



**FAO-4566-2006 (O&M) and
XOBJC-26-CII-2008**

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

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**FAO-4566-2006 (O&M) and
XOBJC-26-CII-2008
Date of Decision : 05.11.2024**

Smt. Nirmal Kanta and Others

....Appellants

VERSUS

Union of India and Others

...Respondents

CORAM : HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. Sahej Mahajan, Advocate for the appellant.

Mr. Vaibhav Gupta, Advocate for
Mr. Pankaj Gupta, Advocate for the respondents.

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SUDEEPTI SHARMA, J. (Oral)

1. The present appeal has been preferred by the claimants/appellants for enhancement of compensation awarded by the learned Motor Accident Claims Tribunal, Panchkula (for short, 'the Tribunal') vide award dated 11.05.2005 under Section 166 of the Motor Vehicles Act, 1988, whereby, the claimants/appellants were awarded a compensation of Rs.4,23,340/- along with interest @ 6% per annum.

FACTS NOT IN DISPUTE

2. Brief facts of the case are that on 19.12.2001 Pawan Kumar Nayyar alongwith Ashok Kumar Suri, Rajpal Mahajan and Chuni Lal was going from Amritsar to Chandigarh by means of Maruti Zen Car bearing Registration No. PB-02H-5171 (hereinafter referred to as the car in question) being driven by Raj Singh. He was driving on his left hand side of the road at a moderate speed. At



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about 10:00 AM, when they reached near village of Sahora, Tehsil Kharar, District Ropar, on Amritsar-Chandigarh Road, a bus bearing registration No.PB-12-C-1798 (hereinafter referred to as the bus in question) being driven by Satnam Singh on his left hand side of the road at a moderate speed came from opposite side. In the meantime, a Military truck, blue coloured, bearing registration No.90-E-63505 (hereinafter referred to as the offending truck) being driven rashly and negligently by respondent No.4 Naresh Kumar also came from opposite side i.e. from the side of Chandigarh. Ignoring all traffic rules, the offending truck tried to overtake the bus in rash and negligent manner despite seeing that the car in question was coming from the opposite direction and there was no proper and sufficient space/distance to overtake the bus. In the process of overtaking, the offending truck came on the extreme wrong side of the road i.e. almost on the Kachcha berm and hit into the car of the appellants. As a result of conclusion the car was pushed in the pits by the side of the road. The driver of the offending truck tried to divert the truck again on its left side but due to the impact of the accident, the speed of the truck had reduced. The driver of the bus in question tried its best to avoid the accident, yet, the rear side of the offending truck struck against the right side of the bus.

It was further alleged that the offending truck, after hitting the car in question had hit the bus in question as well. All the occupants of the car suffered multiple, simple and grievous injuries and the car was also badly damaged. The driver of the car namely Shri Raj Singh @ Raju and Ashok Kumar Suri succumbed to the injuries suffered by them. The bus was also damaged and some passengers



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suffered injuries. Hence it was submitted that the accident took place solely on account of rash and negligent driving of the offending truck by its driver.

It was further alleged that legal heirs of Ashok Kumar Suri, who was travelling in the care in question and had succumbed to the injuries sustained by him during the accident. The appellants Smt. Nirmal Kanta Suri widow and his son, two daughters and father submitted that he used to perform religious functions and was earning around Rs.25,000/- per month and they all were dependent on his income. Hence they filed the claim petition.

3. Upon notice of the claim petition, respondents appeared and denied the factum of accident/compensation.

4. From the pleadings of the parties, the Tribunal framed the following issues:-

1. Whether the accident in question had taken place on account of rash and negligent driving of Truck No.90-E-63505 by respondent No.4 ? OPP

2. To what amount of compensation claimant Pawan Kumar Nayyar is entitled to on account of the injuries suffered by him in this accident and from whom? OPP

3. To what amount of compensation claimants Rajni Bala etc are entitled to on account of death of Raj Singh @ Raju in the present accident and from whom? OPP

4. To what amount of compensation claimant Chunni Lal is entitled to on account of the injuries suffered by him in the present accident and from whom? OPP



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5. To what amount of compensation claimant Nirmal Kanta etc are entitled to on account of death of Sh. Ashok Kumar Suri in the present accident and from whom? OPP

6. To what amount of compensation claimant Raj Pal Mahajan is entitled to on account of the injuries received by him in the present accident and from whom? OPP

7. Relief.

5. After taking into consideration the pleadings and the evidence on record, the learned Tribunal awarded compensation to the tune of Rs.4,23,340/- along with interest @ 6% per annum. Hence the claimants/appellants filed the present appeal for enhancement of compensation awarded by the Tribunal.

