



IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

FAO-3280-2024(O&M)
Date of decision: 18.03.2026

Paramjit Singh and another
... Appellants
Versus
Mangal Singh and others
... Respondents

CORAM: HON’BLE MR. JUSTICE VIKRAM AGGARWAL

Present: Mr. Munish Garg, Advocate,
for the appellants.

Mr. Punit Jain, Advocate,
for respondent No.3-Insurance Company.

VIKRAM AGGARWAL, J. (ORAL)

The instant appeal has been instituted by the appellants-claimants seeking enhancement in compensation awarded by the Motor Accident Claims Tribunal, Barnala (for short “the **MACT**”), vide award dated 19.12.2023, on account of death of one Sukhpreet Singh, who expired in a motor vehicular accident, which took place on 28.02.2023.

2. A claim petition under Section 166 of the Motor Vehicles Act, 1988 (hereinafter referred to as ‘**the MV Act**’) was filed by the claimants namely, Charanjit Kaur and Paramjit Singh (parents of the deceased). It was pleaded that on 28.02.2023, Sukhpreet Singh was travelling from Dhanaula towards village Kaleke on a motorcycle bearing registration No.PB-04-B-0882. Upon reaching near a brick kiln within the area of village Kaleke, a Bolero Maxitruck bearing registration No. PB-19-H-7656 (hereinafter referred to as ‘**the offending vehicle**’), laden with LPG gas cylinders and



being driven by respondent No.1 in a rash and negligent manner, came from Bhikhi side and struck against the motorcycle. As a result, Sukhpreet Singh sustained multiple injuries and was taken to Civil Hospital, Barnala, where he was declared dead. FIR No.36 dated 28.02.2023 under Sections 279, 304-A and 427 IPC was registered at Police Station Dhanaula, District Barnala. Accordingly, compensation of Rs.50,00,000/- was claimed on account of the death of said Sukhpreet Singh.

3. Respondents No.1 and 2 contested the petition by filing written statement, taking preliminary objections regarding maintainability, *locus standi*, and cause of action. On merits, it was pleaded that no such accident, as alleged, had taken place. It was averred that they had been falsely implicated in connection with the FIR. It was also pleaded that respondent No.1 was holding a valid and effective driving licence at the time of the alleged accident.

4. Respondent No.3-Insurance Company filed its separate written statement raising its usual defences and contended that respondent No.1 was not holding a valid and effective driving licence to drive the offending vehicle at the time of the accident. It was further averred that respondent No.1 was disqualified from holding such a licence at the relevant time, and that this fact was within the knowledge of respondent No.2, the owner of the offending vehicle. Under the circumstances, respondent No.3 was not liable to indemnify the insured or to pay any compensation to the petitioners. It was reiterated that no accident, as alleged, had taken place with the said vehicle.



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

“1. Whether one Sukhpreet Singh died in a motor vehicle accident which took place on 28.02.2023 at about 12:00 PM, within the area of village Kaleke, Dhanaula, District Barnala, on account of driving of a vehicle-Bolero Maxitruck, bearing registration No. PB-19-H-7656 by the respondent No.1-Mangal Singh? OPC

2. Whether the claimants are entitled to compensation, if yes, then to what extent and from whom? OPC

3. Whether the claimants have got no locus standi and cause of action to instituted the present claim petition? OPR

4. Whether the respondent No. 1-Mangal Singh was not holding a valid and effective driving license in his name to drive the vehicle-Bolero Maxitruck, bearing registration No. PB-19H-7656, at the time of the mishap in question? OPR

5. Whether the insured-respondent No.2 did not comply with the provisions of the Section 64VB of the Insurance Act, 1938? OPR

6. Whether the insured-respondent No.2-Vijay Kumar was not holding a valid registration certificate, fitness certificate, route permit and insurance policy in his name at the time of the mishap in question and thus breached the terms and conditions of the Motor Vehicles Act, 1988? OPR

7. Whether the claimants' claim petition is bad for non-joinder of the necessary parties? OPR

8. Relief.”

6. Parties led their respective evidence.

7. Vide award dated 19.12.2023, the MACT partly allowed the claim petition and awarded a sum of Rs.16,33,000/- as compensation. The details of the compensation awarded by MACT under different heads are as under:-



Sr. No.	Heads of Claim	Calculation (in Rupees)
i.	Income assessed	Rs.10,000/- per month (Rs.1,20,000/- per annum)
ii.	Deduction towards personal and living expenses	50% (1/2nd)
iii.	Future Prospects	40%
iv.	Multiplicant	Rs.84,000/- (Rs.1,20,000/- - 50% +40%)
v.	Multiplier	18
vi.	Loss of dependency	Rs.15,12,000/- (Rs.84,000/- x 18)
vii.	Loss of estate	Rs.16,500/-
viii.	Loss of consortium (Rs.44,000/- payable to each of the petitioners)	Rs.44,000/- x 2 = 88,000/-
ix.	Funeral expenses	Rs.16,500/-
Total		Rs.16,33,000/-

8. seeking enhancement in the said compensation, the instant appeal has been preferred.

