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

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**FAO No. 5418 of 2006 and
XOBJ – 20 – CII - 2008**

Date of decision : August 09, 2024

Smt. Surjit Kaur and others

..... Appellants

Versus

Inderpal Singh and others

..... Respondents

CORAM : HON'BLE MRS. JUSTICE SUDEEPTI SHARMA**Present :** Mr. Vipin Mahajan, Advocate for the appellants.

Mr. Paul S. Saini, Advocate, for the Insurance Company.

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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, Gurdaspur (for short, 'the Tribunal') vide award dated 01.09.2006 under Section 163-A of the Motor Vehicles Act, 1989, whereby the claimants/appellants were awarded a compensation of Rs.96,000/- along with interest @ 6% per annum.

FACTS NOT IN DISPUTE

2. On 11.07.2003, Sain Dass was going to his shop on a bicycle. He was at a distance of 100 meters from village Rarra Turn, then one motorcycle bearing registration No.PB-54-9009 came from behind which was being driven rashly and negligently by respondent No.1, without blowing horn and struck against Sain Dass, who fell down from his bicycle on the pucca road and had received grievous head injury. Sain Dass was admitted in Civil Hospital, Tanda from where he was referred to Civil Hospital, Hoshiarpur. At 11.30 PM Sain Dass succumbed to his



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injuries while lying admitted in Civil Hospital, Hoshiarpur. The deceased was stated to be 55 years old at time of his death and was earning Rs.6,000/- per month as a shopkeeper.

3. On notice of the claim petition, respondents appeared and denied the factum of compensation.

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

1. Whether on 11.07.2003 at about 3:30 PM in the area of Village Miani, there was an accident due to rash and negligent driving of motorcycle No.PB-54-9009 by respondent No.1 and in that accident Sain Dass had died? OPP
2. Whether the claimants are the legal representatives and were dependent upon the deceased? OPP
3. Whether the claimants are entitled to the compensation and, if so, how much and from whom? OPP
4. Whether the petition is not maintainable? OPR.
5. Whether the driver of the motorcycle was not holding a valid and effective driving licence at the time of alleged accident? OPR
6. Relief.

5. After taking into consideration the pleadings and the evidence on record, the learned Tribunal awarded compensation to the tune of Rs.96,000/- alongwith interest @ 6% per annum. Hence the claimants/appellants filed the present appeal for enhancement of compensation awarded by the Tribunal.

**SUBMISSIONS OF THE COUNSELS**

6. Learned counsel for the appellants contend that the amount of compensation granted by the learned Tribunal is on the lower side. He further contends that the income of the deceased has been taken as Rs.2400/- per month which is lower than that of daily wage labourer. He, therefore, prays that it should be minimum Rs.3,000/- per month. He further contends that the multiplier has been taken to be 5 whereas as per the latest law laid down in the judgment passed in **Sarla Verma Vs. Delhi Transport Corporation and Another** [(2009) 6 Supreme Court Cases 121], it has to be 11. He further contends that no amount was awarded towards funeral expenses and loss of consortium.

7. Per contra, learned counsel for the Insurance Company vehemently argued on the lines of the award and contends that the compensation has been rightly granted to be Rs.96,000/- since the petition was filed under Section 163-A of the Motor Vehicles Act, 1988 and the maximum amount to be granted as per the Schedule is Rs.95,000/- under the conventional head.

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

9. A perusal of the award dated 01.09.2006 indicates that the Tribunal has taken the income of the deceased as Rs.2400/- per month. After deducting 1/3rd for personal expenses, the annual dependency was determined to be Rs.19,200/-. Further the age of deceased was taken as 55 years and the Tribunal applied multiplier of 5, thereby assessed total compensation payable to the claimants to be Rs.96,000/-.

**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 considered several subsequent 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 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



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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;
- (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.

13. Hon'ble Apex Court in **Kurvan Ansari Alias Kurvan Ali vs Shyam Kishore Murmu, [2022 (1) SCC 317]** held as under :-

"12. In the judgment in the case of Puttamma & Ors.¹, this Court has observed that the Central Government was bestowed with the duties to amend Schedule-II in view of [Section 163-A\(3\)](#) of the Motor Vehicles Act 1988, but it failed to do so. In view of the same, specific directions were issued to the Central Government to make appropriate amendments to Schedule-II keeping in mind the present cost of living. In [the said judgment](#), till such amendments are made, directions were issued for award of compensation by fixing a sum of Rs.1,00,000/- (Rupees one lakh only) towards compensation for the non-earning children up to the age of 5 (five) years old and a sum of Rs.1,50,000/- (Rupees one lakh fifty thousand only) for the non-earning persons of more than 5 (five) years old.

