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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-10569-2018 (O&M)
Date of Decision : 10.02.2026

Sona Devi @ Soma Devi and Others ... Appellants

Versus

Deepak and Others ... Respondents

273-1 **FAO-388-2019 (O&M)**

United India Insurance Company Limited ... Appellant

Versus

Sona Devi @ Soma Devi and Others ... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Sagar Aggarwal, Advocate
for the appellants in FAO-10569-2018 and
for respondent Nos.1 to 6 in FAO-388-2019.

Mr. Satpal Dhamija, Advocate
for the appellant in FAO-388-2019 and
for respondent No.3 in FAO-10569-2018.

None for respondent Nos.1 and 2 in FAO-10569-2018 and
for respondent Nos.7 and 8 in FAO-388-2019.

ALKA SARIN, J. (Oral)

1. Present order shall dispose off the above-captioned appeals. The appeal being FAO-10569-2018 has been filed by the claimants while the appeal being FAO-388-2019 has been filed by the Insurance Company, both aggrieved by the quantum of compensation awarded vide the impugned award dated 23.08.2018 passed by the Motor Accident Claims Tribunal, Kurukshetra

(hereinafter referred to as 'Tribunal') on account of death of Dev Raj (hereinafter referred to as the 'deceased'). The parties are being referred to as the Insurance Company and the claimants 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 had awarded the following compensation :

Sr.No.	Heads	Compensation Awarded
1	Annual Income	₹7,61,100/-
3	Annual income after applying the future prospects @ 15%	₹8,75,265/-
4	Income after applying deduction of $1/4^{th}$	₹6,56,500/-
5	Multiplier - 9	₹59,08,500/- [₹6,56,500 x 9]
6	Loss of estate	₹15,000/-
7	Funeral expenses	₹15,000/-
8	Loss of consortium	₹40,000/-
	Total Compensation	**₹59,78,500/-**
	Interest	**7.5% per annum**

4. Learned counsel for the claimants' states that he does not challenge the income, deduction, future prospects and the multiplier as applied by the Tribunal. He, however, states 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 the cases of **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 has contended that the date of birth of the deceased was 01.07.1958. He was to retire at the age

of 60 and was only left with about 14 months of service from the date of the accident i.e. 21.05.2017 hence for assessing the compensation the Tribunal ought to have applied a split multiplier method. It is further the contention that a sufficient amount of compensation has already been granted and that there is no scope of any enhancement.

6. Heard.

7. The argument of learned counsel for the Insurance Company that the determination of compensation ought to have been made after applying the split multiplier method as the deceased was left with about 14 months of service on the date of the accident, deserves to be rejected. Hon'ble Supreme Court in the case of **R. Valli & Ors. vs. Tamil Nadu State Transport Corporation Ltd. [2022(1) RCR (Civil) 867]** has held as under :

> *"11. Thus, we find that the method of determination of compensation applying two multipliers is clearly erroneous and run counter to the judgment of this Court in Pranay Sethi, affirming the judgment in Sarla Verma. Since the deceased was 54 years of age on the date of incident, therefore, the suitable multiplier would be 11 as per the judgment of this Court in Sarla Verma approved by this Court in Pranay Sethi."*

8. Further, in the case of **N. Jayasree** (supra) Hon'ble Supreme Court, after considering the judgment in **Reshma Kumari & Ors. vs. Madan Mohan & Anr. [(2013) 9 SCC 65]** and **in K.R. Madhusudhan & Ors. vs. Administrative Officer & Anr. [(2011) 4 SCC 689]** held as under:

> *"28. From the above discussion it is clear that at the time of calculation of the income, the Court has to consider the*

> *actual income of the deceased and addition should be made to take into account future prospects. Further, while the evidence in a given case may indicate a different percentage of increase, standardization of the addition for future prospects should be made to avoid different yardsticks being applied or different methods of calculation being adopted. In Pranay Sethi, the Constitution Bench has directed addition of 15% of the salary in case the deceased was between the age of 50 to 60 years as a thumb rule, where a deceased had a permanent job. In view of the above, the High Court was not justified in applying split multiplier in the instant case."*

9. In view of the law settled by Hon'ble Supreme Court, the argument of the Insurance Company that compensation in the present case ought to have been determined after applying a split multiplier method cannot be accepted.

10. In the present case, since no challenge has been laid by learned counsel for the parties to the income, deduction, multiplier and the future prospects as applied by the Tribunal, the same are maintained accordingly. However, 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 (i.e. appellant Nos.1, 5, 6 and proforma respondent Nos.4 to 6) 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	Annual Income	₹7,61,100/-
3	Deduction - 1/4th	₹5,70,825/- [₹7,61,100 - ₹1,90,275]
4	Future Prospects - 15%	₹6,56,449/- [₹5,70,825 + ₹85,624]
5	Multiplier - 9	₹59,08,041/- [₹6,56,449 x 9]
6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	**Loss of consortium** (i) Parental [₹48,000/- x 3] (ii) Filial [₹48,000/- x 2] (iii) Spousal's	 ₹1,44,000/- ₹96,000/- ₹48,000/- (Total ₹2,88,000/-)
	Total Compensation	**₹62,32,041/-**

11. 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.

12. 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 appellant Nos.1, 5, 6 and proforma respondent Nos.4 to 6 within six weeks from today and the apportionment thereof shall be as per the direction of the Tribunal. The particulars of the bank account(s) alongwith the requisite documents(s) in support thereof shall be furnished by appellant Nos.1, 5, 6 and proforma respondent Nos.4 to 6 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.

13. In view of the above discussion, the appeal being FAO-10569-2018 filed by the claimants is allowed and appeal being FAO-388-2019 filed by the Insurance Company is dismissed and the award passed by the Tribunal stands modified accordingly. Pending applications, if any, also stand disposed off.

10.02.2026 **(ALKA SARIN)**
jk **JUDGE**

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