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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-796-2012 (O&M)
Date of Decision : 19.02.2026

Rani and Others ... Appellants

Versus

Sunil Kumar and Others ... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Utkarsh Khatana, Advocate
Amicus Curie for the appellants.

Mr. Harnanak Singh, Advocate for
Mr. G.S. Sandhu, Advocate for respondent No.1.

Ms. Manvi Verma, Advocate for
Mr. Rajneesh Malhotra, 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, Ambala (hereinafter referred to as 'Tribunal') vide the impugned award dated 18.03.2011 on account of death of Sachin in a motor vehicle accident which occurred on 01.01.2010.

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	₹3,600/-
2	Deduction - 50%	₹1,800/- [₹3,600 - ₹1,800]
3	Annual Income	₹21,600/- [₹1,800 x 12]
4	Multiplier - 9	₹1,94,400/- [₹21,600 x 9]
5	Funeral expenses	₹5,600/-
	Total Compensation	**₹2,00,000/-**
	Interest	**7.5%**

4. Learned counsel for claimant-appellants would contend that he does not challenge the deduction as applied by the Tribunal. He, however, states that the income of the deceased has wrongly been assessed as ₹3,600/- per month inasmuch as the minimum wage applicable for an unskilled worker prevailing at the time of the accident was ₹4,214/- per month. It is further the contention that the deceased in the present case was 26 years of age however the Tribunal, keeping in view the age of the mother of the deceased, has applied a multiplier of '9' which ought to have been '17'. It has further been contended that no addition has been made towards loss of future prospects which ought to have been 40% inasmuch as the deceased was 26 years of age at the time of the accident. It is further the contention that the compensation awarded under the conventional heads is not in accordance with the law laid down by the Hon'ble Supreme Court and that no amount has been awarded under the head 'loss of consortium'. In support of his contentions, he 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 respondents has vehemently argued that sufficient amount has already been awarded as compensation in the present case and that there is no scope of any enhancement.

6. I have heard the learned counsel for the parties.

7. Admittedly, no appeal has been preferred by the respondents. In the present case, since no challenge has been laid by the learned counsel for the claimant-appellants to the deduction as applied by the Tribunal, the same is maintained accordingly.

8. The Tribunal has assessed the income of the deceased as ₹3,600/- per month which in the opinion of this Court is on the lower side inasmuch as the minimum wage applicable for an unskilled worker at the time of the accident was ₹4,214/- per month. Hence, the income of the deceased is assessed as ₹4,214/- per month. The Tribunal has applied a multiplier of '9' keeping in view the age of the mother of the deceased. The deceased in the present case was 26 years of age, hence as per the law laid down by the Hon'ble Supreme Court in the case of **Sarla Verma** (supra), a multiplier of '17' would be applicable. Further, the Tribunal has not made any addition towards future prospects. Keeping in view the age of the deceased, an addition of 40% ought to have been made towards loss of future prospects as per the law laid down by the Hon'ble Supreme Court in the case of **Pranay Sethi** (supra). Since the deceased was a bachelor, a deduction of 50% would have to be applied towards personal expenses.

9. Further, the Tribunal has not awarded any compensation under

the head 'loss of consortium' and the compensation awarded under the conventional heads is also 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 claimant-appellants would be entitled to ₹18,000/- (₹15,000+20% increase) towards loss of estate and ₹18,000/- (₹15,000+20% increase) towards funeral expenses as also to ₹48,000/- each (₹40,000+20% increase) towards loss of consortium. Vide the impugned award the Tribunal has awarded compensation only to parents of the deceased and as per learned counsel for the claimant-appellants, claimant-appellant No.2 – Suresh Kumar – who was father of the deceased, has since died during the pendency of the present appeal. No compensation was awarded by the Tribunal to claimant Nos.3 to 6, who are brother and sisters of the deceased, however, they are also entitled to filial consortium only. Accordingly, the reworked compensation is as under:

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹4,214/-
2	Annual Income	₹50,568/- [₹4,214 x 12]
3	Deduction - 50%	₹25,284/- [₹50,568 - ₹25,284]
4	Future Prospects - 40%	₹35,398/- [₹25,284 + ₹10,114]
5	Multiplier - 17	₹6,01,766/- [₹35,398 x 17]
6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	Loss of consortium (ii) Filial [₹48,000/- x 5]	 ₹2,40,000/- (Total ₹2,40,000/-)
	Total Compensation	**₹8,77,766/-**

10. 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.

11 Further, admittedly, the offending vehicle was duly insured with respondent No.3-Insurance Company vide insurance policy proved on record as Ex.R1. The Tribunal while rendering finding on issue No.3, absolved the Insurance Company of its liability to pay the compensation. However, even if the driver of the offending vehicle was not possessing any driving licence or that the offending vehicle was not having route permit, as per principle of pay and recover, the Insurance Company ought to have been directed to initially pay the amount of compensation to the claimants with its recovery rights, in view of the law laid down by the Hon'ble Supreme Court in the case of **National Insurance Company Ltd. vs. Swaran Singh & Ors. [2004 (3) SCC 297]** wherein it was held as under :

> "*"83. Sub-section (5) of Section 149 which imposes a liability on the insurer must also be given its full effect. The insurance company may not be liable to satisfy the decree and, therefore, its liability may be zero but it does not mean that it did not have initial liability at all. Thus, if the insurance company is made liable to pay any amount, it can recover the entire amount paid to the third party on behalf of the assured. If this interpretation is not given to the beneficent provisions of the Act having regard to its purport and object, we fail to see a situation where beneficent provisions can be given effect to. Sub-section (7) of Section 149 of the Act, to which pointed attention of the Court has been drawn by the learned counsel for the petitioner, which is in negative language may now be*

noticed. The said provision must be read with sub-section (1) thereof. The right to avoid liability in terms of subsection (2) of Section 149 is restricted as has been discussed hereinbefore. It is one thing to say that the insurance companies are entitled to raise a defence but it is another thing to say that despite the fact that its defence has been accepted having regard to the facts and circumstances of the case, the Tribunal has power to direct them to satisfy the decree at the first instance and then direct recovery of the same from the owner. These two matters stand apart and require contextual reading."

12. Further, the above proposition of law in **Swaran Singh's** case has been followed by the Hon'ble Supreme Court in a recent judgment dated 29.10.2025 passed in **K. Nagendra Vs. The New India Insurance Co. Ltd. & Ors. [2025 INSC 1270 : Civil Appeal Nos.013066-013067 of 2025 decided on 29.10.2025]** wherein *'pay and recover'* principle stands upheld. Accordingly, as per the principle of pay and recover, the Insurance Company shall first pay the compensation to the claimants and would have a right to recover the same from respondent Nos.1 and 2.

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 claimant-appellants 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.

19.02.2026
jk

(ALKA SARIN)
JUDGE

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