(Pronouncement)

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

FAO No. 4753 of 2019 (O&M)
Reserved On: 17.02.2026
Pronounced On: 19.03.2026
Uploaded On:19.03.2026

Dharam Raj and others

...Appellants

Versus

Ismail and others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Argued By:- Mr. Arjun Atri, Advocate
for the appellants-claimants.

Mr. Gaurav, Advocate for
Mr. Sanjeev Goyal, Advocate
for respondent No. 4-Insurance Company.

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HARKESH MANUJA, J.

By way of present appeal, challenge has been laid to an award dated 30.04.2014 passed by the learned Motor Accident Claims Tribunal, Mewat **(for brevity, "the Tribunal")**, whereby an amount of Rs.6,01,000/- was awarded as compensation to the appellants/claimants along with interest @ 7.5% per annum from the date of filing of petition till its realization on account of death of Pooran in motor vehicular accident, that occurred on 21.03.2011.

[2] Since the sole issue for determination in the present appeal is confined to the quantum of compensation, a detailed narration of the facts of the case is omitted herein for the sake of brevity.

ARGUMENTS ON BEHALF OF LEARNED COUNSEL FOR THE APPELLANTS

[3] Learned counsel for the appellants/claimants assailed the impugned award on the ground that the learned Tribunal erroneously assessed the compensation at a paltry sum of ₹ 6,01,000/-. It was further contended that the learned Tribunal failed to award any amount under the conventional heads of parental consortium and loss of estate. Learned counsel also submitted that the rate of interest awarded by the learned Tribunal was on the lower side and, therefore, deserved to be suitably enhanced. It was additionally argued that the interest ought to have been awarded from the date of the accident, instead of from the date of filing of the claim petition. On the aforesaid grounds, learned counsel prayed for enhancement of the compensation awarded by the Tribunal.

ARGUMENTS ON BEHALF OF LEARNED COUNSEL FOR RESPONDENT No.4/INSURANCE COMPANY

[4] Per contra, learned counsel representing respondent No.4-Insurance Company neither refuted the factum of accident nor even the negligence of the offending vehicle, however submitted that in the facts of the present case, the compensation assessed by the learned Tribunal called for no interference.

DISCUSSION AND REASONING

[5] I have heard learned counsels for the parties and perused the paper-book of the case. I find force in the arguments advanced by learned Counsel for the appellants.

QUESTION AS TO THE INCOME OF THE DECEASED

[6] In the present case, no oral or documentary evidence was brought on record to establish the exact nature of employment or the monthly income of the deceased. The learned Tribunal, treating the deceased as a casual labourer, assessed his monthly income at the rate of Rs 4,500/-. It may be noted that the proceedings in Motor Accident Claims, are summary in nature and strict rules of evidence are not required to be adhered to. It is equally well settled that while determining the notional income in cases where strict proof is not forthcoming, the Court is required to adopt a pragmatic and realistic approach so as to arrive at a just and reasonable figure, keeping in view the surrounding circumstances and the economic realities of life.

[6.1] In this regard, the Hon'ble Supreme Court in case of ***"Chandra @ Chanda @ Chandraram vs. Mukesh Kumar Yadav & Ors."***, reported as ***(2022) 1 SCC 198***, held that in the absence of proof of income, the minimum wage notification can be a yardstick but at the same time cannot be absolute one to fix the income of the deceased and some guesswork is required to be done to assess the income. Relevant excerpt thereof is reproduced hereunder:-

> *"…….In the absence of salary certificate the minimum wage notification can be a yardstick but at the same time cannot be an absolute one to fix the income of the deceased. In the absence of documentary evidence on record some amount of guesswork is required to be done. But at the same time the guesswork for assessing the income of deceased should not be totally detached from reality. Merely because claimants were unable to produce*

documentary evidence to show the monthly income of Shivpal, same does not justify adoption of lowest tier of minimum wage while computing the income. There is no reason to discard the oral evidence of the wife of the deceased who has deposed that late Shivpal was earning around Rs. 15,000/- per month……"

[6.2] Further, the Hon'ble Supreme Court reiterated the same in the case of ***Jakir Hussein vs. Sabir and others,*** reported as ***2015(2) R.C.R (Civil)141*** . Relevant excerpt is reproduced herein below:

> *" the wage rate as per the minimum wage notification is only a yardstick and not an absolute factor to be taken to determine the compensation under the future loss of income. Minimum wage, as per the State government notification alone may at times fail to meet the requirements that are needed to maintain the basic quality of life since it is not inclusive of factors of cost of living index."*

[7] In the case at hand, the deceased was maintaining his family comprising three sons, out of whom two were minors at the time of the accident. This circumstance itself indicates that the deceased was earning sufficiently to sustain and support his household. Keeping in view the prevailing wages of unskilled labourers at the relevant point of time, the responsibility of maintaining a family, and the general rise in the cost of living, this Court deems it just and appropriate to reassess the monthly income of the deceased at ₹5,500/-.

