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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**FAO-3413-2019 (O&M)
and XOBJC-233-2019 (O&M)
Date of Decision : 03.09.2025**

Oriental Insurance Company Limited ... Appellant

Versus

Raj Bala and Others ... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Nikhil Sehrawat, Advocate for the appellant.

Mr. Yashveer Kharb, Advocate
for respondent Nos.1 to 5/cross-objectors.

Mr. Rahul Jaswal, Advocate for respondent No.6.

ALKA SARIN, J. (Oral)**CM-24505-CII-2019**

1. For the reasons stated in the application, the same is allowed. The delay of 102 days in filing the cross-objections is condoned.

FAO-3413-2019 (O&M) and XOBJC-233-2019 (O&M)

2. Present appeal has been filed by the Insurance Company aggrieved by the quantum of compensation awarded by the Motor Accident Claims Tribunal, Panipat (hereinafter referred to as 'Tribunal') vide the impugned award dated 03.04.2019 while the cross-objections being XOBJC-233-2019 have been filed by the claimants i.e. respondent Nos.1 to 5 herein seeking enhancement of the compensation. The parties are being referred to as the claimants, driver and owner of the offending vehicle and the Insurance Company for the sake of clarity.

3. Since the facts, as recorded in the impugned award passed by the Tribunal, are not in dispute, the same are not being reproduced herein for the sake of brevity.

4. The Tribunal in the present case had awarded the following compensation :

Sr. No.	Heads	Compensation Awarded
1	Monthly income	₹60,200/-
2	Annual income	[₹60,200 x 12] = ₹7,22,400/-
3	Future prospects - 15%	[₹7,22,400 + 1,08,360] = ₹8,30,760/-
4	Deduction – 1/3 rd	[₹8,30,760 – 2,76,920] = ₹5,53,840/-
5	Multiplier – 9	[₹5,53,840 x 9] = ₹49,84,560/-
6	Deduction of 3 months salary @ ₹60,200/- i.e. ₹1,80,600/-	[₹49,84,560 - ₹1,80,600] = ₹48,03,960/-
6	Loss of estate	₹15,000/-
7	Funeral expenses	₹15,000/-
8	Loss of consortium	₹40,000/-
	Total Compensation	₹48,73,960/-
	Interest	7.5% per annum

5. The Insurance Company has filed the present appeal on the ground that the major son could not be held to be a dependent and further that the income tax has not been deducted. Learned counsel for the Insurance Company has also contended that a split multiplier ought to have been applied in the present case.

6. Learned counsel for the claimants/cross-objectors would contend that though he does challenge the income, multiplier and future prospects as assessed by the Tribunal however he has contended that as per the law laid down by the Hon'ble Supreme Court in the cases of **Seema Rani & Ors. vs. The Oriental Insurance Company Limited & Ors. [2025 (2) RCR (Civil) 48]** and **National Insurance Company Limited vs. Birender & Ors. [AIR**

2020 SC 434] a major son and married daughter are also to be included and treated as legal representatives for the purposes of a claim under the Motor Vehicles Act, 1988 and keeping in view the number of dependents/claimants, a deduction of 1/4th would be applicable. It is further the contention that the issue regarding split multiplier already stands decided by the Hon'ble Supreme Court in the case of **R. Valli & Ors. vs. Tamil Nadu State Transport Corporation Ltd. [2022(1) RCR (Civil) 867]**. Further, the compensation awarded by the Tribunal 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]**, **N. Jayasree & Ors. vs. Cholamandalam M.S General Insurance Company Ltd. [2021(4) RCR (Civil) 642]** and **Magma General Insurance Company Limited vs. Nanu Ram alias Chuhru Ram & Ors. [(2018) 18 SCC 130]**.

7. Heard.

8. Hon'ble Supreme Court in the case of **R. Valli** (supra) 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.”

9. Keeping in view the law laid down in case of **R. Valli** (supra), and the fact that the issue of split multiplier was not raised before the Tribunal, the argument of learned counsel for the Insurance Company in this regard deserves to be rejected. The Tribunal has rightly applied the multiplier of '9' in the present case and the same is maintained. The income and future prospects as assessed by the Tribunal are also maintained as there is no challenge thereto.

