2025:PHHC:044881

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

302 **FAO-913-2024 (O&M)**
Date of Decision : 02.04.2025

ROYAL SUNDARAM GENERAL INSURANCE CO. LTD. .... Appellant

VERSUS

AJAY KUMAR SHARMA AND OTHERS .... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. D.K. Prajapati, Advocate
for the appellant.

Dr. Sumati Jund, Advocate
for respondents No.1 and 2.
(joined through hybrid mode)

None for respondent No.3 despite service.

ALKA SARIN, J. (ORAL)

1. The present appeal has been preferred by the Insurance Company-appellant aggrieved by the quantum of compensation awarded by the Motor Accident Claims Tribunal, Rupnagar (hereinafter referred to as 'the Tribunal') vide award dated 21.11.2023.

2. Since the factum of the accident is not in dispute, the facts, as recorded in the impugned award passed by the Tribunal, are not being adverted to herein for the sake of brevity.

3. The Tribunal, in the present case, had awarded the following compensation :

Sr. No.	Heads	Compensation Awarded
1.	Annual income	₹1,24,200
2.	Future prospects @40%	[₹1,24,200 + ₹49,680] = ₹1,73,880
3.	Multiplier of '16'	[₹1,73,880 x 16] = ₹27,82,080
4.	Loss of consortium	₹48,000
5.	Loss of estate	₹18,000
6.	Funeral expenses	₹18,000
	Total Compensation	**₹28,66,080**
	Interest	**@ 7% per annum**

4. Learned counsel for the Insurance Company-appellant would contend that income of the deceased, who was a homemaker, had been assessed as that of the skilled worker, which ought to have been that of an unskilled worker. It is further the contention that though future prospects had been added and a multiplier method had been adopted, however, no deduction had been made towards personal expenses.

5. *Per contra*, learned counsel for claimant-respondents No.1 and 2 has relied upon the judgment of the Hon'ble Supreme Court in **Kirti & Anr. Vs. Oriental Insurance Company Ltd. [2021 (1) RCR (Civil) 478]** to contend that while assessing the income of a homemaker, the same has to be done on the basis of the minimum wages applicable to a skilled worker. Learned counsel further states that she does not contest the issue regarding deduction. She, however, states that no amount had been awarded towards loss of consortium to the minor child.

6. Learned counsel for the Insurance Company-appellant has very fairly stated that loss of consortium ought to have been awarded to the minor child also.

7. Heard.

8. In the present case the argument of the learned counsel for the Insurance Company-appellant that the minimum wages as applicable to an unskilled worker ought to have been applied while assessing the income of the deceased deserves to be rejected. The Hon'ble Supreme Court in the case of **Kirti (supra)** while assessing the notional income of a homemaker as per the minimum wages applicable to a skilled worker, has held as under :

> *"42. Therefore, on the basis of the above, certain general observations can be made regarding the issue of calculation of notional income for homemakers and the grant of future prospects with respect to them, for the purposes of grant of compensation which can be summarized as follows:*
>
> > *a. Grant of compensation, on a pecuniary basis, with respect to a homemaker, is a settled proposition of law.*
> >
> > *b. Taking into account the gendered nature of housework, with an overwhelming percentage of women being engaged in the same as compared to men, the fixing of notional income of a homemaker attains special significance. It becomes a recognition of the work, labour and sacrifices of homemakers and a reflection of changing attitudes. It is also in furtherance of our nation's*

international law obligations and our constitutional vision of social equality and ensuring dignity to all.

c. Various methods can be employed by the Court to fix the notional income of a homemaker, depending on the facts and circumstances of the case.

d. The Court should ensure while choosing the method, and fixing the notional income, that the same is just in the facts and circumstances of the particular case, neither assessing the compensation too conservatively, nor too liberally.

e. The granting of future prospects, on the notional income calculated in such cases, is a component of just compensation."

The deceased was a homemaker in the present case and as per the law laid down by the Hon'ble Supreme Court in **Kirti's** case (supra), her income ought to have been assessed as that of a skilled worker. Accordingly, the income of the deceased, as assessed by the Tribunal, cannot be faulted with.

9. The argument of the learned counsel for the Insurance Company-appellant that a deduction of 1/3rd ought to have been applied deserves to be accepted inasmuch as once future prospects had been added and a multiplier method had been adopted, the deduction would have to be

made towards personal expenses of the deceased. Accordingly, deduction of 1/3rd is applied towards personal expenses of the deceased. No amount had been awarded towards loss of consortium to the minor child and hence an amount of ₹48,000 is awarded under the said head to the minor child.

10. Accordingly, the reworked compensation is as under :

Sr. No.	Heads	Compensation Awarded
1.	Annual income	₹1,24,200
2.	Future prospects @40%	[₹1,24,200 + ₹49,680] = ₹1,73,880
3.	Deduction 1/3rd	[₹1,73,880 - ₹57,960] = ₹1,15,920
4.	Multiplier of '16'	[₹1,15,920 x 16] = ₹18,54,720
5.	Loss of consortium (i) Parental (ii) Spousal's	 ₹48,000 ₹48,000 Total ₹96,000
6.	Loss of estate	₹18,000
7.	Funeral expenses	₹18,000
	Total Compensation	**₹19,86,720**

11. The interest @ 7% per annum as awarded by the Tribunal is maintained. The amount shall be apportioned between claimant-respondents No.1 and 2 as directed by the Tribunal.

12. In view of the decision by the Hon'ble Supreme Court in **Parminder Singh vs. Honey Goyal & Ors. [2025 INSC 361], Civil Appeal No.4299 of 2025 arising out of SLP (C) No.4484 of 2020 decided on 18.03.2025]**, the compensation amount be transferred by the Insurance Company-appellant in the bank account(s) of claimant-respondents No.1 and 2 within a period six weeks from today. The particulars of the bank account(s) along with the requisite documents in support thereof shall be furnished by claimant-respondents No.1 and 2 to Insurance Company-

appellant within a period of two weeks from today and needful shall be done by the Insurance Company-appellant after verification thereof within a period of four weeks thereafter along with up-to-date interest. The compliance shall be reported by the Bank to the Tribunal concerned.

13. In view of the above discussion, the present appeal is allowed, and the award passed by the Tribunal is modified accordingly. Pending applications, if any, also stand disposed off.

02.04.2025 **(ALKA SARIN)**
Aman Jain **JUDGE**

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