



**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

CIVIL APPEAL NO. OF 2026
(ARISING OUT OF SLP (CIVIL) NO. 580 OF 2020)

**MOHINDER KAUR (D)
THROUGH L.R.**

....APPELLANT(S)

VERSUS

**BRIJ LAL ARORA AND
ORS.**

...RESPONDENT(S)

J U D G M E N T

VIJAY BISHNOI, J.

Leave Granted.

2. The present appeal has been preferred by the Appellant-Claimant challenging the order dated 05.09.2018 (hereinafter referred to as “**Impugned Order**”) passed in FAO-2335-2003 (O&M) by the High Court of Punjab and Haryana at Chandigarh (hereinafter referred to as “**the High Court**”) wherein the High Court partly allowed the appeal, and modified the Award dated

19.04.2003 passed by the Motor Accident Claims Tribunal, Hoshiarpur (hereinafter referred to as “**Tribunal**”) in MACT Case No. 81 of 07.08.2001/03.06.2002 (hereinafter referred to as “**Award**”), by enhancing the compensation awarded to the Appellant-Claimant by ₹11,21,000/-, thereby granting the total compensation of ₹13,44,000/- as against ₹2,23,000/- awarded by the Tribunal.

FACTUAL MATRIX

3. On 28.05.2000, Karan Pal Singh (hereinafter referred to as “**deceased**”), an Engineering student aged 22 years at the time of the incident, was going on his motorcycle No. PB-21-8715 Kawasaki Bajaj towards his college, alongwith Parveen Sharma, his classmate (hereinafter referred as “**pillion rider**”) on Delhi-Mathura road, and when they reached at the turning of Ajahi at about 10.30 AM and were waiting in the gap of the road towards the college, the offending truck No. HR-38-E-1625 being driven by Respondent No. 2 in a rash and negligent manner, came from the Delhi side at a fast speed, and hit the motorcyclists, causing severe injuries, while also damaging the motorcycle. The injured were

taken to Maheshwari Hospital for treatment and the deceased was referred to Agra for further treatment, where he succumbed to his injuries. The owner of the offending truck is Respondent No. 1 and the truck was insured with Respondent No. 3.

4. The Appellant-Claimant herein, being the mother of the deceased, filed the claim petition before the Tribunal claiming a compensation of ₹7,00,000/-.

5. At this juncture, it is pertinent to note that this Court shall confine itself solely to the issue of enhancement of compensation and will not delve into the question concerning the cause of the accident, inasmuch as both the Tribunal and the High Court have concurrently held that the accident occurred due to the rash and negligent driving of the offending truck by Respondent No.2, and no dispute survives as regards this finding, and the said findings have not been challenged by the Respondents before this Court.

AWARD PASSED BY THE TRIBUNAL

6. The Appellant-Claimant pleaded that the deceased was a bright third-year student pursuing B.E. Mechanical Engineering from G.L.A. Institute of Technology and Management, Mathura. It

was further submitted that the deceased had obtained a diploma certificate in Plastic Mould Technology issued by the Central Institute of Plastic Engineering and Technology, Chennai (Ex.A.13), and was granted a one-year exemption in the four-year degree course of Engineering by G.L.A. Institute of Technology and Management. The testimony of AW-6 Gaurav Vasudev, who had also completed the said diploma course, was relied upon to that effect. The Appellant-Claimant also relied upon a certificate from Web World, Majitha Road, Amritsar showing that the deceased had passed the prescribed course of Auto CAD. The Appellant-Claimant further contended that the deceased was earning ₹4000/- per month by imparting computer training to certain residents of Mathura. On the strength of the said certificates and assertions, the Appellant-Claimant argued that her son was capable of earning ₹15,000/- per month after completing his engineering degree.

7. However, the Tribunal observed that it was extremely difficult to accept such an assertion regarding the income of a boy who was still an Engineering student in the absence of proper record or examination of the persons who were being provided computer training. Considering that the scope of the engineering course in

the market had not been established by authentic evidence, and in light of the deceased's age (22 years at the time) and his educational qualifications, the Tribunal held that he could earn approximately ₹3000/- per month immediately on completion of his degree.

8. As far as parental dependency was concerned, the Tribunal held that the same should be determined at half of the income of the deceased and thus, the multiplicand was determined at ₹1,500/-. Giving due regard to the fact that the Appellant-Claimant (mother of the deceased) was 48 years old at the time of the incident and that the deceased was likely to have his own family in the future, the Tribunal applied a multiplier of 11 and consequently, the loss of dependency was assessed at ₹1,98,000/- ($₹1500 \times 12 \times 11$).

