



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

(211)

**FAO no. 3729 of 2002(O&M)  
Decision on: 25.09.2025**

**Teja Singh(Since Deceased) Through His LRs & Another ... Appellants**

**Versus**

**Mohinder Singh & Others**

**... Respondents**

**CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL**

Present: Mr. Arvind Kashyap, Advocate  
for the appellants.

Mr. Sahej Mahajan, Advocate  
for the respondent No.3(Insurance company)

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**VIRINDER AGGARWAL, J.(ORAL)**

1. The present appeal is filed against the award dated 30.3.2002 passed by the learned Motor Accident Claims Tribunal, Fatehgarh Sahib, whereby compensation of ₹1,38,400 with interest at rate of 9% per annum was awarded to the appellants/claimants on account of the death of Nachhattar Singh in a motor vehicular accident that occurred on 23.11.1998.

**FACTUAL BACKGROUND**

2. Brief facts of the case are that on 23.11.1998, Nachhattar Singh, aged 30 years was employed as a driver on a milk tanker (GJ-1T-7231), travelling along with its owner Balwant Singh. Around 8:00 PM, when they were near Patiala on Sangrur-Patiala Road, a truck (PB-03-D-2888) driven by respondent No.1 Mohinder Singh in a rash and negligent manner struck against the milk



tanker. The tanker overturned, causing serious injuries to Nachhattar Singh, who later succumbed at Rajindra Hospital, Patiala. The claim petition under Section 166 of the Motor Vehicles Act, 1988, was filed by his parents claiming ₹10 lakhs.

3. In the claim petition, the learned Tribunal held the accident to be caused solely due to the negligence of the truck driver, fixed liability on respondents No. 1 and 2 (driver and owner), with respondent No. 3 (Insurance Company) to pay and recover. However, it awarded only Rs. 1,38,000/- without applying the structured formula for compensation, apportioning it as to be equally shared by claimants, with 9% interest from the date of the petition.

### **CONTENTIONS**

4. Learned counsel for the appellant have assailed the award primarily on the ground that the compensation is grossly inadequate. It is contended that the deceased's income, the dependency of the family were not properly considered, leading to an arbitrary lump-sum award. Even otherwise, having regard to the year of accident and avocation, it is also urged that the compensation be aligned with the settled principles of the law. Therefore, the learned counsel sought an increase in the quantum of award.

5. On the other hand, learned counsel for the respondent no.3(Insurance Company) supports the learned Tribunal's award.

### **OBSERVATIONS AND FINDING**

6. I have carefully heard the arguments advanced by the learned counsel representing the appellant and have thoroughly examined the learned Tribunal's award.



7. The learned Tribunal, on an appreciation of the oral and documentary evidence adduced by the party, rightly came to the categorical conclusion that the accident had occurred due to the rash and negligent driving of the offending vehicle by respondent No.1. Accordingly, respondents No. 1 & 2 (driver and owner) were held jointly and severally liable, with respondent No. 3 (Insurance Company) to pay and recover the same amount from respondent No.1 & 2 as it was held that respondent no.2 was not holding a valid driving licence at the time of accident on the basis of the testimony of Sarabjit Kaur clerk DTO Faridkot (RW1), who stated that alleged licence had not been issued to the driver (Mohinder Singh). However, the learned Tribunal's approach in awarding a lump-sum amount of Rs. 1,38,400/- without applying the established multiplier method is erroneous and warrants interference. The Hon'ble Supreme Court has repeatedly emphasized the need for a structured and uniform approach to compensation in motor accident death cases to ensure "just compensation" under Section 166 of the Motor Vehicle Act. Even though the accident occurred in 1998 and the award was passed in 2002, subsequent judicial developments would have to be applied for enhancement in appeals retrospectively to pending matters.

8. Hence, the compensation awarded by the learned Tribunal does not fully reflect the settled principles of law and therefore calls for reassessment by this Court. It is submitted by the claimants that the deceased was employed as a driver with Balwant Singh (AW-2) owner of the milk tanker and drawing the monthly salary of ₹4,000/-. However, in the absence of documentary proof of the monthly income, a notional monthly income of ₹2500/- (annual income ₹30000/-), is assessed based on the prevailing standards for such self-employment in 1998. In line with *National Insurance Company Limited v.*



***Pranay Sethi, 2017 (16) SCC 680***, a 40% addition is to be made towards future prospects in the case of persons in permanent employment below 40 years of age. The annual income thus works out to ₹42000/-. After a deduction of 1/2 towards personal expenses (considering the deceased was not married), the annual loss of dependency amounts to ₹21000/-. Applying a multiplier of 17 as per the table in ***Sarla Verma v. Delhi Transport Corporation, 2009 (6) SCC 121*** As in the present case the age of deceased is assessed as 30 years (Post Mortem report Ex. A-2) at the time of the accident. the loss of dependency comes to ₹3,57,000/-. Under the conventional heads, following ***Pranay Sethi (supra)***, ₹15,000/- is awarded towards loss of estate and ₹15,000/- towards funeral expenses. Lastly, each of the parents is entitled to a parental consortium of ₹40,000/- in line with ***Pranay Sethi (supra)***, and ***Magma General Insurance Co. Ltd. vs. Nanu Ram alias Chuhru Ram, 2019(18) SCC 130***. Therefore, the total compensation works out to ₹4,67,000/-.

### COMPARATIVE COMPUTATION

Particulars	Tribunal Award (₹)	Reassessed Award (₹)
Notional Monthly Income	2200/-	2500/-
Annual Income	x	30,000/-
Future Prospects (40%)	x	12,000/-
<b>Total Annual Income</b>	x	<b>42,000/-</b>
Deduction 1/2 For Personal Expenses (As deceased was unmarried)	x	21,000/-
Annual Contribution	x	21000/-
Multiplier (age 30 yrs)	x	17
<b>Loss Of Dependency</b>	x	<b>3,57,000/-</b> <b>(21,000 × 17)</b>
Parental Consortium	x	80,000/- <b>(40,000 × 2)</b>
Loss Of Estate	x	15,000/-
Funeral Expenses	x	15,000/-
<b>Total</b>	<b>₹ 1,38,400/-</b>	<b>₹ 4,67,000/-</b>



9. The appeal is accordingly allowed. The impugned award is modified to the above extent. The claimants shall be entitled to ₹4,67,000/- along with interest at rate of 9% per annum from the date of filing of the claim petition till realisation. The apportionment and manner of disbursement shall remain as directed by the learned Tribunal.

10. Since the main case has been decided, pending miscellaneous application(s), if any, stands also disposed of.

**25.09.2025**  
*Saurav Pathania*

**(VIRINDER AGGARWAL)**  
**JUDGE**

(i) *Whether speaking/reasoned* : *Yes/No*  
(ii) *Whether reportable* : *Yes/No*