

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-1626-2009 (O&M)
Date of Decision : 25.02.2026

Sushila and Others ... Appellants

Versus

Balbir Singh and Others ... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Sandeep Kotla, Advocate for the appellants.
Mr. Vinod Gupta, Advocate for respondent No.3.

ALKA SARIN, J. (Oral)

1. Present appeal has been preferred by the claimant-appellants aggrieved by the quantum of compensation awarded by the Motor Accident Claims Tribunal, Fatehabad (hereinafter referred to as ‘Tribunal’) vide the impugned award dated 18.11.2008 on account of death of Pawan Kumar (hereinafter referred to as the ‘deceased’) in a motor vehicle accident which occurred on 31.10.2006.
2. Since the factum of the accident is not in dispute, the facts are not being adverted to for the sake of brevity.
3. The Tribunal in the present case had awarded the following compensation :

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹3,000/-
2	Deduction - 1/3rd	₹2,000/- [₹3,000 - ₹1,000]

3	Annual Income	₹24,000/- [₹2,000 x 12]
4	Multiplier - 17	₹4,08,000/- [₹24,000 x 17]
5	Funeral expenses and loss of consortium	₹10,000/-
	Total Compensation	₹4,18,000/-
	Interest	9% per annum

4. Learned counsel for the claimant-appellants would contend that he does not challenge the income of the deceased as assessed by the Tribunal. However, he has contended that there were four claimants in the present case and a deduction of 1/3rd has wrongly been applied which should be 1/4th. It is further the contention that no addition has been made towards loss of future prospects which ought to have been 40% inasmuch as the deceased was 21 years of age at the time of the accident. It has further been contended that the Tribunal has wrongly applied a multiplier of ‘17’, which ought to have been ‘18’ keeping in view the age of the deceased being 21 years. It has further been contended that the compensation awarded under the conventional heads as well as under the head ‘loss of consortium’ are not in accordance with the law laid down by the Hon’ble Supreme Court. In support of his contentions, learned counsel for the claimant-appellants has relied upon the judgments of the Hon’ble Supreme Court in the cases of **Sarla Verma & Ors. vs. Delhi Transport Corporation & Anr. [(2009) 6 SCC 121]**, **National Insurance Company Ltd. vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]**, **Magma General Insurance Company Limited vs. Nanu Ram alias Chuhru Ram & Ors. [(2018) 18 SCC 130]** and **N. Jayasree & Ors. vs. Cholamandalam M.S General Insurance Company Ltd. [2021(4) RCR (Civil) 642]**.

5. *Per contra*, the learned counsel for the respondent No.3- Insurance Company would contend that in the present case the father of the deceased cannot be treated as a dependent since there is no evidence on the

record to show that he was dependent on the deceased hence a deduction of 1/3rd has rightly been applied. It is further the contention that sufficient amount has already been awarded as compensation in the present case and that there is no scope of any enhancement.

6. Heard.

7. Admittedly, no appeal has been preferred by the Insurance Company. In the present case, since no challenge has been laid by the learned counsel for the claimant-appellants to the income of the deceased as assessed by the Tribunal, the same is maintained accordingly.

8. The argument of the learned counsel for respondent No.3-Insurance Company that a deduction of 1/3rd has rightly been applied as the father cannot be considered as a dependent on the deceased deserves to be rejected in view of the law laid down by the Hon'ble Supreme Court in the case of **Sadhana Tomar & Ors. vs. Ashok Kushwaha & Ors. [2025 (1) PLR 503]** wherein it has been held as under :

“13. This Court has clarified in the case of Meena Devi v. Nunu Chand Mahto [(2023) 1 SCC 204], that the objective of granting compensation under the Motor Vehicles Act, 1988, is to ensure that just and fair compensation is paid to the aggrieved party. Another question which arose for our consideration, as for the purpose of loss of dependency, the deduction of annual income should be 1/3rd or 1/4th, as there are five claimants. The Tribunal did not consider appellant Nos.4 and 5, namely, the father and the younger sister, respectively, of the deceased as dependents, stating therein that the father was not dependent on the income of the deceased and since the

father is alive, the younger sister is also not dependent on the income of the deceased. This Court in Gujarat SRTC v. Ramanbhai Prabhatbhai [(1987) 3 SCC 234], observed that a legal representative is one, who suffers on account of death of a person due to a motor vehicle accident and need not necessarily be a wife, husband, parent or child.

