



2026:DHC:5593



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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of decision: 13th July 2026+ MAC.APP. 382/2024 & CM APPL. 42283/2024

JOHRI PRASAD & ANR.

.....Appellants

Through: Mr. S.K. Vashistha, Advocate

versus

MOHD. MEHRAJ & ANR.

.....Respondents

Through: Ms. Vandana Surana, Advocate for
Respondent no.2/ Insurance
Company.**CORAM:****HON'BLE MR. JUSTICE ANISH DAYAL****JUDGMENT****ANISH DAYAL, J (ORAL)**

1. This appeal has been filed by appellants, being legal representatives of the deceased/*Ramesh @ Monu* (hereinafter, '*claimants*'), seeking enhancement of compensation awarded *vide* impugned award dated 7th May 2018, passed by the Motor Accident Claims Tribunal, Shahdara District, Karkardooma Courts, Delhi ('*MACT*'), in *MACT No.246/2015*, whereby compensation of *Rs.9,11,000/-* along with interest at the rate of 9% per annum was awarded ('*impugned award*'), in respect of a fatal accident which occurred on 25th September 2015.

2. *Mr. S. K. Vashistha*, counsel for the appellants/claimants, draws attention of this Court to various heads under which compensation has been awarded by the MACT, and submits that they need to be aligned with the



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principles enunciated in *National Insurance Co. Ltd. v. Pranay Sethi*, (2017) 16 SCC 680, particularly with respect to the *multiplier*, addition towards *future prospects*, besides the benchmark income taken by the MACT.

3. Since deceased/*Ramesh @ Monu* was 21 years of age on the date of the accident, the MACT took the benchmark income in terms of minimum wages applicable to a matriculate, that is at Rs.10,478/- per month, which, in the opinion of the Court, is acceptable, considering there was no evidence of any other earning.

4. Further, considering that he was a bachelor at the time of the accident, a deduction of *one-half* shall be made towards *personal expenses*.

5. *Future prospects* shall be awarded at 40% in terms of the principles enunciated in *Pranay Sethi* (*supra*).

6. The multiplier shall be taken at '18', considering that deceased/*Ramesh @ Monu* was 21 years of age at the time of the accident, and therefore, fell in the age group of 21-25 years, to which a multiplier of '18' is applicable. The MACT applied the multiplier of '14' on the basis of age of the dependent, who was 44 years old, instead of the age of deceased/*Ramesh @ Monu*, in terms of law applicable then.

7. The issue concerning retrospective application of the principles enunciated in *Pranay Sethi* (*supra*) has already been considered by this Court in *IFFCO Tokio General Insurance Co. Ltd. v. Anil Kumar Kaushik*, 2026 SCC OnLine Del 1378, wherein this Court observed that the decision in *Pranay Sethi* (*supra*), was rendered with the objective of standardising the components of compensation to ensure uniformity and consistency in the award of compensation. Accordingly, this Court held that the principles laid down in *Pranay Sethi* (*supra*) would apply



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retrospectively where an appeal is being considered. The relevant portion from **Anil Kumar Kasuhik** (*supra*) is extracted as under:

“14. MV Act is a beneficial legislation. Courts have consistently applied the principles of Pranay Sethi (*supra*) to align the elements of compensation in order to provide standardization which has been the bulwark of the decision in Pranay Sethi (*supra*).

15. The Constitution Bench of the Supreme Court in Pranay Sethi (*supra*) emphasised that “just compensation” under Section 168 of the Motor Vehicle Act, 1988 must rest on fairness, reasonableness and equity, avoiding both windfall gains and inadequate awards. The assessment must be grounded in proven age and income, followed by application of the appropriate multiplier as standardised in *Sarla Verma v. DTC*, (2009) 6 SCC 121 : (2009) 2 SCC (Civ) 770 : (2009) 2 SCC (Cri) 1002 and affirmed in *Reshma Kumari v. Madan Mohan*, (2013) 9 SCC 65 : (2013) 4 SCC (Civ) 191 : (2013) 3 SCC (Cri) 826. The Court stressed pragmatic and uniform computation, including future prospects, to ensure proximity to real loss. Relevant paragraph is extracted as under:

“55. Section 168 of the Act deals with the concept of “just compensation” and the same has to be determined on the foundation of fairness, reasonableness and equitability on acceptable legal standard because such determination can never be in arithmetical exactitude. It can never be perfect. The aim is to achieve an acceptable degree of proximity to arithmetical precision on the basis of materials brought on record in an individual case. The conception of “just compensation” has to be viewed through the prism of fairness, reasonableness and non-violation of the principle of equitability. In a case of death, the legal heirs of the claimants cannot expect a windfall. Simultaneously, the compensation granted cannot be an apology for compensation. It cannot be a pittance. Though the discretion vested in the Tribunal is quite wide, yet it is obligatory on the part of the Tribunal to be guided by the expression, that is, “just



compensation". The determination has to be on the foundation of evidence brought on record as regards the age and income of the deceased and thereafter the apposite multiplier to be applied. The formula relating to multiplier has been clearly stated in Sarla Verma [Sarla Verma v. DTC, (2009) 6 SCC 121 : (2009) 2 SCC (Civ) 770 : (2009) 2 SCC (Cri) 1002] and it has been approved in Reshma Kumari [Reshma Kumari v. Madan Mohan, (2013) 9 SCC 65 : (2013) 4 SCC (Civ) 191 : (2013) 3 SCC (Cri) 826]. The age and income, as stated earlier, have to be established by adducing evidence. The Tribunal and the courts have to bear in mind that the basic principle lies in pragmatic computation which is in proximity to reality. It is a well-accepted norm that money cannot substitute a life lost but an effort has to be made for grant of just compensation having uniformity of approach. There has to be a balance between the two extremes, that is, a windfall and the pittance, a bonanza and the modicum. In such an adjudication, the duty of the Tribunal and the courts is difficult and hence, an endeavour has been made by this Court for standardisation which in its ambit includes addition of future prospects on the proven income at present. As far as future prospects are concerned, there has been standardisation keeping in view the principle of certainty, stability and consistency. We approve the principle of "standardisation" so that a specific and certain multiplicand is determined for applying the multiplier on the basis of age."

