2026:DHC:4289

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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% ***Date of decision: 13th May, 2026***

\+ **MAC.APP. 923/2014 & CM APPL. 16955/2014**

UTTAR PRADESH STATE ROAD TRANSPORT CORPORATION .....Appellant

Through: Mr. Shadab Khan, Advocate.

versus

SEEMA RUSTAGI .....Respondent

Through: Mr. Manu Bansal and Mr. Sandeep Chhabra, Advocates.

**CORAM:**
**HON'BLE MR. JUSTICE ANISH DAYAL**

**JUDGMENT**

**ANISH DAYAL, J (ORAL)**

1. This appeal has been filed assailing impugned award dated 8th August 2014 passed by Motor Accidents Claims Tribunal ['***MACT/Tribunal***'], East District, Karkardooma Courts, in MACP No. 377/2013 whereby, compensation of Rs. 49,95,000 alongwith interest at 9% per annum, has been awarded to the respondent/claimant in respect of an accident which occurred on 23rd July 2013.

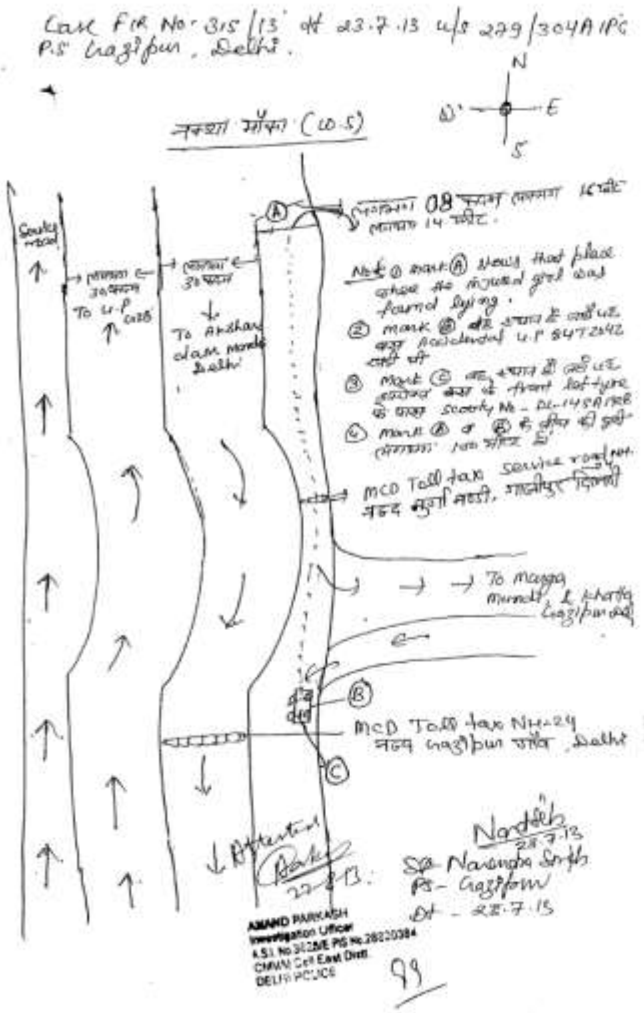
2. On 23rd July 2013, a DD No. 52B regarding a road accident which occurred near the Municipal Corporation of Delhi ('***MCD***') toll tax, Gazipur was received at Police Station Gazipur, where a girl (hereinafter, '***deceased***') was found lying in a serious condition and was '*brought dead'* when she was

taken to the hospital, as per MLC No. 9565 of 2013. It was found that an Uttar Pradesh ('***UP***') Roadways bus bearing registration UP-84T-2042 (hereinafter, '***offending vehicle/bus***') was standing stationery near the spot and a scooter was stuck under the front axle of the bus on the left side.

3. *Mr. Shadab Khan*, counsel appearing on behalf of Insurance Company, has taken an objection to liability being fastened on the appellant/ Uttar Pradesh State Road Transport Corporation ('***Corporation***'), which was the owner and operator of the bus, basis the testimony of driver, *Ram Rakshpal*, who deposed as ***R1W1*** and stated that the scooter rider had come from behind at high speed in a rash and negligent manner and hit the bus.

