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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-268-2020 (O&M)
Date of Decision : 04.02.2026

Kavita and Others ... Appellants

Versus

Surender Kumar and Others ... Respondents

251-1 **FAO-7049-2019 (O&M)**

Reliance General Insurance Company Ltd. ... Appellant

Versus

Kavita and Others ... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Sahil Khunger, Advocate (Legal Aid Counsel) and
Ms. Jyotsna Saini, Advocate for
Mr. Ashish Yadav, Advocate
for the appellants in FAO-268-2020 and
for respondent Nos.1 to 4 in FAO-7049-2019.

Mr. Nigam K. Bhardwaj, Advocate
for the appellant in FAO-7049-2019 and
for respondent No.3 in FAO-268-2020.

ALKA SARIN, J. (Oral)

1. This order shall dispose off the above-captioned two appeals. The appeal being FAO-268-2020 has been filed by the claimants and the appeal being FAO-7049-2019 has been filed by the Insurance Company aggrieved by the quantum of compensation awarded by the Motor Accident Claims Tribunal, Rewari (hereinafter referred to as ‘Tribunal’) on account of death of Sandeep (hereinafter referred to as the ‘deceased’) vide impugned

award dated 02.09.2019. The parties are being referred to as the claimants and the Insurance Company for the sake of clarity.

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	₹10,700/-
2	Annual Income	₹1,28,400/- [₹10,700 x 12]
3	Deduction - 1/4th	₹96,300/- [₹1,28,400 - ₹32,100]
4	Multiplier - 17	₹16,37,100/- [₹96,300 x 17]
5	Loss of estate	₹15,000/-
6	Funeral expenses	₹15,000/-
7	Loss of consortium	₹40,000/-
	Total Compensation	**₹17,07,100/-**
	Interest	**7.5%**

4. Learned counsel for the claimants would contend that the income of the deceased has wrongly been assessed as ₹10,700/- per month inasmuch as the deceased was running a mobile shop under the name and style of M/s Kabir Communication at Bus Stand Nangal Mundi and was earning ₹25,000/- per month and ₹10,000/- from agricultural work. Learned counsel for the claimants would further contend that the Tribunal has not made any addition towards loss of future prospects, which ought to have been 40%. It is further the contention that the Tribunal has applied a multiplier of '17'. The age of the deceased at the time of accident was 25 years 06 months i.e. below the age of 26 years, therefore, a multiplier of '18' ought to have been applied instead of '17'. It is further the contention that the compensation awarded under the conventional heads as well as under the head 'loss of consortium' is not in

accordance with the law laid down by the Hon'ble Supreme Court. 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* learned counsel for the Insurance Company has contended that the income of the deceased has rightly been assessed as ₹10,700/- per month. He has further contended that the Tribunal has wrongly applied a deduction of $1/4^{th}$ in the present case considering father of the deceased as a dependent which ought to have been $1/3^{rd}$. Learned counsel for the Insurance Company has further contended that sufficient amount has already been awarded as compensation in the present case and that there is no scope of any enhancement.

6. Heard.

7. The argument of learned counsel for the claimants that income of the deceased has wrongly been assessed as ₹10,700/- per month deserves to be rejected inasmuch as the claimants have failed to produce any document qua the income of the deceased or any witness in support of their claim. Even if the deceased is considered to be a skilled worker, the income assessed by the Tribunal is also on the higher side as the minimum wage for a skilled worker at the relevant point of time was ₹10,328/- per month. Hence, in the absence of any cogent and reliable evidence, this Court finds no reason to

interfere with the income as assessed by the Tribunal and the same is maintained.

8. The argument of learned counsel for the claimants that the Tribunal has not made any addition towards loss of future prospects deserves to be accepted. The deceased in the present case was 25 years of age hence, as per the law laid down by Hon'ble Supreme Court in case of **Pranay Sethi** *(supra),* an addition of 40% would be made towards loss of future prospects. Further, the Tribunal has applied a multiplier of '17' considering the age of the deceased as 26 years. Though the deceased in the present case was 25 years and six months old however, he has not completed 26 years of age. Hence, in view of the law laid down by Hon'ble Supreme Court in case of **Sarla Verma** *(supra),* a multiplier of '18' would be applicable.

9. The argument of learned counsel for the Insurance Company that the Tribunal has wrongly applied a deduction of $1/4^{th}$ considering the father of the deceased as dependent upon, deserves to be rejected. In the present case, claim petition was jointly filed by the widow, child and parents of the deceased alleging themselves to be dependents of the deceased. There is no evidence contrary thereto led by the Insurance Company that father of the deceased was financially independent. Hon'ble Supreme Court in case of **Sadhana Tomar & Ors. vs. Ashok Kushwaha & Ors. [Civil Appeal No.3763 of 2025 decided on 24.01.2025]** has held as under :

> *"13. 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."*
>
> *(Emphasis supplied)*
>
> *15. In our view, in furtherance of the above exposition of law, the appellant Nos.4 and 5 being the father and younger sister of the deceased, both not financially independent, would fall under the definition of legal representatives for the purpose of claiming the compensation under the Motor Vehicles Act, 1988, and they were considered as dependents upon the income of the deceased, as he was doing wholesale business of selling fruits to meet the day-to-day expenses of the family. Therefore, the deduction made towards the personal expenses of the deceased should be 1/4th as the number of dependent family members is five."*

10. In view of the above law, the Tribunal has rightly applied a deduction of 1/4th and no fault can be found therewith.

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

hence, the claimants would be entitled to ₹18,000/- (₹15,000+20% increase) towards loss of estate and ₹18,000/- (₹15,000+20% increase) towards funeral expenses as also to ₹48,000/- each (₹40,000+20% increase) towards loss of consortium. Accordingly, the reworked compensation is as under :

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹10,700/-
2	Annual Income	₹1,28,400/- [₹10,700 x 12]
3	Deduction - 1/4th	₹96,300/- [₹1,28,400 - ₹32,100]
4	Future Prospects - 40%	₹1,34,820/- [₹96,300 + ₹38,520]
5	Multiplier - 18	₹24,26,760/- [₹1,34,820 x 18]
6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	Loss of consortium (i) Parental [₹48,000/- x 1] (ii) Filial [₹48,000/- x 2] (iii) Spousal's	 ₹48,000/- ₹96,000/- ₹48,000/- (Total ₹1,92,000/-)
	Total Compensation	**₹26,54,760/-**

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

13. In view of the decision by the Hon'ble Supreme Court in **Parminder Singh vs. Honey Goyal & Ors. [AIR 2025 SC 1713 = 2025 SCC OnLine SC 567]**, after calculation of the enhanced amount, the same be transferred by the Insurance Company in the bank account(s) of the claimants within six weeks from today and the apportionment thereof shall be as per the percentage directed by the Tribunal and the share of the minor claimant (appellant No.2) shall be kept in fixed deposits by the Bank concerned. 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 appeal being FAO-268-2020 filed by the claimants stands allowed and the appeal being FAO-7049-2019 field by the Insurance Company stands dismissed accordingly. Pending applications, if any, also stand disposed off.

04.02.2026 **(ALKA SARIN)**
jk **JUDGE**

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