IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

(109/2)

FAO-5763-2004(O&M)
Date of Decision:-23.02.2026

Smt. Suman and Others

……Appellants

Versus

Shakti and Others

……Respondents

CORAM: HON'BLE MR. JUSTICE AMARINDER SINGH GREWAL

****

Present: Mr. Namit Sharma, Advocate,
for the appellants.

Mr. R.C. Gupta, Advocate,
for respondent No.3-Insurance Company.

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AMARINDER SINGH GREWAL, J. (Oral)

1. The present appeal has been preferred by the appellants-claimants against the impugned award dated 01.10.2004, passed by learned Motor Accident Claims Tribunal, Panipat (hereinafter "*the Tribunal*"), whereby the Tribunal had granted a compensation of ₹2,59,000/- alongwith interest @ 6% per annum, on account of death of Surender Singh, in a motor vehicular accident which occurred on 12.08.2002.

2. Brief facts of the case are that the deceased Surender Singh, aged 24 years, met with a fatal accident due to the rash and negligent driving of the offending vehicle. He was survived by his widow, one minor child, and his parents. The claimants pleaded that the deceased was employed as a cleaner-cum-mechanic of truck and was earning a sum of ₹10,000/- per month and was contributing his entire earnings towards the

welfare of his family. The Tribunal assessed income and dependency on the lower side and awarded inadequate compensation, which has led to the filing of the present appeal.

3. Learned counsel for the claimants-appellants submits that the compensation awarded by the learned Tribunal is wholly inadequate and does not reflect a just, fair, or reasonable assessment of the loss suffered by the dependents. It is submitted that the Tribunal did not correctly apply the principles laid down by the Hon'ble Supreme Court in *National Insurance Company Limited vs. Pranay Sethi and others* (2017) 16 SCC 680 and *United India Insurance Co. Ltd. vs. Satinder Kaur @ Satwinder Kaur and Others* AIR Online 2020 SC 620. A detailed calculation chart has also been placed on record to demonstrate the correct computation of compensation.

4. On the contrary, learned counsel for respondent No.3– Insurance Company, opposing the appeal, submit that the award passed by the learned Tribunal does not require any interference by this Court, as the same has been passed by correctly appreciating the evidence led before it.

5. Having considered the rival submissions and upon a meticulous perusal of the record, with the able assistance of learned counsel for the parties, this Court is of the considered view that the impugned award dated 01.10.2004 passed by the learned Tribunal does not fully conform to the settled principles of law governing just and equitable compensation to the appellants-claimants. The findings of the learned Tribunal, therefore, require reconsideration to the extent of assessment of income, deduction towards personal expenses, addition of future prospects, and the award under the conventional heads.

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6. It is an admitted position that the income of the deceased was assessed at ₹2,100/- per month, which is found to be reasonable considering the date of the accident. Hence, this Court proceeds to compute the compensation on the basis of ₹2,100/- per month. The deceased was aged 24 years at the time of the accident. As held by the Hon'ble Supreme Court in *National Insurance Co. Ltd. v. Pranay Sethi*, (2017) 16 SCC 680, where the deceased is below 40 years of age, an addition of 40% towards future prospects is mandatory. Accordingly, an amount of ₹840/- (40% of ₹2,100) is added. Thus, the monthly income of the deceased for the purpose of determining dependency stands enhanced to ₹2,940/- (₹2,100 + ₹840).

7. With regard to deduction towards personal and living expenses, the learned Tribunal deducted 1/3rd of the income. However, the record reveals that the deceased was survived by his wife, one minor child and his parents, i.e., a total of four dependents. As per the law laid down in *Sarla Verma v. DTC*, (2009) 6 SCC 121, where the number of dependents ranges from four to six, the correct deduction towards personal expenses is 1/4th. Therefore, the deduction of 1/3rd made by the learned Tribunal is erroneous and is liable to be substituted with a deduction of 1/4th.

8. Coming to the multiplier, the Tribunal has applied the multiplier of 15. The age of the deceased was 24 years at the time of the accident. As per the multiplier chart approved by the Hon'ble Supreme Court in *Sarla Verma* (supra) and affirmed in *Pranay Sethi* (supra), the appropriate multiplier for a person aged between 21 to 25 years is 18. Consequently, the learned Tribunal's application of multiplier 15 is legally

unsustainable and is hereby substituted with the correct multiplier of 18. The loss of dependency is thereby computed at ₹4,76,280/-.

9. In addition thereto, the appellants are also entitled to compensation under the conventional heads, each claimant is held entitled to ₹48,400/- towards loss of love and affection/consortium, totaling to ₹1,93,600/- as well as ₹18,150/- each is payable towards funeral expenses and loss of estate respectively (escalation @10% every three years as per the law laid down by the Hon'ble Supreme Court in *Pranay Sethi's* case (*supra*)). Thus, the total compensation payable to the appellants works out to ₹7,06,180/-.

10. The enhanced compensation i.e. over and above the compensation already awarded by the learned Tribunal shall also attract interest @ 7.5% per annum from the date of filing of the petition till realization, payable by insurance company to the appellants-claimants in equal ratio.

11. In view of the aforesaid facts and circumstances, the award passed by learned Tribunal is modified and the present appeal is allowed to the above extent. All other terms and conditions of the award, shall remain unaltered.

12. Pending application(s), if any, shall also stand disposed of.

(AMARINDER SINGH GREWAL)
JUDGE

23.02.2026
Shubham

Whether speaking/reasoned:-	Yes/No
Whether Reportable:-	Yes/No