10. Coming to the argument of learned counsel for the claimants/cross-objectors that the major son and married daughters are to be treated as dependents, deserves to be accepted. Hon'ble Supreme Court in the case of **Seema Rani** (supra) has held as under :

“9. We have heard the learned counsel for the Appellants. We are unable to agree with the view taken by the Tribunal on the dependents of the deceased. This Court in National Insurance Company Limited v. Birender & Ors., (2020) 11 SCC 356 had expounded that major married and earning sons of the deceased, being legal representatives, have a right to apply for compensation, and the Tribunal must consider the application, irrespective of whether the representatives are fully dependent on the deceased or not. The Court went on to conclude that since the sons, in that case, were earning merely Rs. 1,50,000/- per annum, they were largely dependent on the earnings of the deceased and were staying with her.”

11. In view of the law laid down by the Hon'ble Supreme Court in the case of **Seema Rani** (supra), the major son and married daughters would

also be held to be dependents and thus the number of claimants would be 05 and therefore a deduction of 1/4th would be applicable in the present case.

12. The Tribunal has taken the monthly income of the deceased as ₹60,200/-, thus annual income of the deceased comes to ₹7,22,400/-. So far as the argument of learned counsel for the Insurance Company as regards deduction of income tax is concerned, the same is accepted. The income tax slab for the Financial Year 2016-17 reads as follows :

INCOME TAX SLABS	INCOME TAX RATES
Upto ₹2,50,000	NIL
₹2,50,000 to ₹5,00,000	10% of the amount exceeding ₹2,50,000/-
₹5,00,000 to ₹10,00,000	20% of the amount exceeding ₹5,00,000
₹10,00,000 and above	30% of the amount exceeding ₹10,00,000

13. Hence, income tax of ₹71,565/- would be deductible from the income of the deceased.

14. The argument of learned counsel for the claimants/cross-objectors that the compensation awarded under the conventional heads as well as under the head 'loss of consortium' is not in consonance with the law laid down by Hon'ble Supreme Court in the case of **Pranay Sethi** (supra), **Magma General Insurance Company Limited** (supra) and **N. Jayasree** (supra) is accepted and hence the claimants/cross-objectors would be entitled to ₹18,000/- (₹15,000+20% increase) towards loss of estate and ₹18,000/- (₹15,000+20% increase) towards funeral expenses. The claimants/cross-objectors would also be entitled to ₹48,000/- each (₹40,000+20% increase) towards loss of consortium i.e. for parental and spousal.

15. Accordingly, the reworked compensation is as under :

Sr. No.	Heads	Compensation Awarded
1	Annual income as assessed by the Tribunal	₹7,22,400/-
2	Annual Income after deduction of income tax	[₹7,22,400 – 71,565] = ₹6,50,835/-
3	Deduction – 1/4 th	[₹6,50,835 – 1,62,709] = ₹4,88,126/-
4	Future Prospects - 15%	[₹4,88,126 + 73,219] = ₹5,61,345/-
5	Multiplier - 9	[₹5,61,345 x 9] = ₹50,52,105/-
6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	Loss of consortium (i) Parental [₹48,000/- x 4] (ii) Spousal's	₹1,92,000/- ₹48,000/- (Total ₹2,40,000/-)
	Total Compensation	₹53,28,105/-
	Compensation after deduction of 3 months salary @ ₹60,200/- under Haryana Compassionate Assistance to the Dependents of Deceased Government Employees Rules, 2006	[₹53,28,105 – 1,80,600] = ₹51,47,505/-

16. 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.

17. In view of the decision by the Hon'ble Supreme Court in **Parminder Singh vs. Honey Goyal & Ors. [AIR 2025 SC 1713]**, 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. The particulars of the bank account(s) alongwith the requisite

documents(s) in support thereof shall be furnished by the claimants 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.

18. In view of the above discussion, the award passed by the Tribunal is modified and the appeal filed by the Insurance Company and the cross-objections filed by the claimants stand disposed off accordingly. Pending applications, if any, also stand disposed off.

03.09.2025

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**(ALKA SARIN)
JUDGE**

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