227 IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

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FAO-5218-2003 (O&M)
Date of Decision:07.05.2026

SMT. KALA WATI AND OTHERS

.....Appellants

VERSUS

CHAND @ MAHENDER SINGH AND OTHERS

.....Respondents

CORAM:- HON'BLE MR. JUSTICE YASHVIR SINGH RATHOR

Present:- Mr. Ankit Kumar, Advocate for
Mr. KDS Hooda, Advocate for the appellants.

Mr. D.K. Dogra, Advocate
for respondent No.3- New India Assurance Co. Ltd.

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YASHVIR SINGH RATHOR, J. (ORAL)

1. This appeal has been instituted against the Award dated 12.06.2003 for enhancement of compensation awarded in MACT Case No.93 of 2002 decided by the MACT, Panipat (**for short "Tribunal"**), in a petition under Sections 140 and 166 of Motor Vehicles Act, 1988 vide which a sum of Rs.9,37,743/- has been awarded as compensation to the claimants/appellants along with interest at the rate of 9% per annum from the date of filing of claim petition till realization on account of death of Medh Singh @ Umed Singh in a motor vehicle accident.

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

> *"1. Whether the accident took place due to rash and negligent driving of bus No.HR-45-0717 by respondent No.1? OPP*
>
> *2. Whether the petitioners are entitled to compensation, if so, to what amount and from whom? OPP.*
>
> *3. Whether the bus was being driven against the terms and conditions of the Insurance Policy? OPR.*
>
> *4. 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.9,37,743/- as compensation to the claimants/appellants, on account of death of Medh Singh @ Umed Singh along with interest @ 9% per annum from the date of filing of claim petition till realization.

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

6. It is pertinent to mention that the record of the present appeal and the Tribunal has got burnt in a fire incident in the High Court and the present appeal has to be decided on the basis of the facts and evidence discussed by the Tribunal in the impugned Award.

7. 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 the offending

bus bearing No.HR-45-0717, 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.

8. Learned counsel for the appellants argued that the impugned award vide which compensation of Rs.9,37,743/- has been awarded is based on conjectures and surmises and is liable to be modified and enhanced amount of compensation should be awarded. Learned counsel contended that compensation awarded to the claimants has been assessed on lower side. Future prospects have also not been added to the monthly income of the deceased contrary to settled provisions of law. Learned counsel further contended that deceased was 43 years of age and multiplier of 12 has been applied whereas multiplier of 14 should have been applied. The compensation awarded towards loss of consortium, loss of estate and funeral expenses is also on the lower side and he prayed that same be suitably enhanced. In support of his contentions, learned counsel for the appellants has relied upon 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**, (2021) 11 SCC 780 **United India Insurance Co. Ltd. Vs. Satinder Kaur.**

9. On the other hand, learned counsel for respondent No.3 argued that the award in question is well reasoned and justified. The material on file has been

appreciated in the correct perspective while assessing the compensation and no interference in the same is thus called for and appeal in hand be dismissed.

10. 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.

11. As per version of claimants, deceased Medh Singh @ Umed Singh was working in Punjab National Bank and was getting Rs.8,938/- per month as salary. He was 42 years of age at the time of his death. Claimant No.1 is the wife, claimants No.2 to 6 are minor children and claimants No.7 and 8 are the parents of

the deceased, who all were dependent upon him. The Tribunal after going through the evidence on file assessed his monthly income to be Rs.9,663/-. After deducting one-third of the income towards personal and living expenses and taking the age of the deceased as 43 years, the Tribunal applied a multiplier of 12 and assessed the total loss of dependency at Rs.9,27,743/-. In addition to this, a sum of Rs.10,000/- was awarded towards funeral expenses, loss of consortium and loss of estate and in all, a sum of Rs.9,37,743/- was awarded as compensation.

12. However, the compensation awarded by the Tribunal is not in consonance with the law laid down by the Hon'ble Supreme Court in **Sarla Verma's case** (supra), **Pranay Sethi's case** (supra), **Nanu Ram's case** (supra) **and Satinder Kaur's case** (supra). Consequently, the compensation awarded by the |Tribunal is liable to be enhanced.

13. Admittedly, deceased was getting salary of Rs.9,663/- per month. He was 43 years of age and was a permanent employee with Punjab National Bank and as such, 30% amount has to be added to the monthly income of the deceased towards future prospects in view of law laid down in **Pranay Sethi's case (supra),** which takes his income to **Rs.12,562/-** per month **(Rs.9,663/- + Rs.2899/-).**

14. As per claimants, deceased has left behind eight dependents including his wife, five minor children and parents. However, in view of law laid down in **Sarla Verma's case (supra),** father cannot be termed as dependent upon his deceased son and he is thus not entitled to any compensation except on account of filial consortium. As such, deceased has thus left behind seven dependents and

1/5th of the income has to be deducted towards personal and living expenses as per law laid down in **Sarla Verma's case (supra)** and after deducting the same, the monthly loss of dependency comes out to Rs.10,049/- and the annual loss of dependency comes out to **Rs.1,20,588/- (Rs.10,049/- X 12).**

15. Since deceased was 43 years of age, multiplier of 14 has to be applied in view of the guidelines laid down in **Sarla Verma's case (supra)**, and after applying the same, the total loss of dependency comes out to **Rs.16,88,232/- (Rs.1,20,588/- x 14).**

16. In addition to this, claimant No.1 (wife 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, claimants No.2 to 6 (daughters and sons of the deceased) and claimants No.7 and 8 (father and mother of the deceased) are also held entitled to a sum of **Rs.40,000/- each** on account of loss of parental and 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.20,38,232/- (Rs.16,88,232/- + Rs.3,50,000/-)**.

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

S.No.	**Under Head**	
1.	Monthly income of deceased	Rs.9663/- per month
2.	Age of deceased	43 years
3.	Future prospects @30%	Rs.2899 /-
4.	Total income	Rs.12,562/-
5.	Number of dependents	7

6.	Deduction towards personal expenses of the deceased	Rs.2,513/- (1/5th)
7.	Monthly loss of dependency	Rs.10,049/-
8.	Annual loss of dependency	Rs.1,20,588/- (Rs.10,049/- X 12)
9.	Multiplier	14
10.	Compensation on account of Loss of dependency	Rs.16,88,232/- (Rs.1,20,588/- x 14)
11.	Compensation under conventional heads to claimant No.1- wife	Rs.70,000/-
12.	Compensation to remaining claimants for loss of parental and filial consortium (daughters, sons, mother and father)	Rs.2,80,000/- (Rs.40,000/- x 7)
	Total Compensation	**Rs.20,38,232/-**
	Interest	9%

18. Resultantly, the appeal in hand is partly accepted with costs and appellants/claimants are held entitled to a sum of **Rs.20,38,232/-** as compensation. The enhanced compensation thus comes out to **Rs.11,00,489/- (Rs.20,38,232/- - Rs.9,37,743/-) (rounded off to Rs.11,00,500/-)** 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. 16.05.2000 till realization payable by respondents No.1 to 3 jointly and severally. Out of the enhanced compensation, a sum of Rs.1,00,000/- each along with proportionate interest be paid to claimants No.2 to 6 and 8 (children and mother of the deceased), a sum of Rs.40,000/- along with proportionate interest be paid to claimant No.7 (father of the deceased) while remaining amount be paid to claimant No.1 (wife) along with proportionate interest.

19. 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.

20. Pending miscellaneous application(s), if any, shall also stand disposed of.

(YASHVIR SINGH RATHOR)
JUDGE

07.05.2026
Priyanka Thakur

Whether Speaking/reasoned Yes/No
Whether Reportable Yes/No