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PUNJAB AND HARYANA HIGH COURT

SINGLE BENCH

(Before : Yashvir Singh Rathor, J.)

SMT. VEENA GOEL AND ANOTHER

Vs.

PRITHVI RAM AND OTHERS

FAO-3377-2002 (O&M)

Decided on : 16-07-2026

A. Motor Vehicles Act, 1988 — Appeal for enhancement of compensation — Reconstructed record — Effect — Where the original record of the tribunal proceedings has been destroyed in a fire and is unavailable, the appeal may be decided on the basis of the facts and evidence as discussed and recorded by the Tribunal in the impugned award itself, without requiring reproduction of the entire evidence on the manner of the accident, particularly where liability under the negligence issue is unchallenged. [Para 6-7]

B. Motor Vehicles Act — Just compensation — Guiding principles — Beneficial legislation not a source of profit or windfall — While assessing compensation, the Tribunal must award what appears "just," a discretion that is wide but not arbitrary; the beneficial character of the legislation does not permit compensation to become a source of profit or windfall to claimants, nor should it be punitive to those liable to pay; determination must be based on data establishing a reasonable nexus with the loss suffered, uninfluenced by misplaced sympathy or generosity. [Para 10]

C. Income assessment — Reliance on Income Tax Return — Future prospects — Addition of 40% for self-employed deceased — Where the deceased's income is duly established through an Income Tax Return filed for the relevant assessment year, there is no reason to deviate from the same — Since the deceased, aged 23, was self-employed running his own business, 40% of the annual income is required to be added towards future prospects in terms of the principle in Pranay Sethi. [Paras 11-12]

D. Legal representatives — Financially dependent father and mother of bachelor deceased — Entitlement to compensation — The term "legal representative" under the Motor Vehicles Act is not to be narrowly construed to exclude persons dependent on the deceased's income

merely because they are not spouse or child; financially dependent parents of a deceased bachelor qualify as legal representatives entitled to compensation, and deduction towards personal and living expenses is to be made at 50% where two dependents survive, per the Sarla Verma guidelines. [Para 13]

E. Conventional heads — Loss of consortium, funeral expenses, loss of estate — Adjustment for price index at time of accident — Although Pranay Sethi (2017) prescribed amounts under conventional heads including loss of consortium, funeral expenses, and loss of estate, since that judgment was rendered after the accident, the amounts payable under conventional heads must be moderated having regard to the price index prevalent at the time of the accident (1995), with parental claimants entitled to compensation for loss of filial consortium as well. [Paras 15-16]

Counsel for Appearing Parties

Mr. Ravi Gupta, Advocate for the Appellant; Respondents No.1 to 3 ex parte before the Tribunal; Respondents No.5 to 7 were exonerated by the Tribunal; Mr. Vinod Gupta, Advocate for respondent No.4-Insurance Company.

JUDGMENT

Yashvir Singh Rathor, J.(Oral) - This appeal has been instituted by claimants for enhancement of compensation against the Award dated 03.04.2002 in a petition under Section 166 of Motor Vehicles Act, 1988 vide (for short 'Act') passed in MACT case No.38 of 1999 decided by the MACT, Bhiwani (for short "Tribunal") which a sum of Rs.3,52,300/- has been awarded as compensation to the claimants alongwith interest at the rate of 9% per annum from the date of filing of claim petition till realization on account of death of their son Dinesh Goel in a motor vehicular accident which took place on 23.07.1995 due to rash and negligent driving on the part of respondent No.1 while driving the Truck bearing No.HR-26-7146 (for short 'offending vehicle'), owned by respondent No.2, which was insured with respondent No.4.

2. From the pleadings of parties, following issues were framed by the ld. Tribunal:-

> "1. Whether the accident in question had taken place on account of rash and negligent driving of truck bearing No.HR-26-7 M6, by its driver, respondent No.1 Prithvi Ram? OPP"
>
> 2. To what amount of compensation, if any, the petitioners are entitled to and from whom? OPP.
>
> 3. Whether the respondents are not liable to pay any compensation, in view of the grounds taken in their respective written statement? OPR
>
> 4. Relief."