4. In cross examination ***R1W1*** denied that the scooter was found beneath the front left tyre of the bus and that he had stopped the bus after a distance of about 100 metres from the place of accident. He admitted that he had left the bus at the place of accident immediately after the accident took place and did not inform the police authority.

5. These statements made by ***R1W1*** are seriously belied upon a perusal of the site plan which is extracted as under for reference:




6. As per the site plan, *Mark A* was the place where the deceased was found in an unconscious position, whereas, *Mark B* was the spot where the bus was standing and *Mark C* was the place where the scooter was found stuck under the front left tyre. The site plan also notes that the distance between *Mark A* and *Mark B* was about 100 metres. It is noticed in the site plan that the MCD toll tax was half way in between *Mark A*, *Mark B* and *Mark C*.

7. It would be quite improbable to accept, as credible, the testimony given by ***R1W1***, that the scooter after hitting the bus from behind resulted in a situation, where the scooter was stuck under the front left side of the axle

of the bus and the rider was lying unconscious 100 metres behind from where the bus was finally found. It seems quite clear that the bus collided into the scooter, the deceased victim's body was left at that spot, and the scooter got entangled under the bus which dragged it along the way through the MCD toll tax till much further.

8. The assertion made by ***R1W1*** that he had moved to the left towards the MCD toll tax and the scooter rider came from behind and crashed into the bus is further belied by the location of the deceased at *Mark A*, which was approximately 50 metres behind the MCD toll tax, while the bus was found to be standing about 50 metres ahead of the toll tax.

9. Moreover, FIR and charge sheet which form a part of the criminal proceedings initiated against driver of the bus and appellant/Corporation has not been challenged.

10. In these circumstances, assessment of MACT is not amiss and the plea taken by appellant/Corporation is, therefore, rejected.

11. Aside from the above, *Mr. Shadab Khan*, counsel for appellant/Corporation, has raised an issue on the quantum of compensation on two counts. ***Firstly***, notional income of deceased has been taken at Rs. 30,000/- who was a graduate of School of Planning and Architecture (***'SPA'***) in Delhi and was expected to get a reasonable job. In this regard, in order to establish a notional benchmark income, claimant/respondent had placed on record evidence of ***PW-2***, ***PW-3*** and ***PW-4*** who were the batchmates of deceased and were studying with her in SPA, having completed their course in 2013. All three witnesses provided pay slips where they had been placed and were drawing an average salary of around Rs. 35,000/- per month.

12. This aspect has been fully assessed by the MACT and notional

income of Rs. 30,000/- has been accorded as potential income for the purpose of calculating dependency. Calculation of potential income of a student/graduate who is about to get into the job market has been endorsed by various decisions of the Supreme Court and this Court, *inter alia* ***Navjot Singh v. Harpreet Singh***, 2020 SCC OnLine SC 1562 where the monthly income of injured claimant, who was a student pursuing Engineering and suffered amputation of his right leg was assessed. Assessing his monthly income at Rs. 10,000/-, the Supreme Court noted as under:

> *"**12.** Admittedly, the appellant was 21 years of age at the time of the accident and he was pursuing a Degree course in Food Technology from Sant Longowal Institute of Engineering and Technology. Though the Tribunal did not believe the claim made by the appellant that he was earning Rs. 10,000/- per month even as a student by taking tuitions, and though the High Court also did not go by the said claim, the High Court arrived at the notional income of the appellant at Rs. 5,000/- per month, on the ground that the minimum wages admissible to an unskilled worker was Rs. 5,000/- per month.*
> ***13.** <u>But we do not think that the notional income of a student undergoing a Degree course in Engineering from a premier institute should be taken to be equivalent to the minimum wages admissible to an unskilled worker. Students recruited through campus interviews are at least offered a sum of Rs. 20,000/- per month.</u> Even if we do not go on the said basis, the High Court could have fixed the notional income at least at Rs. 10,000/- per month"*
>
> (emphasis added)

