IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-4574-2004
Date of decision: 05.03.2026

Paramjit Kaur and others ...Appellants

Versus

Kalu Singh and others ...Respondents

CORAM: HON'BLE MR. JUSTICE DEEPAK GUPTA

Present: Mr. Karamjit Verma, Advocate for the appellants.

Mr. R.C. Gupta, Advocate
for respondent No.3-Insurance Company.

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DEEPAK GUPTA, J. (ORAL)

It is an appeal filed by the claimants seeking enhancement of the compensation awarded by the learned Motor Accident Claims Tribunal.

2. The facts giving rise to the present appeal are that in a motor vehicular accident, which occurred on 31.03.2001, Baljit Singh lost his life due to the rash and negligent driving of the offending vehicle i.e. car bearing registration No. PB-10-W-1117. The widow, two minor children and the parents of the deceased instituted a claim petition under the Motor Vehicles Act seeking compensation from the driver, owner and insurer of the offending vehicle. Upon appreciation of the evidence on record, the learned Tribunal allowed the claim petition and awarded a sum of ₹3,00,839/- as compensation along with interest, holding the respondents jointly and severally liable to pay the said amount. However, since the driver of the offending vehicle was found not to be holding a valid driving licence at the time of the accident, the Tribunal granted recovery rights to the insurance company to recover the awarded amount from the driver and owner after satisfying the award.

3. The claimants have approached this Court seeking enhancement of the compensation awarded by the Tribunal. Learned counsel for the appellants contends that the deceased was only 26 years of age at the time of the accident, yet the Tribunal failed to make any addition towards future prospects while assessing the income of the deceased. It is further argued that there were five dependents of the deceased, namely his widow, two minor children and parents, therefore only one-fourth deduction towards personal expenses ought to have been made, whereas the Tribunal wrongly applied deduction of one-third. It is also submitted that considering the age of the deceased, multiplier of 17 was liable to be applied in view of the settled principles of law, but the Tribunal adopted the multiplier of 16. It is further contended that inadequate compensation has been awarded under the conventional heads.

4. Learned counsel appearing for the insurance company fairly concedes that the compensation requires reassessment in the light of the principles laid down by the Hon'ble Supreme Court in ***National Insurance Company Limited v. Pranay Sethi and others, 2017(4) RCR (Civil) 1009, Sarla Verma and others v. Delhi Transport Corporation and another, (2009) 6 SCC 121 and Magma General Insurance Co. Ltd. v. Nanu Ram alias Chuhru Ram and others, 2018 (4) RCR (Civil) 333***. However, it is submitted that since the Tribunal has already granted recovery rights to the insurance company on account of the driver not possessing a valid driving licence, such recovery rights should remain intact.

5. Respondents No.1 and 2, namely the driver and owner of the offending vehicle, had not contested the proceedings before the Tribunal and were proceeded against ex parte. Therefore, in the present appeal, notice to them stands dispensed with.

6. The occurrence of the accident and the finding recorded by the Tribunal that the accident took place due to rash and negligent driving of car No. PB-10-W-1117 are not in dispute before this Court. The only question which arises for consideration in the present appeal is with regard to the quantum of compensation payable to the claimants.

7. It was the case of the claimants that the deceased was engaged in the business of sale and purchase of wood and was earning ₹10,000/- per month. However, no documentary evidence was produced to substantiate the said claim. In the absence of any reliable proof of income, the Tribunal assessed the income of the deceased notionally at ₹2,000/- per month. It is noticed that at the relevant time in the year 2001, the minimum wages payable to an unskilled worker were approximately ₹2,000/- per month. Learned counsel for the appellants has not seriously disputed the said assessment of income. Therefore, the monthly income of the deceased assessed by the Tribunal does not warrant interference.

8. Once the income of the deceased and his age are not in dispute, the compensation is required to be recalculated in accordance with the principles laid down by the Hon'ble Supreme Court in **Sarla Verma's case** and **Pranay Sethi's case**. The deceased was 26 years of age at the time of the accident. As per the law laid down in ***Pranay Sethi***, an addition of 40% towards future prospects is required to be made where the deceased was below 40 years of age and was self-employed or on a fixed income. Further, since there were five dependents of the deceased, the appropriate deduction towards personal and living expenses is one-fourth. The applicable multiplier for a person aged 26 years, as per the multiplier table approved in ***Sarla Verma***, is 17.

9. Accordingly, the loss of dependency is reworked as under:

- Monthly income : ₹2,000/-

  Annual income : ₹24,000/-

  After adding 40% towards future prospects : ₹33,600/-

  Deduction of 1/4th towards personal expenses : ₹8,400/

  Annual loss of dependency : ₹25,200/-
- Applying multiplier of 17:
- Loss of dependency = ₹25,200 × 17 = ₹4,28,400/-

10. Apart from the loss of dependency, the claimants are also entitled to compensation under the conventional heads. Though the principles relating to consortium were elaborately clarified in ***Pranay Sethi and others & Magma General Insurance Co. Ltd. v. Nanu Ram***, the accident in the present case occurred in the year 2001 and therefore, the amounts are required to be assessed keeping in view the parameters prevalent at the relevant time.

11. Accordingly, compensation of ₹20,000/- each is awarded towards loss of consortium/filial consortium/parental consortium to the five claimants, totaling ₹1,00,000/-. A further sum of ₹10,000/- each is awarded towards loss of estate and funeral expenses.

12. Thus, the total compensation payable works out as under:

- Loss of dependency : ₹4,28,400/-

  Loss of consortium (5 × 20,000) : ₹1,00,000/-

  Loss of estate : ₹10,000/-

  Funeral expenses : ₹10,000/-
- **Total compensation : ₹5,48,400/-**

13. The Tribunal had awarded a sum of ₹3,00,839/-. After deducting the said amount, the enhanced compensation payable to the claimants works out to ₹2,47,561/-. To round off the figure, the enhanced

compensation is assessed at **₹2,48,000/-**.

14. The enhanced amount of ₹2,48,000/- shall be payable to the appellants-claimants along with interest @ 7.5% per annum from the date of filing of the claim petition till its realization. The amount shall be apportioned amongst the claimants in the same proportion as determined by the learned Tribunal.

15. The liability of the respondents shall remain joint and several. However, since the driver of the offending vehicle was not holding a valid driving licence at the time of the accident, the recovery rights granted to the insurance company by the Tribunal shall remain intact.

16. With the aforesaid modification in the quantum of compensation, the present appeal stands disposed of.

05.03.2026 **(DEEPAK GUPTA)**
Yogesh **JUDGE**

Whether speaking/reasoned:- Yes/No
Whether reportable:- Yes/No