3. Thereafter, the parties led evidence in support of their case.

4. After hearing the parties and going through the material on the file, learned Tribunal awarded a sum of Rs.3,52,300/- as compensation to the claimants along with interest @ 9% per annum from the date of filing of claim petition till realization, payable by respondents No.1 to 4 jointly and severally while respondents No.5 to 7 were exonerated.

5. Feeling aggrieved, the appeal in hand has been preferred. The material on file has been perused and parties have been heard.

6. It is pertinent to mention that the record of the present appeal and the Tribunal has got burnt in a fire incident in the High Court Registry and the present appeal has to be decided on the basis of the facts and evidence discussed by the Tribunal in the impugned award.

7. The only issue required to be determined in the present appeal relates to the assessment of compensation. Therefore, the entire facts regarding the manner of the accident are not required to be reproduced in detail, as the Tribunal has already held under Issue No.1 that the accident had occurred due to the rash and negligent driving on the part of respondent No.1 while driving the offending vehicle, owned by respondent No.2, which was insured with respondent No.7. No appeal or cross-objections have been filed by respondents, challenging the said finding and accordingly, finding on issue No.1 is not required to be interfered with.

8. Learned counsel for the appellants argued that the impugned award vide which compensation of Rs.3,52,300/- has been awarded is based on conjectures and surmises and is liable to be modified and enhanced amount of compensation should be awarded. Learned counsel contended that income of the deceased has been assessed on lower side. Learned counsel next contended that future prospects have also not been added to the monthly income of the deceased contrary to settled provisions of law. Learned counsel next contended that no compensation has been paid under conventional heads i.e. loss of consortium and compensation of Rs.2,000/- on account funeral expenses and Rs.2,500/- on account of loss of estate have been awarded which are on lower side and same be suitably enhanced. In support of his contentions, learned counsel has relied upon **2009(6) SCC 121 Sarla Verma and others Vs. Delhi Transport Corporation and Another, 2017 (16) SCC 680 National Insurance Co. Ltd Vs. Pranay Sethi and Other, 2018 (4) R.C.R. (Civil) 333, 'Magma General Insurance Co. Ltd. v. Nanu Ram alias Chuhru Ram & Others and (2021) 11 SCC 780, United India Insurance Co. Ltd. Vs. Satinder Kaur**.

9. On the other hand, learned counsel for the respondent argued that the adequate compensation has been awarded by the learned Tribunal and no interference in the said award is called for and appeal in hand be dismissed.

10. The term 'just compensation' has been elaborated by Hon'ble Supreme Court in **2009(1) RCR (Civil) 867 (SC), Syed Basheer Ahamed and Others Vs. Mohd. Jameel and Another**, and it has been held that while assessing compensation in a motor accident claims case, the Tribunal should award compensation which appears to be just. The expression "which appears to be just" vests a wide discretion in the Tribunal in the matter of determination of compensation. Nevertheless, the wide amplitude of such power does not empower the Tribunal to determine the compensation arbitrarily,

or to ignore settled principles relating to determination of compensation. It has been further held that although the Act is a beneficial legislation, it can neither be allowed to be used as a source of profit, nor as a windfall to the persons affected nor should it be punitive to the persons liable to pay compensation and that determination of compensation must be based on certain data establishing reasonable nexus between the loss incurred by the victim or dependents. It has been further held that misplaced sympathy, generosity and benevolence cannot be the guiding factors for determining the compensation. As such, compensation is required to be assessed by taking into consideration above-said parameters.

11. As per version of claimants as deposed by PW1 Madan Lal father of the deceased, his son Dinesh Kumar was holding a degree in B.Tech and was running an industry. He was an income tax payee. PW1 has tendered in evidence degree of B.Tech Ex.P6. The Income Tax Return Ex.P14 has also been led in evidence which shows his income for the assessment year 1995-96 as Rs.1,39,116/- and there is no reason to deviate from the same. Accordingly, income of deceased is taken as Rs.1,39,116/- per annum.