13. This view has further been endorsed by the Supreme Court in ***S. Mohammed Hakkim v. National Insurance Co. Ltd.*** (2025) 10 SCC 263 where the Court noted that the claimant was a third-year engineering student who had a bright future ahead. Placing reliance upon ***Navjot Singh*** (*supra*), the Supreme Court observed as under:

*"**11.** In the above case, this Court was dealing with a case of an accident that occurred in the year 2013. Although considering the facts of that case, this Court had taken the income of the claimant therein as Rs 10,000 per month, it was noted that students, like the appellant in the present case, would be at least earning the minimum of Rs 20,000 per month. Thus, in our opinion, it would be in the interest of justice if the notional income of the appellant were taken as Rs 20,000…"*

(emphasis added)

14. This Court in ***United India Insurance Co. Ltd. v. Rajneesh Singh***, 2023 SCC OnLine Del 7682 was dealing with a challenge filed by the Insurance Company on the assessment of monthly income of Rs. 25,000/- for injured/claimant, who was a B.Com graduate and had also been appearing for final year examinations of Chartered Accountancy (CA). What was pressed was that the process of becoming a Chartered Accountant is arduous and only 8.26% of candidates are estimated to pass through the final examinations. It was pleaded that assessment ought to have been done on the basis of minimum wages prevalent at that time. Rejecting the contentions of the Insurance Company, this Court upheld the view taken by the Tribunal. Observations in this regard are extracted as under:

*"**14.** In these facts and circumstance, this Court is of the view that the possibility of him not clearing the Chartered Accountancy Examination may not be so acutely relevant to reduce his income assessment from Rs. 25,000/- (as assessed by the Ld. MACT) to minimum wages prescribed at Rs. 9,282/- (as asserted by the appellant). It is evident from the facts on record that not only was respondent No. 1, a B.Com. Graduate but also had been successful in clearing his two groups of papers for the CA Exam and most importantly had already completed three years of Articleship. This coupled with the fact that he was possibly providing tuition to students of class $12^{th}$ for Accountancy and Mathematics (even though*

*there was no documentary proof) would show that he was a serious contender and not involved in the pursuit of CA as a pastime or with a half-hearted approach. He was clearly a serious student and even assuming against him that he was not giving tuitions to earn livelihood, reasonable assessment even in 2012 would be that he was a 24-year-old graduate, in the hope of acquiring a professional degree and had substantially travelled ahead on that path. Because an accident occurred just before the final examinations of CA, cannot reduce him to a minimum wages category. The Hon'ble Supreme Court in Chandra alias Chanda alias Chandraram (supra) held as under:*

> *"In 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 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 the deceased should not be totally detached from reality. Merely because the 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."*

(emphasis added)

15. Reliance may also be placed upon the decision of this Court in ***Raj Bala and Another v. Sumit Dahiya & Ors.*** 2018 SCC OnLine Del 12086 where the deceased was a final year B.Tech student at Maharshi Dayanand University, Rohtak. This Court calculated his earning capacity at Rs. 26,000/- per month, having regard to the fact that he had received a placement offer of Rs. 3,20,000/- p.a. Reliance was placed upon a catena of judgments with respect to the earning capacity of a student pursuing a professional carrier. Relevant observations of the Court are extracted as under:

*"7. The law with respect to the earning capacity of a student pursuing a professional course is well-settled that the Claims Tribunal has to assess the earning capacity of the deceased considering the nature of the professional course being pursued by the deceased and the prospects of his income after completing the course. The relevant judgments on this principle are as under:*

*7.1. In Oriental Insurance Company Ltd. v. Deo Patodi, (2009) 13 SCC 123, the accident dated 12th June, 2003 resulted in the death of a 22 year old brilliant student who had completed Business Administration Course and had a job offer from a US based company at the time of the accident. The Claims Tribunal took his earning capacity as Rs. 18,000/- per month. The Supreme Court enhanced the earning capacity of the deceased from Rs. 18,000/- per month to Rs. 25,000/- per month.*

