

2026:PHHC:036450



FAO NO-3039-2021

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO NO-3039-2021

Reserved on: 06.02.2026

Pronounced on: 10.03.2026

POONAM DEVI AND ANOTHER

.....Appellants

Vs.

NARENDER KUMAR AND OTHERS

.....Respondents

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

Present: Mr. Abhimanyu Singh, Advocate
for the appellants

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

HARKESH MANUJA, J

1. By way of present appeal, challenge has been laid to an award dated 23.07.2021 passed by the learned Motor Accident Claims Tribunal, Bhiwani (for brevity, "the Tribunal"), whereby an amount of Rs. 19,97,800/- was awarded as compensation to the appellants/claimants along with interest @ 9% per annum from the date of filing of petition till its realization on account of death of Ravi Kumar (aged 23 years) in a motor vehicular accident, that occurred on 06.11.2016.
2. Since the sole issue for determination in the present appeal is confined to the quantum of compensation and apportionment, a detailed narration of the facts of the case is omitted herein for the sake of brevity.

ARGUMENTS ON BEHALF OF LEARNED COUNSEL FOR THE APPELLANTS

3. Learned counsel for the appellants/claimants assailed the award by contending that the deceased was a mason earning approximately Rs. 24,000/- per month; however the ld. Tribunal arbitrarily and erroneously assessed his monthly income as Rs.8,500/-. It was further argued that the amount awarded under the conventional heads was also towards the lower side. Furthermore, the appellants who are the parents of the deceased, also assailed the apportionment made by the learned Tribunal and prayed that the compensation amount be distributed equally, granting 20% share to each of the five claimants.

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

4. 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

5. I have heard learned counsels for the parties and perused the paper-book of the case. I find force in the arguments advanced by learned Counsel for the appellants.

QUESTION OF INCOME ASSESSED

6. In the present case, appellants/claimants asserted that deceased was a mason and earning Rs 24,000/- per month, however they failed to lead any cogent evidence on record in regard to the same and the learned Tribunal assessed the monthly income of deceased @ Rs. 8,500/- while considering

the deceased as a daily wager. As the nature of proceedings in Motor Accident Claims, being summary in nature, evidence in *stricto sensu* is not required.

6.1 Further, the Hon'ble Supreme Court in **Civil Appeal no. 014496 of 2025 (Arising out of SLP (C) No. 20469/2025)** titled as **Rajesh Chakrawarti v. Dinesh Kumar Yadav and Anr.** held that in professions such as masonry, where there is no guarantee of regular work or documented payments, courts and Motor Accident Claims Tribunals must exercise caution while determining a claimant's income. Court emphasised that a judicious balance must be maintained so that the income assessed while being fair to the claimant, also has a reasonable basis and is not excessive in nature. Relevant excerpt is reproduced hereinafter:-

“10. The aspect of income can be put to rest with a simple observation that no proof whatsoever has been attached to show that the claimant-appellant was earning Rs.15,000/-. That being the case, we find no reason to interfere with the conclusion of the High Court, which has correctly assessed the claimant-appellant's income at Rs.6,200/- per month. It has to be acknowledged that in professions such as masonry, wherein there can be no guarantee of fixed amount of work or, for that matter, documented payments, the Courts and Tribunals must be careful in determining income, maintaining a judicious balance in taking an amount which is fair to the claimant, while also ensuring that the amount so taken is not lacking basis or that the same is not exorbitant in nature.”

7. Further, as per wage data published by the Labour Bureau for the year 2016, the average daily wage of a mason in the State of Haryana was around ₹550–₹560 per day. Thus, in view of the aforesaid and considering the uncertainty of regular employment and realistic working days in a month, this Court deems it just and reasonable to assess the monthly income of the deceased @ ₹12,000/- per month.

QUESTION OF FUTURE PROSPECTS, MULTIPLIER AND DEDUCTION TOWARDS PERSONAL EXPENSES

8. In the present case, the deceased Ravi Kumar at the time of death was 23 years of age and the same was established from his secondary examination certificate taken on record as Exh.PW3/B which was duly proved by witness PW-3 Karan, Assistant, Board of Secondary Education. Thus, Id. Tribunal while placing reliance upon “Smt. Sarla Verma and others vs. Delhi Transport Corporation and another”, reported as 2009(3) RCR (Civil) 77, and “National Insurance Co. Ltd. vs. Pranay Sethi and others” reported as (2017) 16 SCC 680 rightly granted 40% of the income towards future prospects and appropriately applied multiplier of 18.

