

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

FAO-4352-2025 (O&M)

Reserved on:- 26.11.2025

Pronounced on:- 18.12.2025

Uploaded on:- 19.12.2025

UNITED INDIA INSURANCE CO. LTD.

.....Appellant

vs.

KAMLESH AND OTHERS

.....Respondents

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. Punit Jain, Advocate for the appellant.

Mr. Anurag Jain, Advocate

Ms. Namisha Kapoor, Advocate

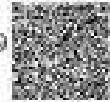
Ms. Chahat, Advocate

Ms. Anmol Singh, Advocate for respondents.

SUDEEPTI SHARMA J.

1. The present appeal has been preferred against the award dated 10.02.2025 passed by the learned Motor Accident Claims Tribunal, Hisar (for short, 'the Tribunal') in the claim petition filed under Section 166 of the Motor Vehicles Act, 1988, wherein, the appellant insurance company was held liable to pay the compensation to the claimants/respondents to the tune of Rs.31,56,000/- along with interest @ 7% per annum, on the ground of quantum of compensation to be on higher side.

2. As sole issue for determination in the present appeal is confined to quantum of compensation awarded by the learned Tribunal, a detailed narration of the facts of the case is not required to be reproduced here for the sake of brevity.

**SUBMISSIONS OF LEARNED COUNSEL FOR THE PARTIES**

3. Learned counsel for the appellant-Insurance Company vehemently argues that the compensation awarded by the Tribunal is on the higher side.

4. He further contends that the income of the deceased is calculated on the higher side and deserves to be reduced.

5. He further contends that the learned Tribunal has erred in applying multiplier of 18 instead of 15. Accordingly, he prays that the present appeal be allowed and amount of compensation be reduced as per latest law.

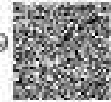
6. Per contra, learned counsel for respondents contends that the amount awarded by the learned Tribunal has rightly been assessed, therefore, they pray for dismissal of the present appeal.

7. I have heard learned counsel for the parties and perused the whole record of this case with their able assistance.

SETTLED LAW ON COMPENSATION

8. 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:-

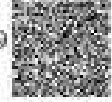
“30. Though in some cases the deduction to be made towards personal and living expenses is calculated on the basis of units indicated in Trilok Chandra, the general practice is to apply standardised deductions. Having a considered several subsequent decisions of this Court, we are of the view that where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



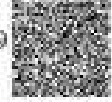
deceased, as in a case where he has a widowed mother and large number of younger non-earning sisters or brothers, his personal and living expenses may be restricted to one-third and contribution to the family will be taken as two-third.

* * * * *

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.

9. 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;

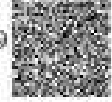


(D) Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses, with escalation;

(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*

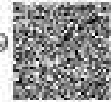


of consistency as a consequence of which, the orders passed by the tribunals and courts are likely to be unguided. Therefore, we think it seemly to fix reasonable sums. It seems to us that reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses should 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.

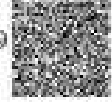
59.5. For determination of the multiplicand, the deduction for personal and living expenses, the tribunals and the courts shall be guided by paras 30 to 32 of Sarla Verma⁴ which we have reproduced hereinbefore.

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.”

10. 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:-

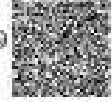


*“21. A Constitution Bench of this Court in **Pranay Sethi**² dealt with the various heads under which compensation is to be awarded in a death case. One of these heads is loss of consortium. In legal parlance, "consortium" is a compendious term which encompasses "spousal consortium", "parental consortium", 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*

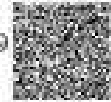


love, affection, companionship and their role in the family unit.

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



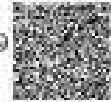
compensation under "loss of consortium" as laid down in Pranay Sethi². In the present case, we deem it appropriate to award the father and the sister of the deceased, an amount of Rs 40,000 each for loss of filial consortium.

11. Adverting to the contention raised by the appellant–insurance company that the income of the deceased-Prachi (minor) has been assessed on the higher side, this Court finds the said submission to be wholly devoid of any merit.

12. This Court is conscious of the settled jurisprudence enunciated by the Hon’ble Supreme Court governing the determination of loss of income in motor accident claim cases, particularly where the victim is a minor. The Apex Court, in **Hitesh Nagjibhai Patel v. Bababhai Nagjibhai Rabari & Anr., 2025 INSC 1070**, has categorically held that a minor victim cannot be treated as a non-earning person merely on the ground that the child was not engaged in gainful employment at the time of the accident. The Apex Court further held that, in such cases, compensation towards loss of income must be computed by adopting, at the very least, the minimum wages payable to a skilled workman as notified for the relevant period in the State where the accident occurred, with suitable addition towards future prospects and application of an appropriate multiplier, keeping in view the age and expected earning potential of the deceased.

