IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-714-2005 (O&M)

Surjit Singh ...**Appellant**

Versus

Simranjit Singh @ Tina minor
through his father & Ors. ...Respondents

Reserved on: 29.04.2026
Pronounced on: 1.05.2026
Pronounced fully/operative part: Fully

CORAM: HON'BLE MR. JUSTICE DEEPAK GUPTA

Argued by: None for the appellant.

Ms. Palak Sharma, Advocate for
Mr. Sandeep Chopra, Advocate for respondent No.1.

Mr. Vikas Mohan Gupta, Advocate and
Ms. Tanvi Aggarwal, Advocate and
Mr. Vineet Jain, Advocate for respondent No.3.

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DEEPAK GUPTA, J.

The present appeal has been preferred by the owner of the offending vehicle assailing the award dated 17.09.2004 passed by the learned Motor Accident Claims Tribunal, Ludhiana, whereby compensation of ₹1,10,000/- was awarded to the minor claimant—Simranjit Singh @ Tina, and the insurance company was granted recovery rights against the owner on account of breach of policy conditions.

2. The factual matrix, as emerges from the record, is that on 26.02.2002, the claimant, a minor aged about 9 years, was standing in the street along with his father, when a truck bearing registration No. RJ-13G-4043, loaded with cement and driven by respondent No.2—Ajaib Singh in a

rash and negligent manner, ran over him. As a result of the accident, both his legs were crushed and ultimately his left leg had to be amputated. FIR was registered and the claimant filed a petition under Section 166 of the Motor Vehicles Act seeking compensation.

3. The claim petition was contested by the respondents. The driver and owner denied negligence, whereas the insurance company took the plea that the driver was not holding a valid and effective driving licence at the time of the accident.

4. Upon appreciation of evidence, the learned Tribunal returned a categorical finding that the accident occurred due to rash and negligent driving of the offending vehicle. However, while assessing compensation, the Tribunal awarded only ₹1,10,000/- under various heads including medical expenses, disability and pain & suffering. It was further held that the initial driving licence of the driver was fake and, therefore, though the insurer was directed to satisfy the award, it was granted recovery rights against the owner.

5. Assailing the aforesaid award, the owner filed the present appeal primarily challenging the grant of recovery rights. However, during the course of hearing, it transpired that the appellant-owner was no longer interested in pursuing the appeal.

6. Notwithstanding the above, this Court, in exercise of its jurisdiction, vide order dated 28.08.2024, deemed it appropriate to examine the adequacy of compensation awarded, particularly keeping in view that the victim is a minor child, who has suffered permanent disability of a grave nature.

7. Learned counsel appearing on behalf of the claimant has contended that the compensation awarded by the Tribunal is wholly inadequate and does not satisfy the test of "just compensation". It is argued

that the Tribunal failed to consider the long-term impact of amputation on the life of the child and did not assess the loss of future earning capacity by applying the multiplier method.

8. *Per contra*, learned counsel for the insurance company has supported the grant of recovery rights on the ground that the driver was not holding a valid driving licence at the time of the accident.

9. Heard. The finding of the Tribunal with regard to negligence is based on proper appreciation of evidence and has not been seriously disputed before this Court. The same is, therefore, affirmed.

10. The primary question that arises for consideration is with regard to the adequacy of compensation. It is now well settled that the Motor Vehicles Act is a beneficial legislation and the Courts are under an obligation to award "just compensation", even if it requires enhancement in the absence of a cross-appeal, by invoking powers under Order XLI Rule 33 CPC.

11. In ***Ningamma and another v. United India Insurance Co***., ***2009 (13) SCC 710***, the Hon'ble Supreme Court emphasized that compensation must be just, fair and reasonable.

12. In the present case, the claimant is a 9-year-old child, who has suffered amputation of his left leg. Such disability has to be treated as functional disability, affecting the entire future life of the claimant. The Hon'ble Supreme Court in ***Raj Kumar v. Ajay Kumar and another (2011) 1 SCC 343*** has held that assessment must be based on the impact of disability on earning capacity and life.

13. Proceeding further, even in the case of minors, notional income can be taken and future prospects can be added, as held in ***Kishan Gopal and another v. Lala and others, 2014 (1) SCC 244.***

14. Applying the aforesaid principles, this Court finds that the Tribunal has grossly undervalued the compensation.

15. Taking the notional income at ₹15,000/- per annum and adding 40% towards future prospects in terms of ***National Insurance Co. Ltd. v. Pranay Sethi and others (2017) 16 SCC 680,*** the annual income comes to ₹21,000/-.

16. Applying the multiplier of 15, the total income comes to ₹3,15,000/-. Considering functional disability at 75%, on account of amputation of the left leg, the loss of future earning capacity works out to ₹2,36,250/-.

17. In addition thereto, the claimant is held entitled to compensation under various heads, namely:

- Medical expenses : ₹25,000/-
- Special diet and transportation : ₹25,000/-
- Attendant charges : ₹50,000/-
- Pain and suffering : ₹50,000/-
- Loss of amenities and enjoyment of life : ₹1,00,000/-
- Loss of marriage prospects : ₹1,00,000/-
- Thus, the total compensation is assessed at : ₹5,86,250/- (rounded off to ₹5,87,000/-)

18. After deducting the amount already awarded by the Tribunal, the enhancement comes to ₹4,77,000/-.

19. The finding of the Tribunal that the driver was not holding a valid driving licence has not been rebutted. Therefore, the insurance company shall satisfy the award in the first instance with liberty to recover the same from the owner and driver.

20. Accordingly, while the appeal filed by the owner stands dismissed, whereas the compensation payable to the claimant is enhanced to ₹5,87,000/-. He is held enhanced amount of ₹4,77,000/- along with interest @7.5% per annum from the date of filing of the claim petition till realization. The insurer shall satisfy the award and shall have recovery rights against the owner and driver.

01.05.2026 **(DEEPAK GUPTA)**
Yogesh **JUDGE**

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

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