9. In the present case, the deceased is survived by five dependants — his widow, two minor children and aged parents, all of whom were wholly dependent upon his income. Having regard to the size and composition of the family and absence of any evidence with respect to contribution towards the members, this Court deems it appropriate to adopt the *unit method* to ascertain the actual contribution of the deceased towards the household. The apportionment of family into units is as follows:

- a) Deceased- 2 units
- b) Widow- 2 units
- c) Mother- 2 units
- d) Father- 2 units
- e) 2 minor children- 2 units

The total thus works out to 10 units. The share per unit would come to Rs. $12000/10 = \text{Rs.}1200/-$ per month. It can thus be assumed that Rs. 2400/- (1200 + 1200 since there are 2 units for an adult) was spent by the deceased upon himself monthly. This method was discussed and recognized by the Hon’ble Supreme Court of India in the case of *U.P. State Road Transport Corporation*

v. **Trilok Chandra** reported as **1996(4) SCC 362**. Relevant excerpt is reproduced herein below for reference.

“15.It must be realised that the Tribunal/Court has to determine a fair amount of compensation awardable to the victim of an accident which must be proportionate to the injury caused. The two English decisions to which we have referred earlier provide the guidelines for assessing the loss occasioned to the victims. Under the formula advocated by Lord Wright in Davies, the loss has to be ascertained by first determining the monthly income of the deceased, then deducting therefrom the amount spent on the deceased, and thus assessing the loss to the dependents of the deceased. The annual dependency assessed in this manner is then to be multiplied by the use of an appropriate multiplier. Let us illustrate: X, male, aged about 35 years, dies in an accident. He leaves behind his widow and 3 minor children. His monthly income was Rs. 3,500/-. First, deduct the amount spent on X every month. The rough and ready method hitherto adopted where no definite evidence was forthcoming, was to break up the family into units, taking two units for an adult and one unit for a minor. Thus X and his wife make 2+2=4 units and each minor one unit i.e. 3 units in all, totaling 7 units. Thus the share per unit works out to Rs. 3,500/7 = Rs. 500 per month. It can thus be assumed that Rs. 1,000/- was spent on X. Since he was a working member some provision for his transport and out-of-pocket expense has to be estimated. In the present case we estimate the out-of-pocket expense at Rs. 250/-. Thus the amount spent on the deceased X works out to Rs. 1,250/- per month leaving a balance of Rs. 3,500-1,250 = Rs. 2,250 per month. This amount can be taken as the monthly loss to X's dependents. The annual dependency comes to Rs. 2250 X 12= Rs. 27,000/-. This annual dependency has to be multiplied by the use of an appropriate multiplier to assess the compensation under the head of loss to the dependants.....”

9.1 Although the law laid down in **Sarla Verma's case (supra)** prescribes that where the number of dependents ranges between four to six, a deduction of one-fourth of the income towards the personal expenses of the deceased is ordinarily applied, the judgment itself clarifies that such deduction is not an inflexible or rigid rule. Further, the Court even revisited the principles laid down in **Trilok Chandra's case(supra)** and the application of unit method was reaffirmed. Relevant extract is reproduced hereunder:-

“13. But, such percentage of deduction is not an inflexible rule and offers merely a guideline. In Susamma Thomas, it was observed that in the absence of evidence, it is not unusual to deduct one-third of the gross income towards the personal living expenses of the deceased and treat the balance as the amount likely to have been spent

on the members of the family/dependants. In UPSRTC v. Trilok Chandra [1996(4) SCC 362], this Court held that if the number of dependents in the family of the deceased was large, in the absence of specific evidence in regard to contribution to the family, the Court may adopt the unit method for arriving at the contribution of the deceased to his family. By this method, two units is allotted to each adult and one unit is allotted to each minor; and total number of units are determined. Then the income is divided by the total number of units. The quotient is multiplied by two to arrive at the personal living expenses of the deceased. This Court gave the following illustration :