(emphasis added)

16. The Constitution Bench in Pranay Sethi (supra) standardized certain principles of computation of compensation and focused on the principle of standardization. Ergo, when a matter is pending in appeal before this Court challenging various aspects of computation, this Court cannot ignore standardized parameters laid down by the Supreme Court and endorse ad hoc assessments made by the Tribunal previously."

(emphasis added)



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8. The compensation towards *funeral charges* and *loss of estate* has been correctly awarded by the MACT, at Rs.15,000/- each; however, the table at *paragraph 20* of the impugned award incorrectly titles compensation awarded under *loss of dependency* as *loss of estate*.

9. The *loss of consortium* shall be awarded by taking into account the number of claimants, which are *two*, namely parents of deceased/*Ramesh @ Monu*. Accordingly, *loss of consortium* shall be awarded at Rs. 80,000/- (Rs. 40,000 x 2).

10. *Ms. Vandana Surana*, counsel for Insurance Company, states that the issue of contributory negligence in the case of a head-on collision had been noted by the MACT, in *paragraph 3* of impugned award, on the basis of written statement filed by the Insurance Company.

11. The Court notes that the respondents did not lead any evidence, and their evidence was closed on 09th March 2018, as noted by the MACT. Further, no appeal or cross-objections have been filed by the Insurance Company in this regard.

12. Moreover, the Court notes, that facts of the accident are completely adverse to what was stated by the Insurance Company in their written statement. As per the testimonies, deceased/*Ramesh @ Monu*, along with his younger brother, *Mahender Singh*, was travelling from *Sambhal* to *Delhi* in a *Maruti Eeco* car. They stopped their car in front of *Sadak Pukta, Grama Kala Khet, P.S. Hasanpur*, to relieve themselves. At that point, the offending vehicle, coming from the opposite direction, being driven in a rash and negligent manner, hit the car of deceased/*Ramesh @ Monu*, resulting in fatal injuries to him.

13. The MACT noted the testimonies of father of the deceased/*Ramesh*



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@ *Monu (PW-1)*, and his younger brother, *Mahender Singh (PW-2)*, who was an eye-witness. The MACT further noted that, apart from the testimonies of **PW-2** and **PW-1**, a charge-sheet had also been filed, and **PW2-** had been a witness before the criminal court. Therefore, there was no reason to doubt the said testimony. Further, respondents had not disputed the accident, apart from stating that the offending vehicle had been falsely implicated.

14. In the aforesaid circumstances, no fact of a head-on collision and contributory negligence, is in sight. Accordingly, the plea of Insurance Company is rendered untenable and unsustainable.

15. In view of the above, appeal is allowed.

16. Accordingly, the revised compensation shall be as under:

S. NO.	HEADS	AWARDED BY THE TRIBUNAL	AWARDED BY THIS COURT
1.	Income of deceased (A)	Rs. 10,478/-	Rs. 10,478/-
2.	Add Future Prospects (B) @40%	NIL	Rs. 4,191/-
3.	Less Personal expenses of the deceased (C) @ 50%	Rs. 5,239/-	Rs. 7,334.5/-
4.	Monthly loss of dependency [(A+ B)-C = D]	Rs. 5,239/-	Rs. 7,334.5/-
5.	Annual loss of dependency (Dx12)	Rs. 62,866/-	Rs. 88,014/-
6.	Multiplier (E)	14	18
7.	Total loss of dependency (Dx12xE = F)	Rs. 8,80,152/-	Rs. 15,84,252/-
8.	Compensation for loss of consortium (G) (40,000x2)	NIL	Rs. 80,000/-
9.	Compensation for loss of estate (H)	Rs. 15,000/-	Rs. 15,000/-
10.	Compensation towards funeral expenses (I)	Rs. 15,000/-	Rs. 15,000/-
11.	Total compensation	Rs. 9,11,000/-	Rs. 16,94,252/-

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	(F+G+H+I = J)	(rounded-off)	
12.	Interest	9%	9%
13.	Enhanced amount	Rs. 7,83,252/-	

Directions

17. For aforesaid reasons, compensation has been enhanced by **Rs. 7,83,252/-** (“*enhanced amount*”).

18. It is therefore directed that enhanced amount along with 9% interest per annum be deposited before the MACT within a period of *four weeks*. It is directed that a lump sum amount of *Rs. 2,00,000/-* shall be released in favour of the claimants from the deposit of enhanced amount within a period of *two weeks* thereafter. Remaining enhanced amount, along with accrued interest till date, shall be kept in Fixed Deposit Receipts (**FDRs**) of *Rs.25,000* each for periods of 3 month, 6 months, 9 months and so on, in succession as maybe calculated. Interest accruing on said FDRs shall be credited to the designated Savings Bank Account of claimants. The amount of FDRs on maturity would be released to the Savings Bank Account of claimants upon due verification.

19. The originally awarded amount shall be released in favour of the claimants in terms of the directions passed by the MACT *vide* impugned award dated 7th May 2018.

20. Appeal stands disposed of in above terms.

21. Pending applications, if any, are rendered infructuous.

22. Copy of this Judgment be sent to the concerned MACT.

23. Judgment be uploaded on the website of this Court.

(ANISH DAYAL)
JUDGE

JULY 13, 2026/ak/ya

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