*7.2. In New India Assurance Company Limited v. Ganga Devi, the accident dated 12th August, 2003 resulted in the death of an MBBS graduate who was doing internship and was getting a stipend of Rs. 5,000/- per month. The Claims Tribunal took minimum wages of Rs. 3,543/- per month in respect of a graduate. This Court rejected the principle of minimum wages applied by the Claims Tribunal and took the earning capacity of the deceased as Rs. 18,000/- per month and added 50% towards future prospects. This Court enhanced the compensation from Rs. 9,60,352/- to Rs. 21,36,000/-.*

*…*

*7.6. In United India Insurance Company Limited v. Anita, 2017 SCC OnLine Del 11152, the accident dated 16th June, 2009 resulted in the death of a 21 year old student of B.Tech. (Mechanical and Automation Engineering). The Claims Tribunal awarded Rs. 34,65,689/- by taking the earning capacity of the deceased as Rs. 26,815/- per month and 50% future prospects thereon, which was challenged by the insurance company. This Court upheld the award of the*

*Claims Tribunal and dismissed the appeal…"*

(emphasis added)

16. Therefore, the Court does not find anything amiss in Rs. 30,000/- being taken as the benchmark income, which the deceased would have, at the minimum, been potentially earning at the time of the accident.

17. ***Secondly,*** the Tribunal has awarded 50% towards future prospects which has been added to the monthly income. *Mr. Shadab Khan*, counsel for appellant/Corporation, states that as per principles enunciated in ***National Insurance Co. Ltd. v. Pranay Sethi***, (2017) 16 SCC 680, future prospects ought to have been taken as 40%, considering that the deceased was 22 years of age on the date of accident.

18. The Supreme Court in ***Pranay Sethi*** (*supra*) has stated that 50% towards future prospects can only be granted to assess the income of a deceased, if they were employed in a permanent job. However, what needs to be considered in this case is that, *firstly*, notional income was calculated at a conservative figure of Rs. 30,000/-, rather than the average of Rs. 35,000/- which was being earned by the batchmates of deceased, as noted in the impugned award; *secondly*, the deceased was 22 years of age on the date of accident and considering that the deceased would have had a long prospective career ahead of her, having graduated from one of the most premier institutions in the country for architecture *i.e.* SPA, Delhi. Therefore, it would be quite justified to assess the benchmark income along with an increase of 50% towards future prospects as a special case.

19. This assessment is based on the essential principle that the Courts have to award *just* and *reasonable* compensation. Both, the benchmark income and future prospects are prospective in nature and have to be made on an

assessment of the facts and circumstances. Accordingly, the amount awarded towards loss of dependency shall be sustained.

20. The Constitutional 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 and affirmed in ***Reshma Kumari v. Madan Mohan***, (2013) 9 SCC 65. The Court stressed pragmatic and uniform computation, including future prospects, to ensure proximity to real loss. Relevant paragraph is extracted as under:

> *"55. <u>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.</u> 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". <u>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,</u>*

*(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)

21. In ***Sarla Verma*** (*supra*), the Supreme Court underscored that "*just compensation*" must be fair, equitable and consistent, and cannot vary arbitrarily merely because different tribunals perceive different amounts as just. It emphasised that compensation must be objectively assessed, guided by uniform principles to avoid unpredictability and disparity. The Court reiterated that similar facts must yield awards within a consistent range. Relevant paragraphs are extracted as under:

*"16. Compensation awarded does not become "just compensation" merely because the Tribunal considers it to be just. For example, if on the same or similar facts (say the deceased aged 40 years having annual income of Rs 45,000*

*leaving his surviving wife and child), one Tribunal awards Rs 10,00,000 another awards Rs 5,00,000, and yet another awards Rs 1,00,000, all believing that the amount is just, it cannot be said that what is awarded in the first case and the last case is just compensation. "Just compensation" is adequate compensation which is fair and equitable, on the facts and circumstances of the case, to make good the loss suffered as a result of the wrong, as far as money can do so, by applying the well-settled principles relating to award of compensation. It is not intended to be a bonanza, largesse or source of profit.*

