(Pronouncement)

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

FAO No. 5447 of 2018 (O&M)

Saroj Devi and another

...Appellants

Versus

Parkash and others

...Respondents

1	The date when the judgment was reserved	08.05.2026
2	The date when the judgment is pronounced	02.07.2026
3	The date when the judgment is uploaded on the website	02.07.2026
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

Argued By:- Mr. Gulshan Nandwani, Advocate
for the appellants.

Mr. Punit Jain, Advocate
for respondent No. 3-Insurance Company.

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HARKESH MANUJA, J.

The present appeal has been preferred by the claimants-appellants seeking enhancement of compensation awarded vide Award dated 21.02.2018 passed by the learned Motor Accident Claims Tribunal, Rewari **(for short "the Tribunal")**, whereby compensation to the tune of ₹8,72,400/- along with interest @ 7.5% per annum was awarded on account of death of Deepak, aged about 16½ years.

[2] As sole issue for determination in the present appeal is confined to quantum of compensation awarded by the Tribunal, a detailed narration of facts of the case is not reproduced herein for the sake of brevity.

ARGUMENTS ON BEHALF OF LEARNED COUNSEL FOR THE APPELLANTS/CLAIMANTS

[3] Learned counsel for the appellants contended that the learned Tribunal erred in assessing the income of the deceased at the level of minimum wages despite unrebutted testimony of PW-1 to the effect that the deceased was assisting in agriculture and dairy farming and was earning ₹10,000/- per month. It was further argued that no amount was awarded towards future prospects or consortium and the deduction of 50% towards personal expenses was excessive in the facts of the present case, 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.

[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 & REASONING

[5] 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

[6] In the present case, Deepak-deceased was held to be 16½ years old at the time of his death. He was a student of 11th standard apart from assisting his father in agricultural and dairy farming activities and earning Rs. 10,000/- per month. The testimony of PW-1 regarding such contribution remained unrebutted. The Hon'ble Supreme Court has repeatedly held that while assessing compensation under the Motor Vehicles Act, a pragmatic and realistic approach is required and strict rules of evidence applicable in civil trials cannot be imported. The learned Tribunal assessed the monthly income of deceased @ Rs. 7,800/- and after applying the requisite formula, awarded a total compensation of Rs. 8,72,400/-.

[6.1] 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's case (supra)*** as also in ***Bishnupriya Panda's case (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.***

[6.2] In the present case, as already noticed, the deceased-Deepak was 16½ years old and was a student of 11th standard. He belonged to a well-off family, though no specific evidence about the 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 given 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. 7,800/- per month as notional income for a 16½ years old boy who happened to be a student of 11th standard 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's case (supra) and Bishnupriya Panda's case (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 2016 only. In the considered opinion of this Court, it is not difficult to believe that the deceased had been assisting his father in agricultural and dairy farming activities 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. 10,000 per month as he was 16½ years old.

QUESTION REGARDING FUTURE PROSPECTS, MULTIPLIER AND DEDUCTION TOWARDS PERSONAL EXPENSES

[7] 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 ***Sarla Verma's case (supra),*** 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."*

[7.1] From a sociological standpoint, the deceased, being the son of appellants/claimants, would have invariably prioritized setting aside financial resources to look after his aged parents as against their maintenance and welfare. 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 apart for their sustenance and welfare, rather than being spent exclusively on his personal needs. Although, the law laid down in ***Sarla Verma's case (supra)*** prescribes that the standard deduction towards personal and living expenses of a bachelor is one-half (1/2nd), the judgment itself clarifies that such deduction is not an inflexible or rigid rule. Relevant extract is reproduced hereunder:-

> *"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 :*
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> > *"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 and adult and one unit for a minor. Thus X and his wire 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 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 case stands on exceptional footing and thus, in view of the aforesaid and having regard to 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.

[7.2] The learned Tribunal failed to award any amount towards future prospects. In ***Pranay Sethi's case (supra)*** the Constitution Bench held that future prospects are required to be added even where income is assessed on notional basis.

Accordingly, an addition of 50% towards future prospects is warranted. Furthermore, since the deceased was aged about 16½ years, therefore, multiplier of 18 is applicable.

QUESTION OF COMPENSATION UNDER CONVENTIONAL HEADS

[8] Furthermore, in view of the judgment of the Hon'ble Apex Court in ***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 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

[9] 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	1,20,000/-
2.	Add 40% Future Prospects	48,000/-
3.	Total Income (Rs. 1,20,000 + Rs. 48,000)	1,68,000/-
4.	Deduction (40%)	67,200/-
5.	Net Income (Rs. 1,68,000 – Rs. 67,200)	1,00,800/-
6.	**Loss of Income after applying multiplier of 18 as per age of 16½**	**18,14,400/-**

	years (1,00,800 x 18)	
7.	**Funeral Expenses**	**18,000/-**
8.	**Loss of Estate**	**18,000/-**
9.	**Loss of Consortium (48,000 x 2)**	**96,000/-**
	Total Compensation	**19,46,400/-**
	Amount Awarded by the Tribunal	**8,72,400/-**
	Enhanced Compensation	**10,74,000/-**

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

[10] The grant of interest @ 7.5% 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.

[11] In view of the aforesaid modification, the present appeal preferred at the instance of appellants/claimants stand allowed.

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

July 02, 2026 **(HARKESH MANUJA)**
'dk kamra' **JUDGE**

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