



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

1. FAO-5910-2017 (O&M)

Paramjit Kaur and anr.

.....Appellants

vs.

Partap Singh and others

.....Respondents

2. FAO-5944-2017 (O&M)

United India Insurance Co. Ltd.

.....Appellants

vs.

Paramjit Kaur and ors.

.....Respondents

Date of Reserve: 07.11.2025

Date of Pronouncement: 28.01.2026

Uploaded on:- 30.01.2026

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. Harsh Aggarwal, Advocate, for the appellant in
FAO No. 5944-2017 and for respondent No. 3
in FAO No. 5910-2017.

Mr. Lakhwinder Singh, Advocate
for the appellants in FAO No. 5910-2017
and respondent Nos. 1 and 2 in FAO No 5944-2017.

None for respondent Nos. 3 and 4 in FAO No 5944-2017
and respondent Nos. 1 and 2 in FAO No 5910-2017
despite service.

SUDEEPTI SHARMA J.

1. Both the appeals, as noticed above, are being disposed of by this common judgment, having arisen out of the impugned award dated 03.05.2017 passed by the learned Motor Accidents Claim Tribunal, Fatehabad, whereby the claimants were awarded compensation to tune of Rs.14,20,000/- along with interest



@7.5% per annum and the Insurance company was held liable to pay the compensation to the claimants.

2. The appeal, i.e. FAO-5944-2017, has been preferred by the appellant-Insurance Company against the Award dated 03.05.2017 passed by the learned Tribunal in the claim petition under Section 166 of the Motor Vehicles Act, 1988, whereby the claim petition filed by the respondent No.1 and 2/claimants was allowed and the appellant-Insurance company was held liable to pay the compensation to respondent No.1 and 2/claimants to the tune of Rs.14,20,000/- along with interest @ 7.5% per annum.

3. The appeal, i.e. FAO-5910-2017, has been preferred by the appellant/claimant against the Award dated 03.05.2017 passed by the learned Tribunal in the claim petition under Section 166 of the Motor Vehicles Act, 1988, for enhancement of compensation, granted to the appellant/claimant to the tune of Rs.14,20,000/- along with interest at the rate of 7.5% per annum, on account of death of Amandeep Singh, occurred on 06.04.2016.

FACTS NOT IN DISPUTE

4. Brief facts of the case as per claim petition are that on 06.04.2016, Amandeep Singh (since deceased) was at Ratia on his motor cycle Bajaj Platina and he met with Satpal Singh son of Guljar Singh, caste Jat, resident of village Bara, Tehsil Ratia, District Fatehabad who was at Ratia on motor cycle plus. They both left for their village Bara on their respective motor cycles and Amandeep Singh (since deceased) was going ahead on his motor cycle and said Satpal was going on the back side of motor cycle of Amandeep Singh. When they reached in between of village Kamana and Ratia, a vehicle Tractor Swaraj with trolley bearing registration No. HR12E/3544 (hereinafter-referred to as the "offending vehicle")

driven by its driver Partap Singh (respondent no.1) at a high speed and in a rash



and negligent manner was going ahead from the motor cycle of Amandeep Singh and when Amandeep Singh was crossing the tractor trolley in question then driver of the tractor trolley after pressing the side, struck the offending vehicle in the motorcycle of Amandeep Singh. As a result of which, Amandeep Singh along with motor cycle fell down on the road and sustained multiple grievous and serious injuries. The driver of the offending vehicle ran away from the spot along with the offending vehicle. Amandeep Singh was admitted in CHC, Ratia by the passerby where he was declared brought dead. F.I.R No. 218 dated 07.04.2016 under Sections 279/304-A of IPC was registered in Police Station Ratia.

5. Upon notice of the claim petition, respondents appeared and admitted the factum of compensation.

6. From the pleadings of the parties, the following issues were framed by the learned Tribunal :-

“1. Whether the accident in question took place on 06.04.2016 due to rash and negligent driving of offending vehicle Tractor Swaraj with trolley, bearing registration No. HR-12E/3544 by its driver-respondent no.1 in which Amandeep Singh expired, if so its effect? OPP.