SUBMISSIONS OF LEARNED COUNSELS FOR THE PARTIES

6. Learned counsel for the claimants-appellants contends that the amount assessed by the learned Tribunal is on the lower side. He further submits that the learned Tribunal has gravely erred in law in holding that deceased was earning only Rs.62,000/- per annum. He further contends that he was also earning from religious functions and ceremonies and was practicing as Hakim, which was not taken into consideration by the learned Tribunal while assessing his income. He, therefore, prays that the present appeal be allowed and the amount of compensation be enhanced.

7. Per contra, learned for the respondent-Insurance Company argues that the learned Tribunal vide award dated 11.05.2005 has rightly assessed the amount of compensation. Therefore, he prays for dismissal of the present appeal.



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8. I have heard learned counsel for the parties and perused the whole record of this case.

9. A perusal of the award indicates that the amount of compensation awarded by the learned Tribunal is on the lower side. Further, amount awarded towards funeral expenses is on the lower side and no amount has been awarded for loss of Estate and consortium. Further perusal of the award indicates that the deceased was an Income Tax assessee and he was, President of M/s Ajay Senior Secondary School, Amritsar, from where he was drawing a salary Rs.24,000/- per annum, besides that he also used to work as Hakim and also used to perform religious functions and ceremonies. Since the income from the religious function was exempted from the Income Tax, the same had not been shown in the Income Tax Return for the relevant years. Therefore, taking into consideration all the factors, the income of the deceased is assessed as Rs.84,000/- per annum (Rs.7,000/- per month). Thus, the award requires interference by this Court.

SETTLED LAW ON COMPENSATION

10. Hon'ble Supreme Court in the case of **Sarla Verma Vs. Delhi Transport Corporation and Another** [(2009) 6 Supreme Court Cases 121], laid down the law on assessment of compensation and the relevant paras of the same are as under:-

“30. Though in some cases the deduction to be made towards personal and living expenses is calculated on the basis of units indicated in Trilok Chandra, the general practice is to apply standardised deductions. Having a considered several subsequent



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decisions of this Court, we are of the view that where the deceased was married, the deduction towards personal and living expenses of the deceased, should be one-third (1/3rd) where the number of dependent family members is 2 to 3, one-fourth (1/4th) where the number of dependent family members is 4 to 6, and one-fifth (1/5th) where the number of dependent family members exceeds six.

31. Where the deceased was a bachelor and the claimants are the parents, the deduction follows a different principle. In regard to bachelors, normally, 50% is deducted as personal and living expenses, because it is assumed that a bachelor would tend to spend more on himself. Even otherwise, there is also the possibility of his getting married in a short time, in which event the contribution to the parent(s) and siblings is likely to be cut drastically. Further, subject to evidence to the contrary, the father is likely to have his own income and will not be considered as a dependant and the mother alone will be considered as a dependant. In the absence of evidence to the contrary, brothers and sisters will not be considered as dependants, because they will either be independent and earning, or married, or be dependent on the father.

32. Thus even if the deceased is survived by parents and siblings, only d the mother would be considered to be a dependant, and 50% would be treated as the personal and living expenses of the bachelor and 50% as the contribution to the family. However, where the family



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of the bachelor is large and dependent on the income of the deceased, as in a case where he has a widowed mother and large number of younger non-earning sisters or brothers, his personal and living expenses may be restricted to one-third and contribution to the family will be taken as two-third.

* * * * *

42. We therefore hold that the multiplier to be used should be as mentioned in Column (4) of the table above (prepared by applying Susamma Thomas³, Trilok Chandra and Charlie), which starts with an operative multiplier of 18 (for the age groups of 15 to 20 and 21 to 25 years), reduced by one unit for every five years, that is M-17 for 26 to 30 years, M-16 for 31 to 35 years, M-15 for 36 to 40 years, M-14 for 41 to 45 years, and M-13 for 46 to 50 years, then reduced by two units for every five years, that is, M-11 for 51 to 55 years, M-9 for 56 to 60 years, M-7 for 61 to 65 years and M-5 for 66 to 70 years.

