 issued on 23.11.2018 reflects 50% permanent physical disability of the right lower limb. However, it is trite law



that physical disability and functional disability are distinct concepts, and the latter has to be assessed with reference to the nature of avocation pursued by the injured. The consequence of the permanent disability suffered by the claimant is not merely a physical impairment but a complete deprivation of his future professional prospects in marine service. In the present case, the medical evidence on record clearly establishes shortening of the right leg, impaired gait and restricted mobility, which render the claimant medically unfit for deployment on board a vessel. As a direct consequence of the accidental injuries, the claimant has permanently lost the opportunity to pursue his chosen profession and earn livelihood as a marine engineer. But for the accident, he would have continued to serve in merchant marine service and earned regular contractual income. Thus, the accident has resulted in complete loss of future earning prospects in his specialized field. Applying the principles laid down by the Hon'ble Supreme Court in **Raj Kumar v. Ajay Kumar, (2011) 1 SCC 343**, wherein it has been held that functional disability must be assessed with reference to the impact of injury on the earning capacity of the victim, this Court holds that although the permanent physical disability is assessed at 50%, the functional disability for the profession of marine engineer is 100%, as the claimant is rendered completely incapable of pursuing his chosen vocation.

13. As already held hereinabove, the prospective monthly income of the claimant is taken as ₹37,500/-. Further, the age of the claimant at the time of accident, as per record, was 46 years. Hence, in view of the law laid down in **National Insurance Company Limited v. Pranay Sethi, (2017) 16 SCC 680** and **Sarla Verma v. Delhi Transport Corporation, (2009) 6 SCC 121**, the loss of future income due to permanent functional disability is computed as under:



Particulars	Amount (₹)
Monthly Income (100% Functional Disability)	37,500/-
Monthly Income with Future Prospects (25%)	46,875/- (37,500 + 9,375)
Annual Income	5,62,500/- (46,875 × 12)
Multiplier (Age 46 years)	13
Loss of Future Income	73,12,500/- (5,62,500 × 13)

14. Apart from loss of future earning capacity, the claimant is also entitled to just compensation under other pecuniary and non-pecuniary heads. The principles governing such assessment have been authoritatively laid down by the Hon’ble Supreme Court in **Raj Kumar v. Ajay Kumar, (2011) 1 SCC 343**, wherein it has been held that compensation in injury cases must adequately account for medical expenses, pain and suffering, loss of amenities, attendant charges, special diet, conveyance and future medical needs, depending upon the facts of each case. Thus, from the evidence on record and the medical bills (Ex. P-2 to Ex. P-50) and treatment record (Ex. P-1), the claimant remained hospitalized and underwent prolonged medical treatment on account of fracture of the right leg resulting in permanent disability. The compensation awarded under these heads by the learned Tribunal are found to be on the lower side and deserve enhancement in view of the nature of injuries and duration of treatment considering the severity of suffering and lifelong impairment. Accordingly, the claimant is held entitled to the following amounts:



Particulars	Re-assessed Compensation (₹)
Pain and suffering	20,000/-
Medical expenses	10,000/-
Transportation	5,000/-
Attendant	5,000/-
Special diet	10,000/-
Total	₹50,000/-

(iii) Consolidated Compensation

15. Thus, the total compensation payable to the claimant is reassessed as under:

Particulars	Amount (₹)
Loss of Future Income	₹73,12,500/-
Other Heads	₹50,000/-
Total	₹73,62,500/-

16. Resultantly, the compensation awarded by the learned Tribunal is enhanced from ₹50,000/- to ₹73,62,500/-. The enhanced amount shall carry interest at rate of 7% per annum from the date of filing of the claim petition till its realization. Though the claimant had claimed the compensation to the extend of ₹35 lakhs only, but it is well settled law that compensation has to be awarded as per the facts and circumstances of the case, irrespective of the amount claimed. The Amount of compensation in certain cases can exceed the claimed compensation as held in *Nagappa v. Gurudayal Singh*, 2003 (2) SCC 274, and *Rajesh v. Rajbir Singh*, 2013 (9) SCC 54.



17. Accordingly, the appeal is **allowed**. The impugned award dated 02.02.2001 is modified to the extent indicated above. The liability to pay the compensation shall remain joint and several upon the respondents as determined by the learned Tribunal. The manner of disbursement shall remain the same unless otherwise directed.

18. Since the main case has been decided, pending miscellaneous application(s), if any, stands also disposed of.

27.01.2026
Saurav Pathania

(VIRINDER AGGARWAL)
JUDGE

- (i) Whether speaking/reasoned : Yes/No
- (ii) Whether reportable : Yes/No