IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

FAO No.1869 of 2022 (O&M)

SMT. RINKU MANDAL AND ORS. …Appellants

Vs

MAHENDI HASSAN AND OR. …Respondents

1	The date when the judgment was reserved	15.01.2026
2	The date when the judgment is pronounced	28.01.2026
3	The date when the judgment is uploaded on the website	28.01.2026
4	Whether only operative part of the judgment is pronounced or whether the full judgment is pronounced	Full
5	The delay, if any, of the pronouncement of full judgment, and reasons thereof.	Not applicable

CORAM: *HON'BLE MR. JUSTICE HARKESH MANUJA*

Present: Mr. Rajesh Lamba, Advocate
for the appellants.

Mr. Vinod Gupta, Advocate with
Mr. Kishan Kant, Advocate
for respondent No.3/Insurance Company.

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HARKESH MANUJA, J.

[1]. By way of present appeal, challenge has been laid to an award dated 18.01.2021 passed by the learned Motor Accident Claims Tribunal, Sonepat (for brevity, “the Tribunal”), whereby an amount of Rs.14,66,400/- was awarded as compensation to the appellants/claimants along with interest @ 7% per annum from the date of institution of claim petition till its realization on account of death of Naba Kumar Mandal @ Nama in a motor vehicular accident, occurred on 09.08.2018.

FACTS

[2]. A claim petition came to be filed at the instance of appellants/claimants before the learned Tribunal, praying for grant of compensation to the tune of Rs.50,00,000/- (Rupees fifty lakhs only), on account of death of Naba Kumar Mandal @ Nama in a motor vehicular accident which took place on 09.08.2018 while alleging rash and negligent driving of respondent No.1/driver.

[3]. After going through the pleadings and evaluating the evidence led by both the parties, learned Tribunal arrived at a conclusion that the accident occurred on account of rash and negligent driving of respondent No.1/driver, holding respondent No. 3/Insurance Company liable and awarded compensation in the following manner:-

S.No.	Nature	Amount (in Rs.)
1.	Monthly Income	Rs. 8,500/-
2.	Future Prospects (25%)	Rs. 2,130/-
3.	Deduction (1/4th)	Rs. 2,650/-
4.	Annual Income of Deceased	Rs. 95,760/-
5.	Multiplier (15)	Rs. 14,36,400
6.	Loss of Estate	Rs. 15,000/-
7.	Funeral Expenses	Rs. 15,000/-
	Total Compensation	Rs. 14,66,400/-
	Loss of consortium to claimant No. 1	Rs. 40,000/-

[4]. Being aggrieved of the award dated 18.01.2021 passed by the learned Tribunal, the present appeal was preferred by the appellants/claimants for enhancement of compensation. Facts, as specified in the claim petition, about the manner of the accident and the issue regarding negligence of the driver recorded in favour of the appellants/claimants by the learned Tribunal, being not under challenge, are not being repeated here for the sake of brevity.

ARGUMENTS ON BEHALF OF LEARNED COUNSEL FOR THE APPELLANTS/CLAIMANTS.

[5]. Learned counsel for the appellants/claimants submitted that the impugned award dated 18.01.2021 passed by the learned Tribunal suffers from grave illegality, material irregularity and erroneous appreciation of evidence insofar as the assessment of compensation is concerned. It was submitted that the learned Tribunal wrongly assessed the income of the deceased @ Rs. 8,500/- per month instead of Rs.15,000/- per month as duly established on record. He further submitted that the application of multiplier of 15 was also erroneous and contrary to settled principles, warranting application of a higher multiplier in view of the age and life expectancy of the deceased. He also submitted that the addition of only 25% towards future prospects was on the lower side and ought to have been assessed at least at 40%. Furthermore, it was submitted that the deduction of 1/4th towards personal and living expenses was also on the higher side besides the amount of compensation granted under conventional heads being not in consonance with the settled law, therefore, he prayed for enhancement of compensation as per latest decision on the subject.

ARGUMENTS ON BEHALF OF LEARNED COUNSEL FOR RESPONDENT No.3/INSURANCE COMPANY

[6]. Per contra, learned counsel representing respondent No.3/Insurance Company neither refuted the factum of accident nor even the negligence of the offending vehicle, however submitted that in the facts of the present case, the compensation assessed by the learned Tribunal called for no interference.

DISCUSSION

[7]. I have heard learned counsel for the parties and perused the paper books of the cases. I find force in the arguments advanced by the learned counsel for the appellants/claimants

QUESTION OF INCOME ASSESSED

[8]. In the present case, as far as the income of deceased is concerned, the Tribunal has taken the income to be Rs.8,500/- per month although the claimants had claimed the same to be Rs.15,000/- per month. Since the documentary evidence, in the form of salary slip or income tax records, has not been placed on record to substantiate the claim of income of Rs. 15,000/- per month, therefore, this figure cannot be accepted by the Court on its face value. However, it is proved on record that the deceased was working as a supervisor in Bhagwati Poultary Farm, Mimarpur, District Sonepat from the testimonies of PW.1 and PW.4 as well as on the basis of copies of attendance register which are Ex.C3 to Ex.C10. Still further, it has come on record that on that fateful day also, the deceased was returning from the same poultry farm to his residence after ending his business day. Therefore, in view of the circumstances, the income of the deceased cannot be taken to be less than, atleast, Rs.10,500 per month (Rs.350 x 30). Reliance in this regard can be placed on ***"Chandra @ Chanda @ Chandraram vs. Mukesh Kumar Yadav & Ors."***, reported as ***(2022) 1 SCC 198,*** wherein it has been held that in the absence of proof of income, the minimum wage notification can be a yardstick but at the same time cannot be absolute one to fix the income of the deceased and some guesswork is required to be done to assess the income. Relevant excerpt thereof is reproduced hereunder:-