9. Additionally, the Appellant-Claimant also made prayer for reimbursement for the loss to the motorcycle to the tune of ₹25,670/-, by relying on the surveyor report marked as Ex. A.15 prepared by AW-8 Pankaj Sud. However, the Tribunal found the said assessment of loss to be on the higher side, as it had been made in January 2002, nearly two years after the accident, based

on the then prevailing prices of parts. Treating the matter as one of total loss, and applying annual depreciation of 25% for the first year and 20% for the second year, the value of the motorcycle was assessed at about ₹20,000/- in the year 2000, considering that the year of manufacture was 1998 and the vehicle was purchased in January 1999. After deducting salvage value of ₹2,000/-, the Tribunal held that the Appellant-Claimant was entitled to ₹18,000/- under this head for total loss of the motorcycle.

10. Further, the Tribunal awarded compensation under the conventional non-pecuniary heads, thereby granting ₹2,500/- towards loss of estate and ₹5,000/- towards funeral expenses, in view of the fact that the dead body had to be brought from Mathura for cremation. Thus, in total, the Tribunal awarded a sum of ₹2,23,000/- @9% interest p.a. under the following heads:

Heads	Compensation Awarded
Loss of Dependency	₹1,98,000/- (₹1,500 x 12 x 11)
Motorcycle Damage	₹18,000/-
Loss of Estate	₹2,500/-
Funeral Expenses	₹5,000/-
TOTAL	₹2,23,000/-

11. Out of the awarded amount, ₹1,00,000/- was directed to be paid to the Appellant-Claimant immediately upon deposit, while the remaining amount was ordered to be kept in a fixed deposit in her name for a period of two years, considering that the Appellant-Claimant would require the amount for the marriage of her daughter, who was about 20 years old at the time of death of the deceased; however, the Appellant-Claimant was permitted to withdraw the monthly interest on the fixed deposit for her daily needs after a period of one year.

JUDGMENT AND ORDER OF THE HIGH COURT

12. In the appeal filed by Appellant-Claimant seeking enhancement of compensation, the Appellant-Claimant contended that the notional income of the deceased, who was an engineering student, be assessed at ₹7,500/- per month, relying on the judgment of this Court in **Arvind Kumar Mishra vs. New India Assurance Co. Ltd. and another**, reported in (2010) 10 SCC 254. The counsel for the Insurance Company, however, contended that since the present accident pertained to the year 2000, ₹7,500/- per month could not be taken as notional income. Finding merit in the

arguments advanced on both sides, the High Court consequently determined the notional income of the deceased at ₹6,000/- per month.

13. In light of the judgment of this Court in ***Sarla Verma and Ors. vs. Delhi Transport Corporation and Anr.***, reported in (2009) 6 SCC 121, the multiplier of 18 was adopted by the High Court as the deceased was 22 years old. Additionally, the High Court awarded a further sum of ₹22,500/- under the conventional heads, thus taking the total amount to ₹30,000/- as against ₹7,500/- (₹2,500 + ₹5,000) awarded by the Tribunal. It refused to enhance the amount awarded towards damage to the motorcycle, upholding the sum of ₹18,000/- as the correct assessment.

14. The High Court held against grant of future prospects and deduction towards personal expenses considering that the income was notional. Deeming interest @9% as awarded by the Tribunal to be highly excessive, the High Court reduced the rate of interest to 7.5% per annum, and thus, awarded a total compensation of ₹13,44,000/- to the Appellant-Claimant by way of the Impugned Order.

15. Aggrieved by the Impugned Order, the Appellant-Claimant filed the present appeal seeking enhancement of compensation.

16. In lieu of the passing away of the original Appellant-Claimant, her daughter (the deceased's sister) was impleaded as her legal representative *vide* order dated 25.11.2025.

SUBMISSIONS OF THE PARTIES

17. The learned Counsel for the Appellant-Claimant has vehemently submitted that the High Court gravely erred in assessing the deceased's notional income at only ₹6,000/- per month despite uncontroverted evidence demonstrating that the deceased was a bright and meritorious student in the final year of mechanical engineering, had completed a diploma in plastic engineering in first class, obtained one-year exemption in the engineering course on that basis, possessed an AutoCAD certification, and was independently earning ₹4,000/- per month by imparting computer training. It was contended that the High Court ignored binding precedents of this Court in **Arvind Kumar Mishra** (supra) and **Joginder Singh & Another vs. ICICI**

Lombard General Insurance Co., reported in 2019 SCC OnLine SC 1029, wherein substantially higher notional incomes were assessed for similarly placed students. Accordingly, the learned Counsel argued that the deceased's income ought to have been assessed at least at ₹15,000/- per month. It was further contended that the High Court erred in denying future prospects solely because the income assessed was notional, despite this Court having awarded 40% future prospects on notional income of students in **Joginder Singh** (supra).

