



FAO-3943-2019 (O&M)

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

FAO-3943-2019 (O&M)
Reserved on: 12.11.2025
Pronounced on: 08.01.2026
Uploaded on: 09.01.2026

SHARDA AND ANOTHER

.....Appellants

Vs.

NAGENDER SHARMA AND ANOTHER

.....Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Rose Gupta, Advocate
for the appellants.

Mr. Vinod Gupta, Advocate
for respondent No.2/Insurance Company.

HARKESH MANUJA, J.

1. By way of present appeal, challenge has been laid to an award dated 04.05.2018 passed by the learned Motor Accident Claims Tribunal, Hisar (for brevity, “the Tribunal”), whereby an amount of Rs. 13,52,022/- was awarded as compensation to the appellant/claimant along with interest @ 9% per annum from the date of filing of petition till its realization on account of death of Bhupender alias Vicky in a motor vehicular accident, occurred on 11.06.2016.

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

ARGUMENTS

ON BEHALF OF LEARNED COUNSEL FOR THE APPELLANTS

3. The learned counsel for the appellants assailed the award by submitting that the deceased was earning Rs. 50,000/- per month while working as an electrician, having obtained the requisite technical qualifications from ITI Hisar. It was further submitted that the above fact was duly proved from the

deposition of claimants which was not rebutted by the respondents by leading any evidence and therefore, the learned Tribunal went wrong while having assessed monthly income @ Rs. 9,258/- per month. He further argued that the deduction of 1/3rd towards personal expenses was contrary to law, as in the case of bachelor, only 1/4th should have been deducted. He further contended that the application of multiplier of 17 was incorrect and the appropriate multiplier ought to have been 18, and that only 40% addition towards future prospects was granted, whereas a 50% enhancement was legally mandated. 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 decisions on the subject.

ON BEHALF OF LEARNED COUNSEL FOR RESPONDENT
No.2/INSURANCE COMPANY

4. 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 being based on proper appreciation of the material on record.

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, the appellants/claimants, submitted that the deceased was working as an electrician, having obtained the requisite technical qualifications from ITI Hisar, thus, earning Rs. 50,000/- per month. Since, no

documentary evidence to support the income of the deceased was placed before the Tribunal, thus, learned Tribunal assessed the monthly income of deceased @ Rs. 9,258/- per month considering him as an unskilled labourer. However, it is an admitted fact that the appellant was 30 years of age at the time of accident and, in this regard observations made by the Hon'ble Apex Court in "**Kubra Bibi vs. Oriental Insurance Co. Ltd.**", reported as **2023(3) Apex Court Judgments (SC) 23**, to the effect that in the absence of definite proof of income, the social status of the deceased needs to be kept in mind where such person is employed in an unorganized sector and accordingly, the notional income in any event is required to be taken into consideration; may help the cause of the appellant. Relevant para from this judgment is reproduced hereunder:

"7. In a matter of the present nature where the compensation is sought and even in absence of definite proof of the income, the social status of the deceased is to be kept in perspective where such persons are employed in unorganized sector and the notional income in any event is required to be taken into consideration. The fact that the deceased had three dependents to be cared for and had claimed that he was working as a mechanic, the amount payable to an unskilled labour, cannot be the basis and in that circumstance when he was a skilled person, the daily income at Rs. 200 per day in any event could have been taken even if the income from jeep transport business was discarded for want of documents. More so in a circumstance, where the MACT had referred to the evidence available on record and then arrived at its conclusion, the re-appreciation of the evidence by the High Court is without being sensitive to nature of lis before it."

6.1 Furthermore, the nature of proceedings in Motor Accident Claims, being summary in nature, evidence in *stricto sensu* is not required. The Hon'ble Supreme Court in case of "**Chandra @ Chanda @ Chandraram vs. Mukesh Kumar Yadav & Ors.**", reported as **(2022) 1 SCC 198**, held that in 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.....”

6.2 Considering the facts of the present case, it is a matter of common knowledge that a person working as electrician who had acquired his requisite technical qualification from ITI, Hisar would have a reasonable and steady source of income, sufficient to maintain himself and contribute to his family. Considering the age, nature of work, and prevalent minimum wages applicable to unskilled/skilled labourers during the relevant period, this Court reasonably assesses the monthly income of the deceased at (Rs. 400 x 30) Rs. 12,000 per month, which shall form the basis for computation of compensation.

7. 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, held that in case the deceased was a bachelor and the claimants were the parents, the deduction follows a different principle and with regard to

bachelors, 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 either 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 In the given case, it has come on record that the deceased was survived by aged parents. Evidently, being the sole earning member of the family, the deceased was under moral and social obligation to contribute some amount towards the maintenance of his aged parents, in discharge of his filial and pious obligation. In such circumstances, it can be reasonably inferred that

the deceased would have been saving a considerable portion of his income for the benefit and welfare of his dependents-parents, rather than spending the same solely for his personal use. Though, according to the ratio laid down by the Hon'ble Supreme Court in ***Sarla Verma's case***, the deduction towards personal and living expenses of the deceased comes out to be half (1/2nd), but keeping in mind the facts and circumstances of the case in hand and the above-mentioned reasons, the deduction is assessed at one-third (1/3rd) of the income.

QUESTION OF COMPENSATION UNDER CONVENTIONAL HEADS

8. 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

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 | Rs. 1,44,000/- |
| 2. | Add 40% Future Prospects | Rs. 57,600/- |
| 3. | Total Income (Rs. 1,44,000 + Rs. 57,600) | Rs. 2,01,600/- |
| 4. | Deduction (1/3 rd) | Rs. 67,200/- |
| 5. | Net Income (Rs. 2,01,600 – Rs. 67,200) | Rs. 1,34,400/- |

| | | |
|-----------|--|------------------------|
| 6. | Loss of Income after applying multiplier of 17 as per age of 30 years (1,34,400 x 17) | Rs. 22,84,800/- |
| 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. 24,16,800/- |
| | Amount Awarded by the Tribunal | Rs. 13,52,022/- |
| | Enhanced Compensation | Rs. 10,64,778/- |

10. 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,*** the grant of interest @ 9% per annum on the amount of compensation awarded to the claimants from the date of institution of claim petition till its realization is justified. 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 stands disposed of.

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

January 08, 2026
Tejwinder

(HARKESH MANUJA)
JUDGE

| | |
|----------------------------------|--------|
| <i>Whether speaking/reasoned</i> | Yes/No |
| <i>Whether Reportable</i> | Yes/No |