13. The relevant extract from the aforesaid judgment is reproduced as under:-

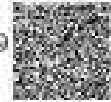
“9. On the aspect of monthly income of the minor appellant, we are inclined to interfere with the judgment and order of the Courts below. In the present case, it is evident that the Courts below have failed to take into



*account the monthly income of the appellant while determining the quantum of compensation. It is now a well-entrenched and consistently reiterated principle of law that a minor child who suffers death or permanent disability in a motor vehicle accident, cannot be placed in the same category as a non-earning individual for the purposes of assessing the amount of compensation because the child was not engaged in gainful employment at the time of the accident. In such a case, the computation of compensation under the head of loss of income ought to be made by adopting, at the very least, the minimum wages payable to a skilled workman as notified for the relevant period in the respective State where the cause of action arises. The said observation was rendered by this Court, in **Kajal v. Jagdish Chand and Ors., and Baby Sakshi Greola v. Manzoor Ahmad Simon and Anr.**”*

14. A careful reading of the dictum of the Hon’ble Supreme Court makes it abundantly clear that the adoption of minimum wages of a skilled labourer represents only the foundational benchmark or the floor, and not the ceiling, for the assessment of notional income. Consequently, the learned Tribunal is not precluded from assessing a higher notional income, provided such assessment is supported by the facts, circumstances, and attendant probabilities of the case.

15. Further, in **K. Ramya v. National Insurance Co. Ltd. 2022 ISNC 1044**, the Hon’ble Supreme Court reiterated that Motor Accident Claims Tribunals are vested with sufficient discretion to award “just compensation” and are not bound by rigid mathematical formulae or strict rules of evidence as applicable to ordinary civil proceedings. Appellate interference is

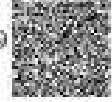


warranted only when the compensation awarded is shown to be palpably excessive, arbitrary, or contrary to settled principles of law.

16. The relevant paras of judgment passed in ***K. Ramya's case*** (*supra*) are reproduced as under:-

“11. At the outset, it is pertinent to reiterate the concept of 'just' compensation under Section 168 of the Act. It is a settled proposition, now through a catena of decisions[4] including the one rendered by the Constitution Bench in Pranay Sethi[5*] that compensation must be fair, reasonable and equitable. Further, the determination of quantum is a fact-dependent exercise which must be liberal and not parsimonious. It must be emphasized that compensation is a more comprehensive form of pecuniary relief which involves a broad-based approach unlike damages as noted by this court in Yadava Kumar v. Divisional Manager, National Insurance Co. Ltd (2010) 10 SCC 341, para 17. The discussion in the abovementioned cases highlights that Tribunals under the Act have been granted reasonable flexibility in determining 'just' compensation and are not bound by any rigid arithmetic rules or strict evidentiary standards to compute loss unlike in the case of damages. Hence, any interference by the Appellate Courts should ordinarily be allowed only when the compensation is 'exorbitant' or 'arbitrary'.*

12. Furthermore, Motor Vehicles Act of 1988 is a beneficial and welfare legislation[7] that seeks to provide compensation as per the contemporaneous position of an individual which is essentially forward-looking.[8*] Unlike tortious liability, which is chiefly concerned with making up for the past and reinstating a claimant to his original position, the compensation under the Act is concerned with providing stability and continuity in peoples' lives in the*



future.[9] Keeping the abovementioned principles in the backdrop, we now move on to the facts at hand.”*

17. In the present case, the learned Tribunal, upon due consideration of the material on record and the attendant circumstances, has assessed the notional monthly income of the deceased child at ₹20,000/-. This Court finds that the said assessment is neither arbitrary nor excessive. The approach adopted by the learned Tribunal does not suffer from any infirmity warranting interference by this Court.

18. Adverting now to the second limb of the contention of the appellant that the learned Tribunal has erred in applying the multiplier of 15 while calculating the compensation for the deceased (a minor). This contention is devoid of merit in the eyes of law. It is a well-settled principle governing the assessment of compensation that where the deceased is below the age of 25 years, the appropriate multiplier to be applied is 18 and not 15. Therefore, the finding of the learned Tribunal warrants no interference on this ground.

19. Adverting to the contention of the appellant that any amount of compensation and loss of consortium should not have been granted to the paternal uncle does not hold any merit in the eyes of law. As per the facts of the case, the claim petition was filed by the grandparents of the deceased. During the pendency of the claim, the grandfather died and his legal representatives (namely his wife and son) were duly impleaded, since the compensation awarded by the learned Tribunal forms part of the estate of the deceased (grandfather) and vests in his legal representatives under the law.

20. Accordingly, the amount awarded became part of the estate devolving upon Claimant No.2 (paternal uncle), and the learned Tribunal correctly adjudicated that the paternal uncle of the deceased was entitled to



receive the compensation. Consequently, learned Tribunal has committed no error in granting the compensation and loss of consortium to the paternal uncle of the deceased. Therefore, no interference is warranted in this regard.

21. In view of the above, the present appeal is dismissed.
22. The statutory amount of Rs.25,000/- deposited by the appellant-Insurance Company at the time of admission of the appeal, is ordered to be refunded to them.
23. Pending application (s), if any, also stand disposed of.

18.12.2025
Ayub

(SUDEEPTI SHARMA)
JUDGE

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