18. The learned Counsel further stressed upon the inadequacy of compensation awarded under conventional heads, submitting that the High Court failed to properly account for the mental agony and suffering of the Appellant-mother who lost her 22-year-old son, and ought to have awarded compensation in line with the principles laid down by this Court in **National Insurance Co. Ltd. vs. Pranay Sethi and Others**, reported in (2017) 16 SCC 680 and **Magma General Insurance Co. Ltd. vs. Nanu Ram Alias Chuhru Ram and Ors.**, reported in (2018) 18 SCC 130, including ₹15,000/- towards loss of estate, ₹40,000/- towards parental consortium, and

₹30,000/- towards funeral expenses instead of the meagre amount granted.

19. It was further contended that the High Court unjustifiably reduced the rate of interest from 9% to 7.5% per annum despite the prolonged delay of almost 15 years in deciding the appeal, thereby causing prejudice to the Appellant. Lastly, the learned Counsel assailed the assessment of damage to the motorcycle, arguing that the High Court wrongly upheld depreciation of the two-year-old motorcycle to ₹20,000/- and salvage value at ₹2,000/-, whereas the vehicle had been purchased for ₹42,000/- only two years prior and ought to have been compensated at its full purchase price or, in the alternative, on a substantially higher valuation.

20. *Per contra*, the learned Counsel for Respondent No.3, Insurance Company, sought dismissal of the appeal, submitting that the deceased was merely a student and had no proven income at the time of accident. It was submitted that the claim of earning ₹4,000/- per month through computer training having been rightly disbelieved for want of substantive proof, and thus, the Appellant's reliance on judgments relating to higher notional income and

future prospects is unsustainable. It was additionally argued that the Insurance Company is not liable to pay compensation as the Respondent Nos.1 and 2, driver/owner violated policy conditions.

ANALYSIS

21. Having considered the material available on record and the submissions of the learned counsel appearing for the parties, we are of the opinion that although the High Court has enhanced the compensation, the same is still on the lower side.

22. It is needless to state that the objective of awarding compensation in motor accident claims is to ensure “just and reasonable compensation” to the victim or the aggrieved dependents of the deceased, not merely with a view to restoring the Appellant-Claimant, So far as practicable, to the position existing prior to the accident, but also to afford meaningful succour for the pain, suffering, and loss occasioned by the injuries sustained or the death of a loved one.

23. The Tribunal assessed the monthly income of the deceased at ₹3,000/-, which was increased to ₹6,000/- by the High Court. While it is exceptionally difficult to quantify the potential of a young

student, this amount seems wholly inadequate for the deceased, who was a bright Engineering student with promising prospects. This Court in the case of **Navjot Singh vs. Harpreet Singh and Ors.**, reported in 2020 SCC OnLine SC 1562, held that the notional income of an engineering student cannot be equated to the minimum wages paid to an unskilled worker. The relevant portion of the said judgment is extracted hereinbelow:

“13. 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 atleast offered a sum of Rs. 20,000/- per month. Even if we do not go on the said basis, the High Court could have fixed the notional income atleast at Rs. 10,000/- per month.”

24. Even in the case of **Arvind Kumar Mishra** (supra), this Court has made the following observations about the prospects of an engineering student:

“14. On completion of Bachelor of Engineering (Mechanical) from the prestigious institute like BIT, it can be reasonably assumed that he would have got a good job. The appellant has stated in his evidence that in the campus interview he was selected by Tata as well as Reliance Industries and was offered pay package of Rs. 3,50,000 per annum. Even if that is not accepted for want of any evidence in support thereof, there would not have been any difficulty for him in getting some decent job in the private sector. Had he decided to join government service and got selected, he would have been put in the pay scale for Assistant Engineer and would have at least earned Rs. 60,000 per annum. Wherever he joined, he had a fair chance of some

promotion and remote chance of some high position. But uncertainties of life cannot be ignored taking relevant factors into consideration. In our opinion, it is fair and reasonable to assess his future earnings at Rs. 60,000 per annum taking the salary and allowances payable to an Assistant Engineer in public employment as the basis. Since he suffered 70% permanent disability, the future earnings may be discounted by 30% and, accordingly, we estimate upon the facts that the multiplicand should be Rs. 42,000 per annum.”

