IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

FAO-9852-2014 (O&M)

KULDEEP KAUR AND ORS.

......Appellants

vs.

PARVEEN KUMAR AND ORS.

......Respondents

Reserved on:- 01.04.2025
Pronounced on:- 17.04.2026
Uploaded on :- 22.04.2026

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. Anil Kumar Spehia, Advocate
for the appellants.

Mr. Dinesh Mahajan, Advocate
for respondent No.1.

Mr. Aman Sharma, Advocate
Mr. Chirag Suri, Advocate
for respondents No.2 and 3.

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SUDEEPTI SHARMA J.

1. The present appeal has been preferred against the award dated 15.05.2014 passed by the learned Motor Accident Claims Tribunal, Kapurthala in the claim petition filed under Section 166 of the Motor Vehicles Act, 1988 (for short, 'the Tribunal') for enhancement of compensation granted to the claimants to the tune of Rs.21,03,000/- along with interest @ 9 % per

annum, on account of death of Pooran Singh in a Motor Vehicular Accident, occurred on 16.11.2012.

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. The learned counsel for the claimants-appellants 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 appeal be allowed and amount of compensation be enhanced as per latest law.

4. Per contra, learned counsel for respondents, however, vehemently argues that the award has rightly been passed and the amount of compensation, as assessed by the learned Tribunal has rightly been granted. Therefore, he pray for dismissal of the appeal.

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

SETTLED LAW ON COMPENSATION

6. 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.*

7. 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 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[4] 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."*

8. 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.*

9. A perusal of the impugned award reveals that the deceased was stated to be about 54 years of age at the time of the accident and was working as Science teacher and stated to be earning Rs.47,123/- per month (Ex.AW3/1), which comes to Rs.46,123/- by deducting the income tax of the deceased.

10. Further perusal of the award reveals that learned Tribunal has erred in applying split multiplier on the premise that the deceased was about to retire and has not taken into consideration two different income of the deceased. Reliance at this stage can be made upon ***Preetha Krishnan & Anr. v. United India Insurance Co. Ltd. 2025 INSC 1293***, wherein it has been categorically held that the concept of split multiplier is alien to proceedings under the Motor Vehicles Act and cannot be applied while determining compensation. The Apex Court observed that the multiplier has to be selected strictly in accordance with the age of the deceased (or the claimant, as applicable) as laid down in the structured formula and reiterated in

authoritative pronouncements, without bifurcation of the multiplier on speculative considerations.

11. The relevant para of ***Preeta Krishnan's case (supra)*** is reproduced as under:-

> *"18. The judgment referred to by the learned Single Judge in the impugned judgment, i.e., **K.R. Madhusudhan v. Administrative Officer and Puttamma v. K.L. Narayana Reddy & Ors.** , in our considered view, does not support the use of a split multiplier. In both these judgments, this Court has held that there have to be cogent reasons recorded for its use. As already observed above, retirement from service is not 'out of the ordinary', 'exceptional' and 'cogent' for the same to qualify. It is also, a matter of considerable difficulty to conceive what such cogent or exceptional circumstances may be. In any event, the Constitution Bench in **Pranay Sethi (supra)** had, in para 59.7 observed that the age of the deceased is the criterion to be utilized for multiplier. It does not provide for any other possibilities. This, in our considered view, does not even leave open the possibility of employment of split multiplier, whatsoever. As such, when dealing with a beneficial legislation which relies on just compensation as its bedrock, it is most prudent to tread the path of certainty, insofar as practicable. This is more so important in the context of age which is the primary basis for computation of compensation. In other words, split multiplier is a concept foreign to the Motor Vehicles Act, 1988 and is not to be used by the Tribunal and/or Courts in calculation of the compensation."*

12. In view of the settled legal position, the application of a split multiplier by the learned Tribunal is wholly illegal, arbitrary and

unsustainable in law and the computation of compensation on that basis deserves to be set aside.

13. It is pertinent to mention here that Hon'ble Supreme Court in ***<u>Sushila and others Vs. Sudhakar and another, Civil Appeal No.004213-004213 – 2026, decided on 10.03.2026</u>*** has held that the annual income of the deceased would be calculated on the basis of his monthly last drawn salary and the multiplier is always determined on the annual income of the deceased so to ensure uniformity and consistency in the calculation of motor accident claim cases.

