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

Sr. No.206

FAO No.5494 of 2005 (O&M)
Date of Decision:06.02.2026

PREMO DEVI & ORS. .....APPELLANTS

VS.

SHAMO & ORS. .....RESPONDENTS

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

Present:- Mr. Arun Kumar Singal, Advocate for the appellants.

Ms. Madhu Sharma, Advocate for respondent No.6-NIC.

Mr. Lokendra Singh, Advocate and Ms. Mehak Sawhney, Advocate for respondents No.2 and 3.

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Yashvir Singh Rathor, J. (Oral)

1. This appeal has been instituted against award dated 22.07.2005 for enhancement of compensation awarded in MACT Case No.68 of 2004 decided by MACT, Panipat, **(for short, 'Tribunal')** in a petition under Sections 140 and 166 of the Motor Vehicles Act, 1988 vide which a sum of Rs.2,29,280/- has been awarded as compensation to the claimants/appellants to be paid by respondents No.1 and 2, jointly and severally, on account of death of Sat Pal Singh in a motor vehicular accident, who was husband of appellant No.1-Premo Devi, father of appellants No.2 & 3 and son of proforma respondents No.7 and 8.

2. The only issue required to be determined in the present appeal relates to assessment of compensation on account of the death of Sat Pal Singh and, therefore, the entire facts of the case with regard to the manner of accident are not required to be reproduced here for the sake of brevity as learned Tribunal has

come to the conclusion under issue No.1 that accident in question had taken place on account of rash and negligent driving on the part of respondent No.1-Talim, while driving the offending vehicle bearing No.HR-67-0590, which was owned by respondent No.2-Som Nath and insured with respondent No.3-National Insurance Company Limited and the said finding has not been assailed by the respondents either by filing any appeal or cross-objections.

3. From the pleadings of parties, following issues were framed:-

1. *Whether the accident in question took place due to rash and negligent driving of Jeep No.HR-67-0590 by respondent No.1? OPP*
2. *Whether the petitioner is entitled to any compensation if so how much and from whom? OPP*
3. *Whether the respondent No.1 was not holding a valid and effective driving licence at the time of the accident as alleged? OPR*
4. *Relief*

4. Thereafter, the parties led evidence in support of their case.

5. After hearing the parties and going through the material on the file, learned Tribunal awarded a sum of Rs.2,29,280/- as compensation to be paid by respondents No.1 to 4 (LRs of Talim) and 5, jointly and severally, as respondent No.1 was no holding a valid and effective driving licence and Insurance Company was exonerated of its liability to indemnify the insured. However, respondent No.3 shall pay the compensation to the claimants and thereafter, it shall have a right to recover the same from respondents No.1 to 5.

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

7. As per version of claimants/appellants, deceased was 50 years of age and an Ex-servicemen (ESM). He was drawing Rs.2,500/- per month as pension and besides this, he owned agricultural land and was also running a milk dairy. However, Tribunal did not believe the evidence led by the claimants to hold that deceased was owner of some land and was also running a dairy as no cogent and convincing evidence was led to prove this fact and self-serving statement of one of the claimant was disbelieved. After appreciating the evidence on file learned Tribunal came to the conclusion that the monthly income of the deceased was Rs.2,500/-. The accident had taken place in the month of June 2003 and during those days the minimum wages of the unskilled workers were around Rs.2,500/- per month and as such, there is no reason to discard the finding of the Tribunal vide which the income of deceased had taken as Rs.2,500/- per month.

8. Deceased was 50 years of age. As per guidelines laid down in 2017 ACJ 2700 – **National Insurance Co. Ltd. Vs. Pranay Sethi and Others,** 25% of the amount has to be added towards future prospects as deceased was not in permanent employment. After adding 25% towards the future prospects, the annual income of deceased comes out to **Rs.37,500/- (Rs.3,125/- X 12)**.

