**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

FAO No. 4116 of 2023 (O&M)
Reserved On: 20.01.2026
Pronounced On: 03.02.2026

Parveen Kumar and another

...Appellants

Versus

Ram Dass and another

...Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present:- Mr. Shubham Mirok, Advocate for
Mr. J.S. Thind, Advocate
for the appellants-claimants.

Mr. Kushager Goyal, Advocate
for respondent No. 1.

Mr. Hritik Sharma, Advocate and
Mr. Vishal Aggarwal, Advocate
for respondent No. 2-Insurance Company.

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HARKESH MANUJA, J.

By way of present appeal, challenge has been laid to an award dated 09.03.2023 passed by the learned Motor Accident Claims Tribunal, Sirsa **(for brevity, "the Tribunal")**, whereby an amount of Rs. 4,88,000/- was awarded as compensation to the appellants/claimants along with interest @ 6% per annum from the date of institution of claim petition till its realization on account of death of Jatin Chugh in a motor vehicular accident, occurred on 30.11.2020.

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 Jatin Chugh in a motor vehicular accident which took place on 30.11.2020 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.2/Insurance Company liable and awarded compensation in the following manner:-

S.No.	**Nature**	**Amount (in Rs.)**
1.	Annual Income of deceased	Rs. 30,000/-
2.	Dependency (1/2)	Rs. 15,000/-
3.	Future Prospects (40%)	Rs. 21,000/-
4.	**Multiplier (18)**	**Rs. 3,78,000/-**
5.	**Loss of Estate**	**Rs. 15,000/-**
6.	**Funeral Expenses**	**Rs. 15,000/-**
7.	**Loss of Consortium**	**Rs. 40,000/- each**
	Total Compensation	**Rs. 4,88,000/-**

[**4**] Being aggrieved of the award dated 09.03.2023 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 09.03.2023 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 failed to consider the age, future prospects and actual income of the deceased besides wrongly applying the deduction of ½ towards personal expenses instead of settled norm of 1/3rd despite clear dependency, and erroneously assessed the notional income on the lower side. Furthermore, it was submitted that the amount of compensation granted under conventional heads was 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.2/INSURANCE COMPANY.

[6] Per contra, learned counsel representing respondent No.2/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 AND REASONING

[7] I have heard learned counsel 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

[8] In the present case, Jatin Chugh-deceased was held to be 19 years old at the time of his death. He was a student of Bachelor of Arts apart from assisting his father in his business of Chugh Cement Agency at Talwara Jheel, District Hanumangarh. PW-1 Lekh Raj Chugh deposed that Jatin Chugh besides his studies, was also helping him in his business of Chugh Cement Agency and was earning Rs. 20,000/- per month on account of his services. The learned Tribunal assessed the annual income of deceased @ Rs. 30,000/- and after applying the requisite formula, awarded a total compensation of Rs. 4,88,000/-.

[8.1] In the case of ***'Kishan Gopal and Another v. Lala and Others'*** reported as ***2014 (1) SCC 244,*** a 10 year old child had expired in a motor vehicular accident. This incident happened on 19.07.1992. It was stated that the child was assisting his parents in agricultural occupation. The notional income was, therefore, assessed at Rs. 30,000/- per annum.

In the case of ***'S. Vasanthi and Another v. M/s Adhiparasakthi Engg. College and Another'*** reported as ***2022 INSC 1062,*** a 23 year old second year MBA student had expired in a motor vehicular accident which took place on 22.05.2010. In this case, the Supreme Court assessed the notional income at Rs. 30,000/- per month. Similarly, in the case of ***'Bishnupriya Panda v. Basanti Manjari Mohanty and Another'*** ***Civil Appeal No. 4911 of 2023,*** the deceased was a 21 year old fourth year MBBS student who expired in an accident which took place on 27.07.2013. Here the notional income of Rs. 50,000/- per month was taken.

In the case of ***'Sushil Kumar and Others v. Sukhjit Singh and Others' FAO NO. 7576 of 2017,*** a 13 year old child had expired in a motor vehicular accident which took place on 15.03.2016. Here, relying upon ***Kishan Gopal's*** ***case (supra)***, the notional income was assessed at Rs. 50,000/- per annum. In the case of ***'S. Vasanthi and Another v. M/s Adhiparasakthi Engg. College and Another'*** ***(supra)*** as also in ***'Bishnupriya Panda v. Basanti Manjari Mohanty and Another' (supra)***, future prospects were also added and compensation was awarded in terms of the decisions rendered by the Supreme Court of India in the case of ***'Sarla Varma (Smt) and Others v. Delhi Transport Corporation and Another', (2009) 6 SCC***

121 and 'National Insurance Company Limited v. Pranay Sethi and Others', (2017) 16 SCC 680.