"X, male, aged about 35 years, dies in an accident. He leaves behind his widow and 3 minor children. His monthly income was Rs. 3500. First, deduct the amount spent on X every month. The rough and ready method hitherto adopted where no definite evidence was forthcoming, was to break up the family into units, taking two units for an adult and one unit for a minor. Thus X and his wife make 2+2=4 units and each minor one unit i.e. 3 units in all, totaling 7 units. Thus the share per unit works out to Rs. 3500/7 = Rs. 500 per month. It can thus be assumed that Rs. 1000 was spent on X. Since he was a working member some provision for his transport and out-of-pocket expenses has to be estimated. In the present case we estimate the out-of-pocket expense at Rs. 250. Thus the amount spent on the deceased X works out to Rs. 1250 per month leaving a balance of Rs. 3500-1250= Rs. 2250 per month. This amount can be taken as the monthly loss of X's dependents."

In Fakeerappa v. Karnataka Cement Pipe Factory, 2004(2) RCR (Civil) 619 : 2004(2) SCC 473, while considering the appropriateness of 50% deduction towards personal and living expenses of the deceased made by the High Court, this Court observed :

"What would be the percentage of deduction for personal expenditure cannot be governed by any rigid rule or formula of universal application. It would depend upon circumstances of each case. The deceased undisputedly was a bachelor. Stand of the insurer is that after marriage, the contribution to the parents would have been lesser and, therefore, taking an overall view the Tribunal and the High Court were justified in fixing the deduction."

In the humble opinion of this court, the present cases stand on exceptional footing and thus in view of the aforesaid and upon application of unit method, it can be concluded that Rs. 2400/- monthly was spent by the deceased upon himself towards his personal expenses.

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)**, **Pranay Sethi's case (supra)** and **"United India Insurance Co.Ltd. vs. Satinder Kaur"**, reported as **(2021) 11 SCC 780**, compensation awarded under conventional heads is 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/- (48,000 x 5) as appellants and proforma respondents being the parents, widow and children of the deceased are entitled to filial, spousal and parental consortium.

CONCLUSION

11. In view of the discussion made herein above, the appellants and profoma respondents are held entitled for the grant of compensation in the following manner:-

S.No.	Nature	Amount (in Rs.)
1.	Monthly Income of Deceased	Rs. 12,000/-
2.	Deduction toward personal expenses	Rs. 2,400/-
3.	Net monthly Income (Rs.12,000-Rs.2,400)	Rs. 9,600/-
4.	Future Prospects (40%)	Rs. 3,840/-
5.	Total Annual Income : 12 x (9,600+3,840)	Rs. 1,61,280/-
6.	Loss of Income after applying multiplier of 18 as per the age of 23 years (1,61,280 x 18)	Rs. 29,03,040/-
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. 31,79,040/-
11.	Amount Awarded by the Tribunal	Rs. 19,97,800/-
12.	Enhanced Compensation	Rs. 11,81,240 /-

QUESTION OF APPORTIONMENT

12. In the humble opinion of this Court, the apportionment of compensation as awarded by the learned Tribunal that is 40% to the widow, 15% each to the two minor sons and the parents of the deceased, calls for no interference. The widow, being the primary caregiver, shoulders the continuous responsibility of nurturing, educating, and securing the future of the two minor children, which justifies a comparatively larger share in her favour. From a sociological perspective, the dependency of minor children is long-term and enduring, whereas the parents, though entitled to

compensation, are not burdened with similar future obligations. Thus, the appellants and proforma respondents shall be entitled for enhanced compensation in the proportion already granted by the Tribunal.

13. The grant of interest @ 9% interest per annum from the date of institution of claim petition is 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”. In case the said amount is not paid within three months, the same shall be payable thereafter along with 12% interest from the date of expiry of period of three months from today. Needless to mention here that the amount of compensation already paid to the claimants shall be deducted from the enhanced compensation.

14. In view of the aforesaid modification, the present appeal stands disposed of.

15. Pending miscellaneous application(s), if any, shall also stand disposed of.

March 10, 2026
Tejwinder

(HARKESH MANUJA)
JUDGE

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