13. In the case of R.K. Malik & Anr.² also, this Court has observed that the notional income fixed under [Section 163-A](#) of the Motor Vehicles Act, 1988 as Rs.15,000/- per annum should be enhanced and increased as the same continued to exist without any amendment since 14.11.1994. In the case of Kishan Gopal & Anr.³ where the deceased



was a ten years old child, this Court has fixed his notional income at Rs.30,000/- per annum.

14. In this case, it is to be noted that the accident was on 06.09.2004. In spite of repeated directions, Schedule-II is not yet amended. Therefore, fixing notional income at Rs.15,000/- per annum for non- earning members is not just and reasonable.

15. In view of the judgments in the cases in Puttamma & Ors.1, R.K. Malik & Anr.2 and Kishan Gopal & Anr.3, we are of the view that it is a fit case to increase the notional income by taking into account the inflation, devaluation of the rupee and cost of living. In view of the same, the judgment in the case of Rajendra Singh & Ors.4 relied on by the learned counsel for respondent No.2-Insurance Company would not render any assistance to the case of the insurance company.

16. In view of the above, we deem it appropriate to take notional income of the deceased at Rs.25,000/- (Rupees twenty five thousand only) per annum. Accordingly, when the notional income is multiplied with applicable multiplier '15', as prescribed in Schedule-II for the claims under [Section 163-A](#) of the Motor Vehicles Act 1988, it comes to Rs.3,75,000/- (Rs.25,000/- x Multiplier 15) towards loss of dependency. The appellants are also entitled to a sum of Rs.40,000/- each towards filial consortium and Rs.15,000/- towards funeral expenses. Thus, the appellants are entitled to the following amounts towards compensation:



(a) Loss of Dependency : Rs. 3,75,000-00

(b) Filial Consortium : Rs. 80,000-00 (Rs.40,000/- x 2)

(c) Funeral Expenses : Rs. 15,000-00

Total : Rs. 4,70,000-00”

CONCLUSION

14. 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 01.09.2006 is modified accordingly. The appellants-claimants are entitled to enhanced compensation as per the calculations made here-under:-

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	Rs.3,000/-
2	Future prospects @ 10%	Rs.300/- (10% of 3000)
3	Deduction towards personal expenditure	Rs.1100/- [1/3 rd of (3000+300)]
4.	Total Income	Rs.2200 (3300-1100)
4	Annual Dependency	Rs 26,400/-
5	Multiplier 11	Rs.2,90,400/- (26,400 x 11)
6	Loss of Estate	Rs.18,000/-
7	Funeral Expenses	Rs.18,000/-
8	Loss of Consortium Parental : Rs.48,000/- Spousal : Rs. 48,000/-	Rs.96,000/-
	Total Compensation	Rs.4,22,400/-
	Amount Awarded by the Tribunal	Rs.96,000/-
	Enhanced amount	Rs.3,26,400/-

15. 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



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and *R.Valli and Others VS. Tamil Nandu State Transport Corporation* (2022) 5 Supreme Court Cases 107, the appellants-claimants are granted the interest @9% per annum on the enhanced amount from the date of filing of claim petition till the date of its realization.

16. The Insurance Company is directed to deposit the enhanced amount of compensation along with interest with the Tribunal within a period of two months from today. The Tribunal is further directed to disburse the enhanced amount of compensation along with interest in the accounts of all the claimants/appellants as per ratio settled in the award dated 01.09.2006. The claimants/appellants are directed to furnish the bank account details to the Tribunal.

17. As per award dated 01.09.2006, the learned Tribunal decided issue no.5 in favour of the insurance company, since driver (respondent No.1) was not holding a valid driving licence at the time of accident. The insurance company was directed to deposit the compensation, but recovery rights were given to the insurance company. In view of the same, the insurance company is directed to deposit the enhanced amount of compensation alongwith interest with the Tribunal and liberty is granted to recover the same.

18. Pending applications, if any, and cross-objections also stand disposed of.

August 09, 2024
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(SUDEEPTI SHARMA)
JUDGE

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