**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

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**FAO-3408-2016 (O&M) &
XOBJC-56-CII-2017**

Reliance General Insurance Company Ltd. ....Appellant

Vs.

Pooja Devi and others ....Respondents

**Reserved on : 20.02.2026
Date of Pronouncement:23.02.2026
Uploaded on : 24.02.2026**

*Whether only the operative part of the judgment is pronounced?NO
Whether full judgment is pronounced? YES*

CORAM : HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present : Mr. Sanjeev Kodan, Advocate,
for the appellant-Insurance Company (in FAO No. 3408-2016).

Mr. Pratham Bali, Advocate,
for respondent No. 5 and
for cross-objector (in X Objection No. 56-CII-2017)

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SUDEEPTI SHARMA, J.

FAO-3408-2016 (O&M)

1. The present appeal has been preferred against the award dated 11.04.2016 passed by the learned Motor Accident Claims Tribunal, Gurugram (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 at the first instance to the claimants/respondent Nos. 1 to 3 to the tune of Rs.25,29,000/- along with interest @ 7.5% per annum with liberty to recover the same from respondent Nos. 4 and 5, on the ground of quantum of compensation to be on higher side.

XOBJC-56-CII-2017

2. The present cross-objections have been preferred by cross-objectors/claimants (respondents No.1 to 3 herein) against the award dated 11.04.2016 passed in the claim petition filed under Section 166 of the Motor Vehicles Act, 1988 by the learned Tribunal, for enhancement of compensation, granted to the cross-objectors/claimants to the tune of Rs.25,29,000/- along with interest @ 7.5% per annum on account of death of Rishi Pal (deceased).

3. Since the appeal filed by the Insurance Company and the cross-objections filed by the claimants/cross-objectors are arising out of the same award dated 11.04.2016 passed by the learned Tribunal, therefore, **FAO-3408-2016** and **XOBJC-56-CII-2017** are decided vide this common judgment.

4. As sole issue for determination in the present appeal and cross objection 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 re-produced here for the sake of brevity.

SUBMISSIONS OF LEARNED COUNSELS FOR THE PARTIES

5. Learned counsel for the appellant-Insurance Company contends that the quantum of compensation is on the higher side. He further contends that the learned Tribunal has wrongly assessed the income of the deceased as Rs. 12000/- i.e on the higher side. He further contends that learned Tribunal has wrongly awarded 50% towards future prospects instead of 40% as per settled law since, the deceased was not a permanent employee. He further contends that the learned Tribunal has erred in awarding Rs.1,00,000/- for loss of love and affection. He, therefore, prays that the present appeal be allowed and compensation be reduced.

6. Per contra, learned counsel for the respondent Nos. 1 to 3/cross-objectors/claimants contends that the amount assessed by the learned Tribunal is on the lower side and deserves to be enhanced. Therefore, he prays that the present cross-objections be allowed and present appeal be dismissed and amount of compensation be enhanced as per latest law.

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

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 d 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 Thomas[3], 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* ***<u>conventional heads</u>*** *are concerned, we find it difficult to agree with the view expressed in Rajesh[2]. 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 Verma which we have reproduced hereinbefore.*

***59.6.** The selection of multiplier shall be as indicated in the Table in Sarla Verma[1] 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 Sethi[2]. 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. A perusal of the impugned award reveals that the deceased was 33 years old at the time of the accident. The age of the deceased was not in

dispute, therefore the learned Tribunal has rightly assessed the age of the deceased as 33 years by placing on reliance upon PMR (Ex P6).

12. A perusal of the impugned award further reveals that the deceased was stated to be employee of Sunbeam Auto Pvt Limited Gurgaon and his monthly income was stated to be Rs.20,000/-. To prove the income, claimants/respondent Nos. 1 to 3 examined PW3 Amitabh Mudgil Deputy Manager of Sunbeam Auto Pvt Limited Gurgaon, who categorically deposed that the deceased Rishi Pal was employed as trainee worker and his monthly salary was Rs.16237/-. He further proved and testified the salary certificate of the deceased (Ex P2 to P4). A perusal of the award further reveals that the learned Tribunal fell into error by assessing the monthly income of the deceased as Rs.12000/- without appreciating the testimony of PW3 and salary certificate (Ex P2 to P4), which categorically proves the income of the deceased was Rs.16,237/- at the time of his death.

13. In view of the above discussion and evidence on record, the monthly income of the deceased Rishi Pal is taken at **Rs.16,237** for the purpose of determining compensation.

14. So far as contention of learned counsel for the appellant-Insurance Company to the effect that the learned Tribunal has erred in applying future prospects to the tune of 50% instead of 40% is concerned, the same is bereft of merits.