9. The Tribunal had deducted 1/3rd of the income towards 'personal expenses'. However, deceased was married and had left behind five dependents i.e. his parents, wife and two minor children and as per guidelines laid down in 2009(6) SCC 121 – **Smt. Sarla Verma and others Vs. Delhi Transport Corporation and Another**, deduction could have been 1/4th. After deducting one fourth of the income towards personal expenses, the annual dependency comes out to **Rs.28,140/-** (Rs.37,500/- - Rs.9,360).

10. The deceased was 50 years of age and multiplier of 11 was applied. However, as per guidelines laid down in **Sarla Verma's case (supra)**, the multiplier of 13 should have been applied. After applying the same, the compensation comes to **Rs.3,65,820/- (Rs.28,140/- x 13)**.

11. In addition to this, the claimant No.1 is also entitled to a sum of **Rs.40,000/-** towards consortium, **Rs.15,000/-** towards loss of estate and **Rs.15,000/-** towards funeral expenses. Remaining claimants i.e. the two minor children and parents are also held entitled to a sum of **Rs.40,000/- each** towards consortium in view of law laid down in 2018 (4) R.C.R. (Civil) 333, ***'Magma General Insurance Co. Ltd. v. Nanu Ram alias Chuhru Ram & Others'***. The total compensation payable thus comes out to **Rs.5,95,820/-** as against Rs.2,29,280/- awarded by the Tribunal.

12. Accordingly, the compensation to be awarded to the claimant as assessed as under:-

S.No.	***Under Head***	***Compensation awarded by the Tribunal***	***Compensation awarded by High Court***
1.	*Income of the deceased*	*Rs.2,500/- p.m.*	*Rs.2,500/- p.m.*
2.	*Age of the deceased*	*50 years*	*50 years*
3.	*Add-future prospects @ 25%*	*Nil*	*Rs.625/- p.m.*
4.	*Total Income*	*Rs.2,500/- p.m. Rs.30,000/- per annum*	*Rs.3,125/- p.m. Rs.37,500/- per annum*
5.	*Number of dependents*	*5*	*5*
6.	*Deduction towards Personal expenses of the deceased*	*Rs.835/- p.m. Rs.10,020/- per annum (one third)*	*Rs.780/- p.m. Rs.9,360/- per annum (one fourth)*
7.	*Annual loss of dependency*	*Rs.19,980/- per annum (Rs. 30,000/- - Rs.10,020/-)*	*Rs.28,140/- per annum (Rs.37,500/- - Rs.9,360/-)*
8.	*Multiplier*	*11*	*13*

9.	*Total loss of dependency*	*(Rs.19,980/- X 11) Rs.2,19,780/-*	*(Rs.28,140/- X 13) Rs.3,65,820/-*
10.	*Compensation for loss of consortium to wife, two minor children and parents*	*Rs.5,000/- to claimant No.1*	*(Rs.40,000/- X 5) Rs.2,00,000/-*
11.	*Compensation for the loss of estate*	*Rs.2,500/-*	*Rs.15,000/-*
12.	*Compensation towards funeral expenses*	*Rs.2,000/-*	*Rs.15,000/-*
13.	***Total compensation***	***Rs.2,29,280/-***	***Rs.5,95,820/-***
14.	***Interest***	***Nil***	***9%***

13. Accordingly, enhanced compensation payable to claimants comes to **Rs.3,66,540/-** (**Rs.5,95,820/- - Rs.2,29,280/-)**, which is rounded off to **Rs.3,67,000/-.** Resultantly, the petition in hand is partly accepted with costs and appellants and proforma respondents No.7 and 8 are held entitled to a sum of **Rs.3,67,000/-** as enhanced compensation 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. 04.08.2003 till realization payable by respondents No.1 to 4 (LRs of Talim-respondent No.1 in claim petition) and No.5-Som Nath, jointly and severally. However, respondent No.6 shall pay the enhanced compensation to the claimants and thereafter, it shall have a right to recover the same from LRs of driver (respondents No.1 to 4) and owner (respondent No.5), without filing a separate suit along with interest at the rate of 6% per annum on the awarded amount from the date of deposit till realization.

14. Pending misc. application(s), if any, shall also stand disposed of.

February 06, 2026 **(YASHVIR SINGH RATHOR)**
Vishal Vardhan **JUDGE**

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