*17. Assessment of compensation though involving certain hypothetical considerations, should nevertheless be objective. Justice and justness emanate from equality in treatment, consistency and thoroughness in adjudication, and fairness and uniformity in the decision-making process and the decisions. While it may not be possible to have mathematical precision or identical awards in assessing compensation, same or similar facts should lead to awards in the same range. When the factors/inputs are the same, and the formula/legal principles are the same, consistency and uniformity, and not divergence and freakiness, should be the result of adjudication to arrive at just compensation. In Susamma Thomas [(1994) 2 SCC 176 : 1994 SCC (Cri) 335], this Court stated: (SCC p. 185, para 16)*

> *"16. ... The proper method of computation is the multiplier method. Any departure, except in exceptional and extraordinary cases, would introduce inconsistency of principle, lack of uniformity and an element of unpredictability, for the assessment of compensation."*

(emphasis added)

22. *Loss of love and affection* has been awarded at Rs. 1,00,000/- which shall not be sustainable in view of the decision of Supreme Court in ***United India Insurance Co. v. Satinder Kaur*** (2021) 11 SCC 780 and has been subsumed under the head of *loss of consortium* which will be awarded at Rs.

40,000/-. *Funeral expenses* will be awarded at Rs. 15,000/-, *loss of estate* will be awarded at Rs. 15,000/- in view of the alignment made in ***Pranay Sethi*** (*supra*).

23. Therefore, revised compensation will be computed as under:

| S. No. | Heads | Awarded by the Tribunal | Awarded by this Court |
|---|---|---|---|
| 1 | Income of deceased (A) | Rs. 30,000/- | Rs. 30,000/- |
| 2 | Add: Future Prospects (B) | Rs. 15,000/- | Rs. 15,000/- |
| 3 | Less: Personal expenses of deceased (C) | Rs. 22,500/- | Rs. 22,500/- |
| 4 | Loss of dependency (A+B)-C=D | Rs. 22,500/- | Rs. 22,500/- |
| 5 | Annual loss of dependency (Dx12) = (E) | Rs. 2,70,000/- | Rs. 2,70,000/- |
| 6 | Multiplier (F) | 18 | 18 |
| 7 | Total loss of dependency (E x F)= (G) | Rs. 48,60,000/- | Rs. 48,60,000/- |
| 8 | Compensation for loss of consortium (H) | Nil | Rs. 40,000/- |
| 9 | Compensation for loss of love and affection (I) | Rs. 1,00,000/- | Nil |
| 10 | Compensation for loss of estate (J) | Rs. 10,000/- | Rs. 15,000/- |
| 11 | Compensation towards funeral expenses (K) | Rs. 25,000/- | Rs. 15,000/- |
| 12 | Total compensation (G+H+I+J=K)= L | **Rs. 49,95,000/-** | **Rs. 49,30,000/-** |
| 13 | Rate of Interest Awarded | 9% | 9% |

## ***Conclusion***

24. In view of the above computation, the compensation payable to respondent/claimant has been reduced by Rs. 65,000/- as awarded by the MACT.

25. By order dated 14th October 2014, this Court had directed the appellant/Corporation to deposit the entire compensation amount before the Registrar General of this Court and 50% amount was to be released as per the directions of the impugned award. The balance amount was kept in a fixed deposit with UCO Bank, Delhi High Court Branch for one year with provision of renewal.

26. Accordingly, on the basis of the revised compensation, the balance amount, along with the accrued interest, be released to the respondent/claimant as lumpsum after liquidating the fixed deposit receipts ('***FDRs***'). Additionally, the excess amount, if any, deposited shall be refunded, with accrued interest along with the statutory deposit to the appellant/ Corporation by the Registrar General.

27. In view of above, the appeal stands disposed of.

28. Pending applications, if any, stand disposed of.

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

**(ANISH DAYAL)**
**JUDGE**

**MAY 13, 2026/ab/***sp*