14. Recently in N. Jayasree v. Chola mandalam MS General Insurance Company Ltd. [(2022) 14 SCC 712], this Court observed that :

“16. In our view, the term “legal representative” should be given a wider interpretation for the purpose of Chapter XII of the MV Act and it should not be confined only to mean the spouse, parents and children of the deceased. As noticed above, the MV Act is a benevolent legislation enacted for the object of providing monetary relief to the victims or their families. Therefore, the MV Act calls for a liberal and wider interpretation to serve the real purpose underlying the enactment and fulfil its legislative intent. We are also of the view that in order to maintain a claim petition, it is sufficient for the claimant to establish his loss of dependency. Section 166 of the MV Act makes it clear that every legal representative who suffers on account of the death of a person in a motor vehicle accident should have a remedy for realisation of compensation.”

(Emphasis supplied)

15. In our view, in furtherance of the above exposition of law, the appellant Nos.4 and 5 being the father and

younger sister of the deceased, both not financially independent, would fall under the definition of legal representatives for the purpose of claiming the compensation under the Motor Vehicles Act, 1988, and they were considered as dependents upon the income of the deceased, as he was doing wholesale business of selling fruits to meet the day-to-day expenses of the family. Therefore, the deduction made towards the personal expenses of the deceased should be 1/4th as the number of dependent family members is five.”

9. In the present case, the Insurance Company has not led any evidence to show that the father of the deceased was not dependent on the deceased. In the absence of any evidence having been led and in view of the law laid down by Hon’ble Supreme Court in case of **Sadhana Tomar** (supra), a deduction of 1/4th would be applicable.

10. The Tribunal has not made any addition towards future prospects. The deceased was admittedly 21 years of age, hence, as per the law laid down by the Hon’ble Supreme Court in the case of **Pranay Sethi** (supra), 40% addition is made towards loss of future prospects. Further, in the present case, the Tribunal has wrongly applied a multiplier of ‘17’. As per the law laid down by the Hon’ble Supreme Court in the case of **Sarla Verma** (supra), a multiplier of ‘18’ would be applicable as the deceased was admittedly 21 years of age at the time of the accident.

11. Further, the compensation awarded under the conventional heads and under the head ‘loss of consortium’ is not as per the law laid down by the Hon’ble Supreme Court in the cases of **Pranay Sethi** (supra), **Magma**

General Insurance Company Limited (supra) and **N. Jayasree** (supra), hence, the claimants would be entitled to ₹18,000/- (₹15,000+20% increase) towards loss of estate and ₹18,000/- (₹15,000+20% increase) towards funeral expenses. Since parents of the deceased have expired during the pendency of the present appeal, the claimant-appellants i.e. widow and son of the deceased would be ₹48,000/- each (₹40,000+20% increase) towards loss of spousal and parental consortium. Accordingly, the reworked compensation is as under :

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹3,000/-
2	Annual Income	₹36,000/- [₹3,000 x 12]
3	Deduction - 1/4th	₹27,000/- [₹36,000 - ₹9,000]
4	Future Prospects - 40%	₹37,800/- [₹27,000 + ₹10,800]
5	Multiplier - 18	₹6,80,400/- [₹37,800 x 18]
6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	Loss of consortium (i) Parental [₹48,000/- x 1] (ii) Spousal	₹48,000/- ₹48,000/- (Total ₹96,000/-)
	Total Compensation	₹8,12,400/-

12. The amount in excess of and over and above the amount awarded by the Tribunal shall also attract interest @ 7.5% per annum from the date of filing of the claim petition till the realization of the entire amount.

13. In view of the decision by the Hon’ble Supreme Court in **Parminder Singh vs. Honey Goyal & Ors. [AIR 2025 SC 1713 = 2025 SCC OnLine SC 567]**, after calculation of the enhanced amount, the same be transferred by the Insurance Company in the bank account(s) of the claimants within six weeks from today and the apportionment thereof shall be as per the percentage directed by the Tribunal. The particulars of the bank account(s) alongwith the requisite documents(s) in support thereof shall be furnished by

the claimant-appellants to the Insurance company within a period of two weeks from the date of this order and needful shall be done by the Insurance Company after verification thereof within four weeks thereafter alongwith up-to-date interest. The compliance shall be reported by the Bank to the Tribunal concerned.

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

25.02.2026
jk

(ALKA SARIN)
JUDGE

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: YES/NO