14. The relevant paras of the same are reproduced as under:-

> *"21.This Court in the judgment of Helen C. Rebello and others vs. Maharashtra State Road Transport Corporation and another, reported in (1999) 1 SCC 90, while dealing with the question of ascertaining the permissible deductions that could be made while awarding compensation in Motor Accident Claim cases, held that the general principles of common law to estimate damages cannot be invoked for calculating the compensation under the M. V. Act. Recently, in the judgment of New India Assurance Co. Ltd. vs. Kamlesh and Others, reported in 2025 INSC 724, this Court while relying upon the judgment in the case of Helen C. Rebello (supra) opined that the compensation under the M.V. Act takes into account the component of loss of income which has a direct reference to the "pay and wages" that the deceased would otherwise be entitled to had the accident not occurred or the deceased survived such an accident.*
>
> *22.In the case at hand before us, both the Tribunal as well as the High Court had made a deduction of 50% from the salary of the deceased on account the fact that only 6 months of service of the deceased was remaining. In our*

considered opinion, the Courts below have erred in coming to such an unreasonable conclusion. In the light of the authorities cited above, it is clear that any deduction which is not related to the accident, is impermissible in law. Additionally, as per settled law in the case of Sarla Verma's case (supra), the multiplicand is always determined on the basis of the "annual" income of the deceased so as to ensure uniformity and consistency in the calculation of motor accident claim cases. The fact that the deceased had only six months of service left does not cast any aspersion on the fact that had the accident not occurred, the deceased would have been in service and earn commensurate to the last drawn income before the death. Therefore, the annual income of the deceased would be calculated on the basis of his monthly last drawn salary.

23.Thus, while deciding Issue No. 1, we are of the opinion that no deduction ought to have been made from the salary of the deceased on account of duration of service left. The Tribunal rightly assessed the ₹ net salary of the deceased to be 25,415/- per month and the same would be considered for the computation of loss of income."

15. Therefore, by placing on reliance upon the above referred to judgment, the assessment so made by learned Tribunal is legally unsustainable and warrants reassessment by applying the appropriate multiplier of 11 on the basis of last drawn salary of the deceased, which is Rs.46,123/-.

16. Furthermore, the learned Tribunal has committed an error by deducting 50% towards personal and living expenses of the deceased, which is not in consonance with the settled law.

17. Furthermore, the learned tribunal has committed an error by considering that the children would become self-dependent in due course is

again based on conjecture and cannot be a valid ground to curtail the dependency, thereby resulting in an unjust and inadequate assessment of compensation.

18. It is pertinent to mention here that the Hon'ble Supreme Court in its recent pronouncement titled as ***Sadhna Tomar and others Vs. Ashok Kushwaha and others, 2025 SCC online SC 554***, has categorically clarified the scope and ambit of the term 'Legal Representatives'. The Court held that legal representatives are not confined merely to those who inherit the estate of the deceased but extend to all persons who suffer on account of death of the deceased, including those financially dependent upon him. The relevant portion of the same is reproduced 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. Cholamandalam 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."*

19. In view of the judgment referred to above and the facts and circumstances of the case, the major sons of the deceased clearly falls within the definition of legal representatives and, therefore, must be treated as dependents and are held entitled to the compensation.

20. A further perusal of the award reveals that the amount granted under the head of loss of consortium is on the lower side. Furthermore, the learned Tribunal has not awarded anything towards future prospects, which is contrary to the settled law, therefore, 15% should be awarded towards future prospects as per the settled law.

21. Furthermore, no amount has been granted under the conventional heads of loss of estate funeral expenses are on the lower side, which is contrary to the settled law. Therefore, the impugned award warrants interference and indulgence of this Court.

CONCLUSION

22. In view of the law laid down by the Hon'ble Supreme Court in the above referred to judgments, the present appeal is allowed. The award dated 15.05.2014 is modified accordingly. The appellants-claimants are entitled to enhanced compensation as per the calculations made hereunder:-

Sr. No.	***Heads***	***Compensation Awarded***
1	Monthly Income	Rs.46,123/-
2	Future prospects @ 15%	Rs.6,918/- (15% of 46,123)
3	Deduction towards personal expenditure 1/3	Rs.17,680/- (53,041 X 1/3)
4	Total Income	Rs.35,361/- (53,041-17,680)
5	Multiplier	11
6	Annual Dependency	Rs.46,67,652/- (35,361 X 12 X 11)
7	Loss of Estate	Rs.15,000/-
8	Funeral Expenses	Rs.15,000/-
9	Loss of Consortium Parental : 2 x 40,000 Spousal : 1 x 40,000	Rs.1,20,000/-
10	**Total**	**Rs.48,17,652/-**
11	**Deduction** Amount Awarded by the Tribunal	**Rs.21,03,000/-**
12	**Enhanced amount**	**Rs.27,14,652/- (48,17,652-21,03,000)**

23. 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 appellants-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.

24. The respondents (jointly and severally) are directed to deposit the enhanced amount along with interest at the rate of 9% 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 same to the appellants-claimants in their bank account as per ratio settled in award dated 15.05.2014. The appellants-claimants are directed to furnish their bank account details to the Tribunal.

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

17.04.2026 **(SUDEEPTI SHARMA)**
Ayub/Saahil **JUDGE**

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