9. I have heard learned counsel for the parties.

10. Learned counsel for the appellants submits that the MACT erred in holding that the deceased was an unskilled labourer and, consequently, assessing his monthly income at Rs.10,000/-. Reference has been made to the statement of PW3-Gurjant Singh, owner of Janty Motor Garage, who duly stepped into the witness box and deposed that the deceased was working as a Helper with him and was drawing a salary of Rs.13,000/- per month. Learned counsel submits that the said witness also proved the certificate (Ex.P6) issued on his letterhead in this regard. Learned counsel contends that the deceased was working in the unorganized sector and, therefore, apart from the statement of the owner of the garage and the



document produced by him, no other evidence could have been produced. Learned counsel submits that the MACT took a hyper-technical view. Learned counsel also submits that even otherwise, the minimum wages for a skilled worker at the relevant time were Rs.11584/- per month and, therefore, there was no occasion for the MACT to assess the income at Rs.10,000/- per month.

11. Per contra, learned counsel for the Insurance Company submits that there is no illegality in the award passed by the MACT. He submits that apart from the statement of PW3 and the document (Ex.P6), no other evidence was produced to prove that the deceased was working as a Helper in a motor garage. As regards future prospects, multiplier, grant of consortium, compensation on account of funeral expenses and loss of estate etc., learned counsel submits that the same has been awarded strictly in terms of the ratio laid down by the Hon'ble Apex Court in **National Insurance Company Limited vs. Pranay Sethi and Ors., 2018 (2) SCC (cri) 205** and **Magma General Insurance Company Ltd. vs. Nanu Ram @ Chuhru Ram, (2018) 18 SCC 130**.

12. I have considered the submissions made by learned counsel for the parties.

13. The deceased was 22 years old at the time of his death and was unmarried. No amount of compensation would be sufficient to fulfill the loss suffered by the parents. However, the Courts are duty bound to assess just and reasonable compensation in such cases. It has to be borne in mind that even as per the case of the claimants, the deceased was working as a Helper in a motor garage, meaning thereby he was engaged in the unorganized



sector. PW3 Gurjant Singh, who claimed himself to be the owner of Janty Motor Garage, Dhanaula Road, Barnala, stepped into witness box and stated that the deceased was working as a Helper with him and was drawing a salary of Rs.13,000/- per month. He also produced a certificate (Ex.P6) executed on the letterhead of his garage to this effect.

14. In the considered opinion of this Court, the MACT erred in holding that since no other evidence in the form of income tax returns etc. was available, the deceased should be treated as a Labourer. The MACT ought to have considered that in such cases, where the deceased was stated to be working as a Helper, one can never expect production of ITRs. The best that could have been done by the unfortunate parents of the deceased was to produce the owner of the garage with whom the deceased was working, who duly stepped into the witness box and deposed that the deceased had been working with him as a Helper and was getting a salary of Rs.13,000/- per month. Even otherwise, as submitted, the minimum wages for a skilled worker was Rs.11,584/- per month. In the considered opinion of this Court, the MACT erred in assessing the income of the deceased at Rs.10,000/- per month. Keeping in view the evidence led on record, this Court assesses the income of the deceased at Rs.13,000/- per month.

15. Having considered the submissions made by learned counsel for the parties, the compensation awarded by the MACT is enhanced as under:-

Sr. No.	Heads of Claim	Awarded by MACT	Enhanced compensation
i.	Income assessed	Rs.10,000/- p.m. (Rs.1,20,000/- p.a.)	Rs.13,000/- p.m. (Rs.1,56,000/- p.a.)

ii.	Deduction towards personal and living expenses	50% (1/2nd)	No Change
iii.	Future Prospects	40%	No Change
iv.	Multiplicant	Rs.84,000/- (Rs.1,20,000/- 50% +40%)	Rs.1,09,200/- (Rs.1,56,000/- 50%+40%)
v.	Multiplier	18	No Change
vi.	Loss of dependency	Rs.15,12,000/- (Rs.84,000/- x 18)	Rs.19,65,600/- (Rs.1,09,200/- x 18)
vii.	Loss of estate	Rs.16,500/-	No Change
viii.	Loss of consortium	Rs.44,000/- x 2 = 88,000/-	No Change
ix.	Funeral expenses	Rs.16,500/-	No Change
	Total	Rs.16,33,000/-	Rs.20,86,600/-

16. The total compensation, therefore, comes to Rs. 20,86,600/-. After deducting a sum of Rs.16,33,000/- as assessed by the MACT, the balance compensation comes to Rs.4,53,600/-. This amount would be payable in addition to the amount assessed by the learned MACT along with interest @ 7.5% annually. The disbursal and liability to pay the same would be as per the award.

17. The instant appeal is accordingly disposed of.

18. Pending application(s), if any, also stands disposed of.

(VIKRAM AGGARWAL)
JUDGE

March 18, 2026
Rajan

Whether speaking / reasoned:
Whether Reportable:

Yes
Yes