2. If issue no.1 is proved in affirmative, whether the petitioners are entitled to compensation, how much and from whom? OPP..

3. Whether the driver of the offending vehicle was not holding a valid and effective driving licence at the time of accident? OPR3.

4. Whether the offending vehicle was being driven by respondent no.1 in violation of terms and conditions of insurance policy? OPR-3.



5. Relief.”

7. After taking into consideration the pleadings and the evidence on record, the learned Tribunal awarded compensation to the claimants. However, the appellant-Insurance Company was held liable to pay the compensation. Hence, the Insurance Company preferred appeal bearing FAO No. 5944-2017 challenging the award as well as quantum of compensation being on higher side. The claimants have also preferred FAO No. 5910-2017 seeking enhancement of the compensation amount awarded by the learned Tribunal.

SUBMISSION OF LEARNED COUNSEL FOR THE PARTIES.

8. Learned counsel for the appellant–Insurance company (FAO No. 5944-2017) submits that the learned Tribunal has committed error in holding that the accident occurred due to the rash and negligent driving of the offending tractor-trolley bearing registration No. HR-12-E-3544. He contends that there is an unexplained delay of one day in the registration of the FIR, which raises a serious doubt regarding the manner of occurrence of the accident.

9. Learned counsel further argues that the alleged eye-witness, as well as the driver and owner of the offending vehicle, belong to the same village, clearly indicating collusion with the intent to falsely implicate the insured vehicle and saddle the appellant-Insurance Company with liability. He further contends that the FIR was initially registered against an unknown person and an unknown vehicle, and the subsequent implication of the offending tractor-trolley is an afterthought.

10. Learned counsel also submits that the trolley attached to the tractor was not separately insured and, therefore, the appellant–insurance company cannot be held liable to indemnify the insured. Lastly, it is contended that the compensation awarded by the learned Tribunal is excessive and contrary to the



settled principles governing assessment of compensation under the Motor Vehicles Act, and thus warrants interference by this Court.

11. Per contra, learned counsel for the claimants-appellants (FAO No. 5910-2017) 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 compensation be enhanced as per latest law. He further prays that the appeal FAO No. 5944-2017 filed by the Insurance Company be also dismissed.

12. I have heard learned counsel for the parties and perused the whole records of the case.

13. Before proceeding further, it is relevant to reproduce the relevant portion of the award, which reads as under:-

ISSUE No. 1

Learned counsel for the Insurance company has contended that it was hit and run case as the FIR was lodged against the unknown driver and that no accident took place on the given place and date with the tractor bearing registration No. HR-12E/3544. It has been further argued that Satpal (PW2) alleged eye witness was not present at the time of alleged accident and he was introduced later on as an eye witness and thus the accident in question is not proved to have taken place and hence the Insurance company may be absolved from its liability to indemnify the insured.

10. I find no substance in the contentions raised by the learned counsel for the Insurance company. In order to prove rash and negligent driving of the offending vehicle by its driver, PW2 Satpal Singh who is an eye witness as well as author of FIR, tendered his duly sworn affidavit Ex. PW2/A stating therein that on 06.04.2016,