"…….In the absence of salary certificate the minimum wage notification can be a yardstick but at the same time cannot be an absolute one to fix the income of the deceased. In the absence of documentary evidence on record some amount of guesswork is required to be done. But at the same time the guesswork for assessing the income of deceased should not be totally detached from reality. Merely because claimants were unable to produce documentary evidence to show the monthly income of Shivpal, same does not justify adoption of lowest tier of minimum wage while computing the income. There is no reason to discard the oral evidence of the wife of the deceased who has deposed that late Shivpal was earning around Rs. 15,000/- per month……"

[9]. The Hon'ble Supreme Court in the case of ***"Smt. Sarla Verma and others vs. Delhi Transport Corporation and another,"*** reported as ***2009(3) RCR (Civil) 77,*** went on to hold that in case the number of dependent family members was 4 to 6, 1/4th would be deducted as personal expenses from the total income. Relevant para of the judgment is culled out 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[(1996) 4 SCC 362], the general practice is to apply standardized deductions. Having considered several subsequent decisions of this Court, we are of the view that where the deceased was married, deduction towards personal and living expenses of the deceased, should be one-third ($1/3^{rd}$) where the number of dependent family members is 2 to 3, one-fourth ($1/4^{th}$) where the number of dependent family members is 4 to 6, and one-fifth ($1/5^{th}$) where the number of dependent family member exceeds six."

QUESTION OF COMPENSATION UNDER CONVENTIONAL HEADS

[10]. Furthermore, in view of the judgment of the Hon'ble Apex Court in ***Smt. Sarla Verma's case (supra)***, ***"National Insurance Co. Ltd. vs. Pranay Sethi and others"*** reported as ***(2017) 16 SCC 680*** and ***"United India Insurance Co.Ltd. vs. Satinder Kaur",*** reported as ***(2021) 11 SCC 780,*** compensation awarded under

conventional heads are also required to be assessed accordingly. Appellants/claimants are thus, held entitled for Rs.18,000/- as compensation under funeral head and Rs.18,000/- towards loss of estate. Loss of consortium is assessed to the tune of Rs.2,40,000/- (Rs. 48,000 x 5) as the appellants, being spouse, children and parents of deceased are also entitled for spousal, parental and filial consortium.

CONCLUSION

[11]. In view of the discussion made hereinabove, the appellant/claimant is held entitled for the grant of compensation in the following manner:-

S.No.	Nature	Amount (in Rs.)
1.	Annual Income of Deceased	Rs. 1,26,000/-
2.	Deduction (1/4th)	Rs. 31,500/-
3.	Net Income (Rs. 1,26,000 – Rs. 31,500)	Rs. 94,500/-
4.	Future Prospects (30%)	Rs. 28,350/-
5.	Total Income (94,500 + 28,350)	Rs. 1,22,850/-
6.	Loss of Income after applying multiplier of 15 as per the age of 40 years (1,22,850 x 15)	Rs. 18,42,750/-
7.	Loss of estate	Rs. 18,000/-
8.	Funeral Expenses	Rs. 18,000/-
9.	Loss of Consortium (48,000 x 5)	Rs. 2,40,000/-
10.	Total compensation	Rs. 21,18,750/-
11.	Amount Awarded by the Tribunal	Rs. 14,66,400/-
12.	Enhanced Compensation	Rs. 6,52,350/-

Accordingly, appellants/claimants shall be entitled to receive compensation in the proportion already determined by the learned Tribunal.

[12]. The grant of interest @ 7 % per annum is not equitable and just in view of the observations made by the Hon'ble Supreme Court in ***"Smt. Supe Dei and others vs. National Insurance Company Limited and other,*** reported as ***(2009) (4) SCC 513*** approved in a subsequent judgment titled as ***"Puttamma and others vs. K.L. Narayana Reddy and another, 2014 (1) RCR (Civil) 443,*** thus, the interest is enhanced to 9% per annum on the amount of compensation awarded to the claimants from the date of institution of claim petition till its realization. In case the said amount is not paid within three months, the same shall be payable thereafter along with 12% interest from the expiry of period of three months from today. Needless to mention here that the amount of compensation already paid to the claimant shall be deducted from the enhanced compensation.

[13]. In view of the aforesaid modification, the present appeal stands disposed of. Pending miscellaneous application(s), if any, shall also stand disposed of.

(HARKESH MANUJA)
JUDGE

January 28, 2026
Atik

Whether speaking/reasoned Yes/No
Whether reportable Yes/No