15. It is trite law as held by Hon'ble the Supreme Court ***New India Assurance Co. Ltd vs. Ashish Ravinder Kulkarni and others, 2023 ACJ 1997*** **,** that in case of a person who is in regular service, a percentage higher than the one stated in ***National Insurance Company Ltd. Vs. Pranay Sethi & Ors.*** **[(2017) 16 SCC 680],** can also be awarded. The relevant extract of the same is reproduced as under:-

> *"7. It is also his case that the future prospects as reckoned at 30% is not justified and the same should have been at 25% since the job of the deceased cannot be considered as permanent employment. Lastly, it is contended the interest as fixed by the High Court at 7.5% per annum is excessive and is without appropriate reason being assigned.*
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> *8. The learned counsel for the respondents/claimants would however seek to sustain the judgment passed by the High Court. On all the aspects which have been urged by the learned counsel for the appellant, it is contended that the MACT as well as the High Court have looked into the evidence which was available before it and has thereafter arrived at its conclusion, which does not call for interference.*
>
> *9. In the light of the contentions put forth, insofar as the salary, we take note that by way of clarification, we had*

required the learned counsel for the respondents/claimants to point out that the amount paid was after deduction of the tax or proof for payment of tax, since the learned counsel for the appellant had contended that the same has not been done. Along with an application, in addition to the documents that were relied on before the MACT, the notice of assessment of the Inland Revenue Authority of Singapore is produced. From the same, it would indicate that from the salary paid to the deceased, tax has been assessed in Singapore. Hence, there is no scope for double taxation on the same income. Therefore, deducting any amount towards tax once over again would not arise. Hence, his salary as reckoned by the High Court is justified and the same does not call for interference.

10. On the aspect relating to the future prospects, having noted the salary that was being drawn by the deceased, we have also taken into consideration that the deceased was employed in TATA Precision Industries. Another employee who was working as the Assistant Manager in Human Resources had been examined as PW-2 before the MACT to prove the same. In that regard, taking note of the evidence tendered by PW-2 to indicate the nature of employment of *the deceased as also his prospects, we are of the opinion that the future prospects as reckoned in the instant case is also justified. This is for the reason that though the learned counsel for the appellant seeks to point to the portion of the cross- examination of the said witness to indicate that he had earlier been terminated from TATA Holset Private Limited and had thereafter been appointed in TATA Precision Industries, it would not lead to a conclusion that the job was not of permanent nature. In fact, even if the employment letter indicated that the job could be terminated with 30 days notice as insisted by the learned counsel, that cannot be the basis in as much as the said provision for termination notice would be available to both the parties, namely the employer and the employee and that by itself cannot indicate that the employment was of a temporary nature. Right of the employer to terminate does not suggest it is temporary employment. Such right if exercised has to be in terms of law. Further, from the cross-examination, the suggestion put to PW-2, would only indicate that the deceased who was earlier employed in TATA Holset Private Limited was thereafter taken in another sister concern of the same group providing him better prospects. There-*

fore even if that aspect of the matter is kept in view, the future prospects as reckoned by the High Court is justified."

16. Consequently, in view of the law laid down by Hon'ble the Supreme Court in **Ashish Ravinder Kulkarni's case (supra),** 50% addition made by the learned Tribunal are upheld.

17. A further perusal of the award reveals that the learned Tribunal has granted meagre amount under the heads of loss of consortium. Moreover, no amount is awarded for loss of estate. Therefore, the award requires indulgence of this Court.

CONCLUSION

18. In view of the law laid down by the Hon'ble Supreme Court in the above referred to judgments, the appeal filed by the Insurance Company is **dismissed** being devoid of any merits, whereas cross-objections filed by the cross-objectors/respondents No.1 to 3 are **allowed**. The award dated 11.04.2016 is modified accordingly. The cross-objectors/respondents No.1 to 3 are held entitled to enhanced compensation as per the calculations made here-under:-

Sr. No.	***Heads***	***Compensation Awarded***
1	Monthly Income	Rs.16237/-
2	Future prospects @ 50%	Rs.8118/- (50% of 16237)
3	Deduction towards personal expenditure 1/3	Rs.8118/- (24355 X 1/3)

4	Total Income	Rs.16237/- (24235 – 8118)
5	Multiplier	16
6	Annual Dependency	Rs.31,17,504/- (16237 X 12 X 16)
7	Loss of Estate	Rs.15,000/-
8	Funeral Expenses	Rs.25,000/-
9	Loss of Consortium Spousal : Rs.40000 x 1 Filial : Rs. 40,000 x 1 Parental Rs. 40,000 x 1	Rs.1,20,000/-
	Total Compensation	**Rs.32,77,504/-**
	Amount Awarded by the Tribunal	**Rs.25,29,000/-**
	Enhanced amount	**Rs.7,48,504/-** **(Rs. 32,77,504- 25,29,000)**

19. So far as the interest part is concerned, as held by Hon'ble Supreme Court in ***Dara Singh @ Dhara Banjara Vs. Shyam Singh Varma*** **2019 ACJ 3176** and ***R.Valli and Others VS. Tamil Nadu State Transport Corporation*** **(2022) 5 Supreme Court Cases 107,** the cross-objectors/ claimants are granted the interest @ 9% per annum on the enhanced amount from the date of filing of claim petition till the date of its realization.

20. The appellant-Insurance Company is directed to deposit the enhanced amount of compensation with the Tribunal within a period of two months from the date of receipt of copy of this judgment. The Tribunal is directed to disburse the amount of compensation along with interest in the account of cross-objectors/respondents No.1 to 3 as per award. The cross-

objectors/ respondents No.1 to 3 are directed to furnish their bank account details to the Tribunal.

21. Needless to say that appellant-Insurance Company is entitled to recover the enhanced amount of compensation from respondent No. 4 and 5 i.e. driver and owner of the offending vehicle as per award dated 11.04.2016.

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

23.02.2026 **(SUDEEPTI SHARMA)**
Gaurav Arora **JUDGE**

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