Amandeep Singh (since deceased) was at Ratia on his motor cycle Bajaj Platina and he met with him as he was also at Ratia on his motor cycle and they both left for their village Bara on their respective motor cycles and Amandeep Singh going ahead ahead on his motor cycle and he was going on the back side of motor cycle of Amandeep Singh and when they reached in between of village Kamana and Ratia, the offending vehicle i.e. vehicle Tractor Swaraj with trolley bearing registration No. HR12E/3544 which was being driven by its driver Partap Singh respondent no.1 at a high speed and in a rash and negligent manner was going ahead from the motor cycle of Amandeep Singh and when Amandeep Singh was crossing the tractor trolley in question then driver of the tractor trolley after pressing the side struck the offending vehicle in the vehicle motor cycle of Amandeep Singh as a result of which Amandeep Singh along with his motor cycle fell down on the road and sustained multiple grievous and serious injuries. The driver of the offending vehicle i.e. respondent no.1 ran away from the spot along with the offending vehicle. After that Amandeep Singh was admitted in CHC, Ratia by the passersby where he was declared brought dead by the Medical Officer of CHC, Ratia. The police recorded his statement on the basis of which a case bearing FIR No. 218 dated 7.4.2016 under Sections 279/304-A of the IPC has been registered in the police station Ratia on account of causing the accident by driving the offending vehicle rashly and negligently and the respondent no.1 is still facing trial. He has further deposed that the accident took place solely due to rash and negligent driving of



the offending vehicle i.e. Tractor Swaraj with trolley by respondent no.1. He was cross-examined at length but his testimony could not be shattered in any manner. Then it is evident from a perusal of certified copy of FIR Ex. P22, certified copy of report under Section 173 Cr.P.C Ex. P23 and certified copy of charge sheet Ex. P24 that a case for rash and negligent driving of the offending vehicle was registered against respondent No.1 and a charge sheet was filed and in which he is facing trial. There is no denial to that fact. There is no rebuttal to the evidence led by the petitioners. Even the driver of the offending vehicle did not step into the witness box to deny the story put forward by the claimants. On account of non-appearance of driver, an adverse inference is drawn against the driver. In the authority titled as Raju and others Versus Sukhwinder Singh and others 2006(4) RCR (Civil) 82, it has been held that "if the driver of the offending vehicle does not come forward to deny his negligence, then adverse inference is to be drawn in favour of the claimants and he is presumed to be negligent." So, from the oral as well as documentary evidence, it is proved that the occurrence in question took place due to rash and negligent driving the offending vehicle by respondent No.1 and in which Amandeep Singh received serious and multiple injuries and died. Here reliance can be placed on the authority of Hon'ble Punjab & Haryana High Court reported as Girdhari Lal Versus Radhey Sham and others, 1993(2) PLR, 109. Accordingly, this issue is decided in favour of the petitioners and against the respondents."



14. A perusal of the impugned award reveals that the learned Tribunal has returned a well-reasoned finding that the accident occurred solely due to the rash and negligent driving of the offending tractor-trolley.

15. It is borne out from the evidence that the accident took place on 06.04.2016 at about 8:30 p.m. PW-2 Satpal Singh, the eye-witness and author of the FIR, has categorically narrated the entire sequence of events leading to the accident and has attributed the same to the rash and negligent driving of respondent No.1. His testimony has remained consistent and unimpeached despite lengthy cross-examination and, therefore, inspires confidence.

16. The contention regarding delay of one day in registration of the FIR is devoid of merit. It is settled law that delay in lodging the FIR is not fatal to a claim under the Motor Vehicles Act, particularly when the same stands satisfactorily explained. Reference in this regard can be made to the judgment of the Hon'ble Supreme Court in **Ravi v. Badrinarayan, 2011(4) SCC 693**, wherein it has been held that delay in lodging of FIR should not be treated as fatal for motor accident claim proceedings, if the claimant is able to demonstrate satisfactorily and with cogent reasons for such delay. The relevant para is reproduced as under:-

“20. It is well-settled that delay in lodging FIR cannot be a ground to doubt the claimant's case. Knowing the Indian conditions as they are, we cannot expect a common man to first rush to the Police Station immediately after an accident. Human nature and family responsibilities occupy the mind of kith and kin to such an extent that they give more importance to get the victim treated rather than to rush to the Police Station. Under such circumstances, they are not expected to act mechanically with promptitude in lodging the FIR with the Police. Delay in lodging the FIR thus, cannot be the ground to deny justice to the victim. In cases of delay, the



courts are required to examine the evidence with a closer scrutiny and in doing so; the contents of the FIR should also be scrutinised more carefully. If court finds that there is no indication of fabrication or it has not been concocted or engineered to implicate innocent persons then, even if there is a delay in lodging the FIR, the claim case cannot be dismissed merely on that ground.