25. Similarly, this Court in the case of ***Basanti Devi and Anr. vs. Divisional Manager, The New India Assurance Company Ltd. and Ors.*** (Civil Appeal Nos.7435-7436 of 2021) upheld the Motor Accidents Claims Tribunal’s assessment of the income of the deceased, who was a 25-year old B.E. Computer Technology graduate, at ₹20,000/- per month.

26. In the present case, the deceased, besides being a third-year Mechanical Engineering student, had also successfully completed a diploma course in Plastic Engineering and possessed certification in AutoCAD. While there is no cogent evidence on record to substantiate the claim that the deceased was earning ₹4,000/- per month by imparting computer training, there can be little dispute as to the fact that he was a meritorious student with considerable academic promise and substantial future prospects. Having regard to the aforesaid, we deem it appropriate to assess the monthly

income of the deceased at ₹12,000/-, considering that the death occurred in the year 2000.

27. The High Court erroneously denied future prospects and deduction towards personal and living expenses solely on grounds that the income of the deceased in the instant case was notional. This approach is contrary to the well-settled principles enunciated in **Sarla Verma** (supra), and affirmed in **Pranay Sethi** (supra). Resultantly, 40% future prospects ought to be added to the notional monthly income of ₹12,000/-, as the deceased fell within the bracket of less than 40 years of age as per the law in **Pranay Sethi** (supra). This would render an amount of ₹16,800/-, and one-half of the said amount ought to be deducted towards personal and living expenses, since the deceased was a bachelor, which brings the monthly dependency to ₹8,400/- and the annual dependency to ₹1,00,800/- (₹8,400 x 12). When a multiplier of 18, as rightly adopted by the High Court, is applied to the said multiplicand, the annual loss of dependency is computed at ₹18,14,400/- (₹1,00,800 x 18).

28. We are of the view that the compensation awarded by the High Court under the conventional non-pecuniary heads also calls for interference for being on the lower side. The Constitution Bench of this Court in ***Pranay Sethi*** (supra) has provided the reasonable figures of Rs.15,000/-, Rs.40,000/- and Rs.15,000/- under the conventional heads, namely, loss of estate, loss of consortium and funeral expenses, respectively.

29. Accordingly, we award a sum of ₹15,000/- towards loss of estate. Further, a sum of ₹40,000/- is deemed just and reasonable under the head of filial consortium, particularly in view of the law laid down in ***Magma General Insurance*** (supra). In our considered view, the Appellant-Claimant is also entitled to an amount of ₹30,000/- under the head of funeral expenses, especially when we take stock of the fact that expenses were also incurred in transporting the dead body from Agra to the deceased's hometown in Hoshiarpur, Punjab.

30. Insofar as the compensation towards damage to the motorcycle is concerned, we are of the opinion that the loss ought to be ascertained at ₹25,670/- in terms of the surveyor's report,

and both the Tribunal as well as the High Court fell in error in fixing the same at ₹18,000/-.

31. In light of the above discussion, the Appellant-Claimant is entitled to compensation as follows:

Heads	Compensation Awarded
Loss of Dependency	₹18,14,400/- (₹8,400 x 12 x 18)
Loss to the Estate	₹15,000/-
Filial Consortium	₹40,000/-
Funeral Expenses	₹30,000/-
Motorcycle Damage	₹25,670/-
TOTAL	₹19,25,070/-

32. On the issue of the rate of interest, we note that while the Tribunal awarded interest at the rate of 9% per annum, the High Court reduced the same to 7.5% per annum, which, in our deliberate view, is reasonable and adequately serves the ends of justice.

33. Thus, on the total compensation amount, the Appellant-Claimant shall be entitled to interest @7.5% per annum from the date of filing of the petition till the realization of the enhanced compensation. The Respondents are jointly and severally liable to

pay the aforesaid compensation to the Appellant-Claimant within a period of eight weeks from the date of this order.

34. The appeal is accordingly disposed of. All pending application(s), if any, shall also stand disposed of.

....., J.
(S.V.N. BHATTI)

....., J.
(VIJAY BISHNOI)

**NEW DELHI;
MAY 12, 2026.**