QUESTION OF FUTURE PROSPECTS, MULTIPLIER AND DEDUCTION TOWARDS PERSONAL EXPENSES

[8] In the present case, no evidence other than the Post Mortem Report (Ex. PW-7/B) of deceased Pooran was brought on record and the same reflects the age of the deceased as 32 years. Accordingly, it can safely be taken that the deceased was 32 years of age at the time of the accident. Thus, in view of the law laid down in ***"Smt. Sarla Verma and others Versus Delhi Transport Corporation and another"***, reported as ***2009(3) RCR (Civil) 77***, and ***"National Insurance Co. Ltd. Versus Pranay Sethi and others"*** reported as ***(2017) 16 SCC 680***, 40% of the income is granted towards future prospects. Further, since the deceased was survived by 3 sons, ld. Tribunal rightly applied deduction of 1/3rd towards his personal expenses and was correct in applying multiplier of 16 while considering him to be 32 years old.

QUESTION OF COMPENSATION UNDER CONVENTIONAL HEADS

[9] Furthermore, in view of the judgment of the Hon'ble Apex Court in ***Smt. Sarla Verma's case (supra)***, ***Pranay Sethi's case (supra)*** and ***"United India Insurance Co.Ltd. vs. Satinder Kaur",*** reported as ***(2021) 11 SCC 780,*** compensation awarded under conventional heads is also required to be assessed accordingly. The appellants/claimants are thus, held entitled for Rs. 18,000/- as compensation under funeral head and Rs. 18,000/- towards loss of estate. Loss of Consortium is assessed to the tune of Rs. 1,44,000/- (48,000 x 3) as appellants/claimants being the sons of the deceased are entitled to parental consortium.

QUESTION OF LIABLITY AND RECOVERY RIGHTS

[10] The findings recorded by the learned Tribunal on Issue Nos. 3 and 4, pertaining to the possession of a valid and effective driving licence by respondent No. 3 (driver) at the time of the accident and the alleged violation of the terms and conditions of the insurance policy by respondent No. 1 (owner), have been categorically returned against respondent No. 4 (Insurance Company), inasmuch as it failed to adduce any cogent evidence to substantiate its defence. In such circumstances, the learned Tribunal, while holding all the respondents jointly and severally liable, erred in granting respondent No. 4-Insurance Company recovery rights. Consequently, the entire liability to satisfy the award is fastened upon respondent No. 4-Insurance Company alone, without any right of recovery from the other respondents.

CONCLUSION

[11] In view of the discussion made hereinabove, the appellants/claimants are held entitled for the grant of compensation in the following manner:-

S.No.	Nature	Amount (in Rs.)
1.	Annual Income of Deceased (monthly income Rs. 5,500/-)	66,000/-
2.	Deduction (1/3rd)	22,000/-
3.	Net Income (Rs.66,000-Rs.22,000)	44,000/-
4.	Future Prospects (40%)	17,600/-
5.	Total Income (Rs.44,000 + Rs.17,600)	61,600/-
6.	**Loss of Income after applying multiplier of 16 as per the age of 32 years (61,600 x 16)**	**9,85,600/-**
7.	**Loss of estate**	**18,000/-**
8.	**Funeral Expenses**	**18,000/-**
9.	**Loss of Consortium (48,000 x 3)**	**1,44,000/-**
10.	**Total compensation**	**11,65,600/-**

11.	**Amount Awarded by the Tribunal**	**6,01,000/-**
12.	**Enhanced Compensation (10-11)**	**5,64,600/-**

[12] The grant of interest @ 7.5% per annum is not equitable and just in view of the observations made by the Hon'ble Supreme Court in ***"Smt. Supe Dei and others vs. National Insurance Company Limited and other,*** reported as ***(2009) (4) SCC 513*** and approved in a subsequent judgment titled as ***"Puttamma and others vs. K.L. Narayana Reddy and another, 2014 (1) RCR (Civil) 443***, thus, the interest is enhanced to 9% per annum on the amount of compensation awarded to the claimants from the date of institution of claim petition till its realization. In case the said amount is not paid within three months, the same shall be payable thereafter along with 12% interest from the expiry of period of three months from today. Needless to mention here that the amount of compensation already paid to the claimants shall be deducted from the enhanced compensation.

[13] In view of the aforesaid modification, the present appeal stands **disposed of**.

[14] Pending miscellaneous application(s), if any, shall also stand(s) disposed off.

March 19, 2026 **(HARKESH MANUJA)**
'dk kamra' **JUDGE**

Whether Speaking / Reasoned :	Yes	No
Whether Reportable :	Yes	No

DINESH KUMAR
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I attest to the accuracy and
integrity of this document