21. The purpose of lodging the FIR in such type of cases is primarily to intimate the police to initiate investigation of criminal offences. Lodging of FIR certainly proves factum of accident so that the victim is able to lodge a case for compensation but delay in doing so cannot be the main ground for rejecting the claim petition. In other words, although lodging of FIR is vital in deciding motor accident claim cases, delay in lodging the same should not be treated as fatal for such proceedings, if claimant has been able to demonstrate satisfactory and cogent reasons for it. There could be variety of reasons in genuine cases for delayed lodgment of FIR. Unless kith and kin of the victim are able to regain a certain level of tranquility of mind and are composed to lodge it, even if, there is delay, the same deserves to be condoned. In such circumstances, the authenticity of the FIR assumes much more significance than delay in lodging thereof supported by cogent reasons.”.

17. In the present case, the accident occurred at 8:30 p.m in the night. PW-2-Satpal reached the hospital within minutes and his statement was recorded by the police at about 11:30 p.m. on the same night. The sequence of events clearly explains the delay, and no adverse inference can be drawn therefrom.

18. The record further reveals that an FIR was registered against Respondent No.1 and a charge-sheet has been filed, pursuant to which he is facing



trial. It is trite law that registration of an FIR followed by filing of a charge-sheet constitutes *prima facie* evidence of negligent driving. The learned Tribunal has, thus, rightly relied upon the same.

19. The plea of collusion raised by the insurance company is equally unsustainable. Hon'ble the Supreme Court in ***Geeta Dubey v. United India Insurance Co. Ltd., 2024 INSC 997***, has held that collusion between the claimants and the driver or owner of the offending vehicle must be specifically pleaded and proved by the insurer. Hon'ble the Supreme Court held that an insurance company must provide independent and credible evidence to establish collusion. Mere assertions or speculative arguments, without substantive proof, are insufficient. The relevant portion of the same reads as under:-

“22. Thirdly, the claimants having discharged the initial onus, if the insurance company had a case that there was collusion between the driver/owner of the truck and the claimants, it ought to discharge that burden. It is candidly admitted by the witness Raj Kumar Kachhwah that they had taken no steps in this regard.

*23. As held in **Sajeena Ikhbal (supra)** and **Bimla Devi (supra)**, we are convinced that on the principle of preponderance of probability, the claimants have established the involvement of vehicle bearing registration no. MP-19-HA-1197. The insurance company having set up a specific plea of collusion has not established the same. As was held in **Bimla Devi (supra)**, here too, we feel that there was no reason for the police to falsely implicate the vehicle concerned in the matter and launch prosecution against the driver. If the insurance company had*



suspected collusion, they would have taken steps to file appropriate complaints including moving the higher police authorities or the court to order an investigation into the alleged wrongful involvement of the vehicle. There is no case for the insurance company that the police officer also colluded. The investigation by the police has resulted in charge-sheet being filed.”

20. In the present case, no evidence whatsoever has been led to substantiate such a plea by appellant-Insurance Company. A mere assertion that the parties belong to the same village, without more, does not establish collusion. The said contention has rightly been rejected by the learned Tribunal.

21. The argument that the FIR was initially registered against an unknown vehicle and unknown person also does not advance the case of the appellant-Insurance Company. The Court cannot be oblivious to the ground realities prevailing in rural areas. In night-time accidents, immediate identification of the driver or full particulars of the vehicle may not be possible. Once the investigation establishes the involvement of the offending vehicle, the claim cannot be defeated merely on the basis of the initial contents of the FIR. In the present case, the accident occurred in darkness, and it is a matter of common knowledge that trolleys often do not bear visible registration numbers. Therefore, no infirmity can be found in the findings recorded by the learned Tribunal on this count.