11. Hon'ble Supreme Court in the case of **National Insurance Company Ltd. Vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]** has clarified the law under Sections 166, 163-A and 168 of the Motor Vehicles Act, 1988, on the following aspects:-

- (A) Deduction of personal and living expenses to determine multiplicand;
- (B) Selection of multiplier depending on age of deceased;
- (C) Age of deceased on basis for applying multiplier;



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(D) Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses, with escalation;

(E) Future prospects for all categories of persons and for different ages: with permanent job; self-employed or fixed salary.

The relevant portion of the judgment is reproduced as under:-

“52. As far as the conventional heads are concerned, we find it difficult to agree with the view expressed in Rajesh². It has granted Rs.25,000 towards funeral expenses, Rs 1,00,000 towards loss of consortium and Rs 1,00,000 towards loss of care and guidance for minor children. The head relating to loss of care and minor children does not exist. Though Rajesh refers to Santosh Devi, it does not seem to follow the same. The conventional and traditional heads, needless to say, cannot be determined on percentage basis because that would not be an acceptable criterion. Unlike determination of income, the said heads have to be quantified. Any quantification must have a reasonable foundation. There can be no dispute over the fact that price index, fall in bank interest, escalation of rates in many a field have to be noticed. The court cannot remain oblivious to the same. There has been a thumb rule in this aspect. Otherwise, there will be extreme difficulty in determination of the same and unless the thumb rule is applied, there will be immense variation lacking any kind of consistency as a consequence of which, the orders passed by the tribunals



and courts are likely to be unguided. Therefore, we think it seemly to fix reasonable sums. It seems to us that reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses should be Rs.15,000, Rs.40,000 and Rs.15,000 respectively. The principle of revisiting the said heads is an acceptable principle. But the revisit should not be fact-centric or quantum-centric. We think that it would be condign that the amount that we have quantified should be enhanced on percentage basis in every three years and the enhancement should be at the rate of 10% in a span of three years. We are disposed to hold so because that will bring in consistency in respect of those heads.

* * * * *

59.3. While determining the income, an addition of 50% of actual salary to the income of the deceased towards future prospects, where the deceased had a permanent job and was below the age of 40 years, should be made. The addition should be 30%, if the age of the deceased was between 40 to 50 years. In case the deceased was between the age of 50 to 60 years, the addition should be 15%. Actual salary should be read as actual salary less tax.

59.4. In case the deceased was self-employed (or) on a fixed salary, an addition of 40% of the established income should be the warrant where the deceased was below the age of 40 years.



An addition of 25% where the deceased was between the age of 40 to 50 years and 10% where the deceased was between the age of 50 to 60 years should be regarded as the necessary method of computation. The established income means the income minus the tax component.

59.5. For determination of the multiplicand, the deduction for personal and living expenses, the tribunals and the courts shall be guided by paras 30 to 32 of Sarla Verma⁴ which we have reproduced hereinbefore.

59.6. The selection of multiplier shall be as indicated in the Table in Sarla Verma¹ read with para 42 of that judgment.

59.7. The age of the deceased should be the basis for applying the multiplier.

59.8. Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses should be Rs 15,000, Rs 40,000 and Rs 15,000 respectively. The aforesaid amounts should be enhanced at the rate of 10% in every three years.”

12. Hon’ble Supreme Court in the case of **Magma General Insurance Company Limited Vs. Nanu Ram alias Chuhru Ram & Others [2018(18) SCC 130]** after considering **Sarla Verma (supra)** and **Pranay Sethi (Supra)** has settled the law regarding consortium. Relevant paras of the same are reproduced as under:-



“21. A Constitution Bench of this Court in Pranay Sethi² dealt with the various heads under which compensation is to be awarded in a death case. One of these heads is loss of consortium. In legal parlance, "consortium" is a compendious term which encompasses "spousal consortium", "parental consortium", and "filial consortium". The right to consortium would include the company, care, help, comfort, guidance, solace and affection of the deceased, which is a loss to his family. With respect to a spouse, it would include sexual relations with the deceased spouse.