[8.2] In the present case, as has already been noted, the deceased-Jatin Chugh was 19 years old and was a student of Bachelor of Arts. He belonged to a well-off family, being the son of a businessman, though no specific evidence about income of the family was produced. It has to be borne in mind that in compensation cases arising out of a motor vehicular accident, some guess work has to be done. While assessing income, due regard must be had to relevant factors such as family background, educational qualifications or course being pursued, avocation, and other attendant circumstances. Taking into consideration the above, in the given facts Rs. 30,000/- per annum as notional income for a 19 years' old boy who happened to be a student of Bachelor of Arts would be very less. As has been noted, in the case of ***Kishan Gopal and Another v. Lola and Others' (supra)***, when a 10 year old child expired in 1992, the notional income was fixed as Rs. 30,000/- per month. In the subsequent judgment passed in the case of ***'S. Vasanthi and Another v. M/s Adhiparasakthi Engg. College and Another' (supra) and 'Bishnupriya Panda v. Basanti Manjari Mohanty and Another' (supra),*** notional income of Rs. 30,000/- per month and Rs. 50,000/- respectively were assessed. However, we shall have to assess the income keeping in mind the relevant year of 2020 only. In the considered opinion of this Court, it is not difficult to believe that the deceased had been assisting his father in his business also while pursuing studies. Be that as it may, keeping in view the judgments referred to above, the notional income of the deceased can safely be assessed at Rs.90,000 per annum as he was 19 years old.

[9] The learned Tribunal deducted 1/2nd of the income towards personal and living expenses of the deceased in accordance with the law laid down by 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,*** wherein it was held that the deceased was a bachelor and the claimants were the parents, the deduction follows a different principle and with regard to bachelors, and 50% needs to be deducted as personal and living expenses. Relevant para of the judgment is culled out as under:-

> *"15. Where the deceased was a bachelor and the claimants are the parents, the deduction follows a different principle. In this regard to bachelors, normally, 50% is deducted as personal and living expenses, because it is assumed that a bachelor would tend to spend more on himself. Even otherwise, there is also the possibility of his getting married in a short time, in which event the contribution to the parent(s) and siblings is likely to be cut drastically. Further, subject to evidence to the contrary, the father is likely to have his own*

> *income and will not be considered as a dependent and the mother alone will be considered as a dependent. In the absence of evidence to the contrary, brothers and sisters will not be considered as dependents, because they will wither be independent and earning, or married, or be dependent on the father. Thus even if the deceased is survived by parents and siblings, only the mother would be considered to be dependent, and 50% would be treated as the personal and living expenses of the bachelor 50% as the contribution to the family. However, where the family of the bachelor is large and dependent on the income of the deceased, as in a case where he has a widowed mother and large number of younger non-earning sisters or brothers, his personal and living expenses may be restricted to one-third and contribution to the family will be taken as two-third."*

[9.1] In the present case, it stands duly established on record that the deceased was survived by his aged parents and an elder brother. In the prevailing social context, where it is increasingly observed that elderly parents are often neglected and left without adequate support by their children, the responsibility of a son towards the care, maintenance and welfare of aged parents assumes even greater legal and social significance. The deceased, therefore, was under a clear moral, social and filial obligation to financially support his dependent parents, and it is reasonable to infer that a substantial portion of his income would have been set aside for their sustenance and welfare, rather than being spent exclusively on his personal needs.

Although, as per the ratio laid down by the Hon'ble Supreme Court in ***Sarla Verma's case (supra),*** the standard deduction towards personal and living expenses of a bachelor is one-half (1/2nd), however, having regard to the peculiar facts and circumstances of the present case, the contemporary social realities, and the dependent status of the aged parents, such mechanical application may result in manifest injustice. Accordingly, a just, fair, and reasonable deduction towards personal and living expenses of the deceased is assessed at 40% of his income.

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. 96,000/- (Rs. 48,000 x 2) as the appellants, being parents of deceased are also entitled for filial consortium.

CONCLUSION

[11] In view of the discussion made herein above, the appellants/claimants are held entitled for the grant of compensation in the following manner:-

S.No.	Nature	Amount (in Rs.)
1.	Annual Income of Deceased	Rs. 90,000/-
2.	Add 40% Future Prospects	Rs. 36,000/-
3.	Total Income (Rs. 90,000 + Rs. 36,000)	Rs. 1,26,000/-
4.	Deduction (40%)	Rs. 50,400/-
5.	Net Income (Rs. 1,26,000 – Rs. 50,400)	Rs. 75,600/-
6.	**Loss of Income after applying multiplier of 18 as per age of 19 years (75,600 x 18)**	**Rs. 13,60,800/-**
7.	**Funeral Expenses**	**Rs. 18,000/-**
8.	**Loss of Estate**	**Rs. 18,000/-**
9.	**Loss of Consortium (48,000 x 2)**	**Rs. 96,000/-**
	Total Compensation	**Rs. 14,92,800/-**
	Amount Awarded by the Tribunal	**Rs. 4,88,000/-**
	Enhanced Compensation	**Rs. 10,04,800/-**

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

[12] The grant of interest @ 6% 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 claimants shall be deducted from the enhanced compensation.

[13] In view of the aforesaid modification, the present appeal stands **disposed off**.

[14] Pending miscellaneous application(s), if any, shall also stand(s) disposed off.

February 03, 2026 **(HARKESH MANUJA)**
'dk kamra' **JUDGE**

Whether Speaking / Reasoned :	Yes	No
Whether Reportable :	Yes	No