22. It is also well settled that proceedings under the Motor Vehicles Act are governed by the principle of preponderance of probabilities and not by the standard of proof applicable to criminal trials. The claimants have duly discharged the burden of proof on the said touchstone.



23. In view of the above discussion, this Court finds that the findings recorded by the learned Tribunal are based on proper appreciation of evidence and settled principles of law and do not suffer from any illegality or perversity warranting interference. The same are accordingly affirmed.

24. Adverting now to the contention raised by the appellant-insurance company that the trolley attached to the tractor was not separately insured and, therefore, the insurer cannot be fastened with liability to indemnify the insured, the said plea is wholly devoid of merit.

25. Hon'ble the Supreme Court has recently authoritatively settled the issue in ***Royal Sundaram Alliance Insurance Company Ltd. v. Smt. Hannamma, 2025 INSC 625***, wherein it has been categorically held that an insurance company cannot evade its liability to pay compensation merely on the ground that the trolley attached to the tractor was not separately insured, when the tractor itself was duly insured. The relevant extract of the same is reproduce as thus:

10. In the present case, the admitted fact is that the incident occurred while a tractor which was insured with the Appellant was attached to a trailer and on the trailer a person was present who due to an unfortunate accident, fell off the trailer which was being pulled by/driven by/attached to the tractor, resulting in the death of such person.

11. Therefore, the undisputed position is that the trailer was being pulled by/attached to the tractor and then the trailer on which the deceased was present, turned turtle/upturned, resulting in his death. From the above, it is clear that the tractor which was insured was the reason for the accident. It is not the case that only because of some fault on the part of the trailer stand-alone, the



accident happened. To explain, we may give an example: that had the trailer been stationary at a place and due to some reason, it overturned or a mishap happened, then without the trailer being specifically insured the Appellant would not be liable to pay, but here the main cause of the accident was the tractor which was pulling/driving/moving the trailer and in such sequence of events, the trailer upturned. Thus, the accident was caused by the tractor, as during the course of being driven/pulled by the tractor, the accident occurred.

12. Thus, the liability of the tractor/its insurer extended to the accident caused by the tractor resulting in the death of the deceased, through the trailer. This being the position in the present case, the principles emanating from the decisions where the Courts have held that the trailer has to be separately registered with the insurance company to make it liable, would not be applicable. To that extent, the facts in the present case are clearly distinguishable from the ones cited by learned counsel for the appellant. The legislation i.e., the MV Act, being beneficial and welfare-oriented in nature [Ningamma v United India Insurance Co. Ltd., (2009) 13 SCC 710; K Ramya v National Insurance Co. Ltd., 2022 SCC OnLine SC 1338, and; Shivaleela v Divisional Manager, United India Insurance Co. Ltd., 2025 SCC OnLine SC 563] and ultimately the root cause of the accident being the tractor, which was insured, this crucial fact cannot be lost sight of. For further clarification, we might illustrate: if an insured vehicle hits another vehicle which in turn hits a third vehicle, then for the entire chain



of accidents, the liability would pass on to the vehicle which was the root cause of the accident because it is the result of the action in the same chain of events which cannot be segregated or compartmentalized. Moreover, this Court is duty-bound to be mindful of the ground realities of our nation and cannot let practicality be overshadowed by technicality.

*13. In **Dhondubai (supra)**, the Court stated:*

‘5. In a matter of the present nature, the law is well settled that when a tractor and trailer are involved, both the tractor as well as the trailer are required to be insured. Therefore, in a normal circumstance, when the appellant/claimant was travelling in the trailer which was not insured, the liability on the Insurance Company cannot be fastened and to that extent the High Court was justified.’