*21.1. **Spousal consortium** is generally defined as rights pertaining to the relationship of a husband-wife which allows compensation to the surviving spouse for loss of "company, society, cooperation, affection, and aid of the other in every conjugal relation".*

*21.2. **Parental consortium** is granted to the child upon the premature death of a parent, for loss of "parental aid, protection, affection, society, discipline, guidance and training".*

*21.3. **Filial consortium** is the right of the parents to compensation in the case of an accidental death of a child. An accident leading to the death of a child causes great shock and agony to the parents and family of the deceased. The greatest agony for a parent is to lose their child during their lifetime.*



Children are valued for their love, affection, companionship and their role in the family unit.

22. Consortium is a special prism reflecting changing norms about the status and worth of actual relationships. Modern jurisdictions world-over have recognised that the value of a child's consortium far exceeds the economic value of the compensation awarded in the case of the death of a child. Most jurisdictions therefore permit parents to be awarded compensation under loss of consortium on the death of a child. The amount awarded to the parents is a compensation for loss of the love, affection, care and companionship of the deceased child.

23. The Motor Vehicles Act is a beneficial legislation aimed at providing relief to the victims or their families, in cases of genuine claims. In case where a parent has lost their minor child, or unmarried son or daughter, the parents are entitled to be awarded loss of consortium under the head of filial consortium. Parental consortium is awarded to children who lose their parents in motor vehicle accidents under the Act. A few High Courts have awarded compensation on this count. However, there was no clarity with respect to the principles on which compensation could be awarded on loss of filial consortium.



24. *The amount of compensation to be awarded as consortium will be governed by the principles of awarding compensation under "loss of consortium" as laid down in Pranay Sethi². In the present case, we deem it appropriate to award the father and the sister of the deceased, an amount of Rs 40,000 each for loss of filial consortium.*

CONCLUSION

13. In view of the law laid down by the Hon’ble Supreme Court in the above referred to judgments, the present appeal is allowed. The award dated 11.05.2005 is modified accordingly. The appellant-claimant is entitled to the enhanced amount of compensation as per the calculations made here-under:-

Sr. No.	Heads	Compensation Awarded
1.	Income	Rs.7,000/-
2.	Future Prospects 25%	Rs.1750/- (25% of 7000)
3.	Deduction towards personal expenditure	Rs.2,187/- (1/4 of 8750)
4.	Total Income	Rs.6,563/- (8750-2187)
5.	Multiplier	14
6	Annual Dependency	Rs.11,02,584/-(6563 x 12 x 14)
7	Loss of Estate	Rs.18,000/-
8	Funeral Expenses	Rs.18,000/-
9	Loss of Consortium Parental : Rs.48,000/- x 3 Spousal :Rs.48,000/- x 1 Filial : Rs.48,000/- x 1	Rs.2,40,00/-
10	Total Compensation	Rs.13,78,584/-
11	Compensation awarded by the Tribunal	Rs.4,23,340/-
	Enhanced Compensation	Rs.9,55,244/-



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14. So far as the interest part is concerned, as held by Hon'ble Supreme Court in *Dara Singh @ Dhara Banjara Vs. Shyam Singh Varma* 2019 ACJ 3176 and *R.Valli and Others VS. Tamil Nandu State Transport Corporation* (2022) 5 Supreme Court Cases 107, the amount so calculated shall carry an interest @9% per annum from the date of filing of claim petition till the date of realization.

15. Respondent Nos. 1 to 4 are directed to deposit the enhanced amount of compensation along with interest with the Tribunal (jointly and severally) within a period of two months from the date of receipt of certified copy of this judgment. The Tribunal is directed to disburse the amount of compensation along with interest in the account of claimants/appellants in the same ratio as was granted in the award dated 11.05.2005. The claimants/appellants are directed to furnish their bank account details to the Tribunal.

16. FAO is Disposed of accordingly.

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So far as cross-objections are concerned, no record is available on the file. However, liberty is granted to the cross-objectors to get the same revived in case any cause of action arose.

Pending applications, if any, also stand disposed of.

November 05, 2024
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(SUDEEPTI SHARMA)
JUDGE

Whether speaking/non-speaking : Speaking
Whether reportable : Yes/No