12. Deceased was 23 years of age and was running his own business and as such, 40% amount has to be added to the monthly income of the deceased towards future prospects in view of law laid down in **Pranay Sethi's case** (supra), which takes his income to Rs.1,94,762/- per annum (Rs.1,39,116/- + Rs. 55.646-1 Deceased was an income tax assessee and as such, a sum of' Rs.34,762/- per annum is to be deducted from the salary towards income tax and after deducting the same, the total annual income thus comes out to Rs.1,60,000/-(Rs.1,94,762/- - Rs.34,762/-).

13. The petition in hand has been instituted by wife and father of the deceased. Hon'ble Supreme Court in **2025 Livelaw (SC) 309, Sadhana Tomar & Ors. Vs. Ashok Kushwaha & Ors**, has held that a legal representative is one, who suffers on account of death of a person due to motor vehicle accident and need not necessarily be a wife, husband, parent or child. The term legal representative under Motor Vehicles Act should not be given a narrow interpretation to exclude those persons as claimants who were dependent on the deceased's income. The father and sister, being financially dependent are legal representatives under the Act entitling them to compensation. Accordingly, it is held that deceased has left behind two dependents. Deceased was a bachelor. Accordingly, 50% of the income thus has to be deducted towards personal and living expenses in view of law laid down in **Sarla Verma's case** (supra). After deducting a sum of Rs.80,000/- towards personal expenses, the annual loss of dependency comes out to Rs.80,000/- (Rs.1,60,000/- - Rs.80,000/-).

14. As per guidelines laid down in **Sarla Verma's case** (supra), multiplier of 18 has to be applied as deceased was 23 years of age and after applying the same, the compensation comes to Rs.14,40,000/- (Rs.80,000/- X 18).

15. As per law laid down in **Pranay Sethi's case** (supra) a sum of Rs.70,000/- is payable towards conventional heads i.e. Rs.40,000/- towards loss of consortium, Rs.15,000/- towards loss of estate and Rs.15,000/- on account of funeral expenses. However, the judgment in **Pranay Sethi's case** (supra) was passed in the year 2017 and taking into consideration the price index prevalent in the year 1995 when the accident took place, the claimant No.1 is held entitled to a sum of Rs.20,000/- towards

loss of consortium, Rs.7,500/- for funeral expenses and Rs.7,500/- for loss of estate. Likewise, claimant No.2 is also held entitled to a sum of Rs.20,000/- on account of 'loss of filial consortium'. The total compensation comes out to be Rs.14,95,000/-.

16. Accordingly, the compensation to be awarded to the appellants/claimants is assessed as under:-

S.No.	Under Head	Compensation assessed by this Court
1.	Age of deceased	23 years
2.	Annual income of deceased	Rs.1,39,116/-
3.	Future prospects @ 40%	Rs.55,646/-
4.	Tax deduction	Rs.34,762/-
5.	Net annual income after future prospects and tax deduction	Rs.1,60,000/-
6.	Number of dependents	2
7.	Deduction towards personal expenses of the deceased (50%)	Rs.80,000/-
9.	Annual loss of dependency	Rs.80,000/-
10.	Multiplier	18
11	Compensation on account of Loss of	Rs.14,40,000/-

	dependency	
12.	Compensation under conventional heads to mother	Rs.35,000/-
13.	Filial consortium to father of deceased	Rs.20,000/-
	Total Compensation	**Rs.14,95,000/-**
	Interest	**9%**

17. Resultantly, the appeal in hand is partly accepted with costs and appellants/claimants are held entitled to a sum of Rs.14,95,000/- as compensation. The enhanced compensation thus comes out to Rs.11,42,700/- (Rs.14,95,000/- - Rs.3,52,300/-) over and above the compensation awarded by the Tribunal alongwith interest at the rate of 9% per annum from the date of filing of claim petition i.e. 21.08.1999, till realization to be shared equally, payable by respondents No.1 to 3, jointly and severally.

18. Registry is directed to email the authenticated copy of the award to the respondent Insurance Company in terms of directions issued by the Hon'ble Supreme Court in **Writ Petition (Civil) No.534 of 2020 titled Bajaj Allianz General Insurance Company Versus Union of India and others, decided on 16.03.2021** and Insurance Company shall comply with the directions as issued under Clause (F) of the said judgment.

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