*14. To our mind, the learned Judges in **Dhondubhai (supra)** did not lay down an absolute principle of law, but taking note of *Oriental Insurance Co. Limited v Brij Mohan*, (2007) 7 SCC 56, it was ordered that the ‘respondent-Insurance Company shall pay the amount awarded by the High Court as compensation with the accrued interest and recover the same from the owner of the vehicle.’ A decision by a Division Bench of the Andhra Pradesh High Court in *United India Insurance Co. Ltd., Kadapa District v Koduru Bhagyamma*, 2007 SCC OnLine AP 830 is relevant:*

‘1. This case has come before this Court on a reference made by a learned Single Judge of this Court as it was



contended before the learned Single Judge by the appellant that as the trailer in which the deceased was travelling was not insured, although it was attached to the tractor which was insured, therefore no liability could be fastened upon the insurer.

Xxx

13. Now on analysis of these judgments and the provisions of law which have been quoted above, we feel that the law has been correctly appreciated by a learned Single Judge of this Court in Gunti Devaiah v. Vaka Peddi Reddy (supra) and the reasons given by him are sufficient to hold that under the Motor Vehicles Act no separate insurance is contemplated for a trailer and when the trailer is attached to the tractor which is insured, it becomes the part of the tractor. We reproduce the Para 26 of the said judgment as under:

“The word “vehicle” mentioned in Section 147 is correlative to the word motor vehicles, which is stipulated in Section 146. Therefore, the expression vehicle wherever appearing in Chapter X(XI) has to be only read as motor vehicle. The principle of claim for compensation in accidents arising out of the use of the motor vehicle is based on tortious liability and the negligence of the driver of the motor vehicle is a sine quo non for maintaining a claim under the provisions of the Act. Inasmuch as the trailer by itself cannot be



driven and it has to be carried or towed with a motor vehicle namely a tractor or a like self-propelled vehicles. Therefore, the question of driving the trailer in a rash and negligent manner would not arise. It is only the prime mover or the motor vehicle which controls movement of the tractor and in case of the negligence driving of the trailer or the motor vehicle, the owner of the vehicle and its insurer alone will be made liable for payment of compensation. But, since the trailer is attached can it be said that trailer should also be independently insured so as to avoid the liability of compensation in case of rash and negligent driving by the driver. That contingency would not arise, as it is only a vehicle and not a motor vehicle. It may be for tax purposes, it is treated as a goods vehicle. But, under the provisions of the Motor Vehicles Act, no separate insurance is contemplated. When the trailer is attached to the tractor it becomes a tractor-trailer. There is no provision requiring the trailer to be separately insured to cover the third party risk. The reasons are obvious that it cannot be driven by the driver as in the case of motor vehicles or tractors. Thus, a separate distinction has been drawn between the motor vehicle and a vehicle i.e., visible in all the definitions and more especially in Chapter XI. The same situation also persists in Chapter X in case



of no fault liability wherein it has been stated that whether a death or a permanent disability of any person has been resulted from an accident arising out of the use of a motor vehicle or motor vehicles and there is no reference to vehicle as such. This aspect was never considered in any of the decisions relied on by the learned Standing Counsel for the Insurance Company and also for other side.”

26. Adverting now to the rival contentions raised by the appellant–insurance company and the respondent–claimant with respect to the quantum of compensation awarded by the learned Tribunal, the same are examined as under.

27. It is not in dispute that the age of the deceased at the time of the accident was 24 years. The learned Tribunal has rightly assessed the age of the deceased, and the said finding calls for no interference.

28. From the evidence on record, it emerges that the deceased Amandeep Singh was a qualified Mechanical Engineer and was employed as a Project Officer with Utkarsh Services Private Limited, Jesal Park, Bhayandar (East), Thane, and was posted at Jaipur. The claimants have produced ample documentary evidence to substantiate the educational qualifications and employment of the deceased, including copies of mark sheets, degree and trade certificates (Exs. P6 to P11), appointment letter (Ex. P14), deputation letter (Ex. P15), extension of probation (Ex. P16), new associate details (Ex. P17), remuneration details (Ex. P18) and account ledger entries reflecting credit of salary (Ex. P19).

29. A cumulative perusal of the aforesaid documents clearly establishes that the deceased was a young, well-qualified professional with promising career



reflect a monthly salary of ₹15,986/-. The bank account ledger further corroborates that an amount of approximately ₹17,000/- per month was being credited towards salary. The material on record thus leaves little room for doubt that the deceased was earning substantially more than the income assessed by the learned Tribunal.

30. Despite such cogent documentary evidence, the learned Tribunal proceeded to assess the monthly income of the deceased at ₹8,000/- per month on the premise that neither the employer nor any official from the company was examined to formally prove the appointment and salary. Such an approach, in the opinion of this Court, is unsustainable. Hon'ble the Supreme Court has repeatedly held that documentary evidence, if otherwise reliable and duly exhibited, cannot be discarded merely for want of oral corroboration, particularly in proceedings under the Motor Vehicles Act.

31. It is equally well settled that determination of income cannot be confined to minimum wages alone where the educational qualifications, nature of employment and documentary proof of earnings are available on record. ***Hon'ble the Supreme Court in Sharad Singh (Dead) v. H.D. Narang, 2025 INSC 1164,*** has reiterated that the Courts must take into consideration the qualifications, skill set and future potential of the deceased while assessing income, so as to award just and reasonable compensation.

32. In view of the aforesaid settled legal position and the documentary evidence available on record, this Court is of the considered opinion that the monthly income of the deceased deserves to be reassessed. Taking a holistic view of the material on record, the monthly income of the deceased is reasonably assessed at ₹19,000/- per month for the purpose of computation of compensation to the claimants, as per settled law. Therefore, the award requires indulgence of this

**SETTLED LAW ON COMPENSATION**

33. 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 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 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 Thomas³, 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.

34. 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



- (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 Rajesh². 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 Verma⁴ which we have reproduced hereinbefore.

59.6. The selection of multiplier shall be as indicated in the Table in Sarla Verma¹ 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.”

35. 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 Sethi² 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 Sethi². 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.

CONCLUSION

36. In view of the law laid down by the Hon'ble Supreme Court in the above referred to judgments, the appeal **FAO No. 5910-2017** is allowed and appeal **FAO No. 5944-2017** filed by the Insurance Company is dismissed. The award



dated 03.05.2017 is modified accordingly. The appellants-claimants are entitled to enhanced amount of compensation as per the calculations made here-under:-

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	Rs.19000/-
2	Future prospects @ 40%	Rs.7600/- (40% of 19000)
3	Deduction towards personal expenditure 1/2	Rs.13300/- (26600X 1/2)
4.	Total Income	Rs.13300/-(26600-13300)
4	Multiplier	18
5	Annual Dependency	Rs.28,72,800/- (13300X12X18)
6	Loss of Estate	Rs.15,000/-
7	Funeral Expenses	Rs.15,000/-
8	Loss of Consortium Parental : Rs. 40,000/-x2	Rs.80,000/-
	Total Compensation	Rs.29,82,800/-
	Deduction Amount Awarded by the Tribunal	Rs.14,20,000/-
	Enhanced amount	Rs.15,62,800/- (2982800-1420000)

37. 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 Nandu 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.

38. Respondent-Insurance Company is directed to deposit the enhanced amount of compensation along with interest with the Tribunal within a period of two months from the receipt of copy of this judgment. The Tribunal is directed to disburse the enhanced amount of compensation along with interest in the accounts



of the claimants/appellants, as per award dated 03.05.2017. The claimants/appellants are directed to furnish their bank account details to the Tribunal.

39. Pending applications, if any, also stand disposed of.

(SUDEEPTI SHARMA)
JUDGE

28.01.2026

Gaurav Arora

Whether speaking/non-speaking : Speaking

Whether reportable : Yes