IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

**FAO No.54 of 2016**
**Decided on: 28th November, 2025**

Ratnoo Ram ...Appellant

Versus

Himachal Pradesh Road Transport Corporation and another

...Respondents

*Coram*

***The Hon'ble Mr.Justice Jiya Lal Bhardwaj, Judge.***

***Whether approved for reporting?[1] Yes.***

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|---|---|
| **For the appellant:** | **Mr.Raman Sethi, Advocate.** |
| **For the respondents:** | **Mr.RamanJamalta, Advocate for respondent No.1.** |
| | **Mr.Umesh Kanwar, Advocate for respondent No.2.** |

**Jiya Lal Bhardwaj, Judge**(Oral)

The appellant feeling aggrieved by the inadequate compensation awarded in his favour vide award dated 10.11.2015 passed by the Motor Accident Claims Tribunal-III, Shimla in ***MAC Petition No.29-S/2 of 2015/14,*** titled, ***Ratnoo Ram*** vs. ***HRTC and another*** has preferred the present appeal. The Tribunal has awarded a sum of Rs.1,52,000/- in favour of the appellant along with interest @7.5% per annum from the date of filing the petition till the date of realization of the amount.

[1] *Whether the reporters of Local Papers may be allowed to see the judgment? Yes.*

2. Shorn of unnecessary details, the appellant is the unfortunate father of his deceased son Suresh who died in a motor vehicular accident occurred on 08.09.1992 when he was 18 years old.

3. The appellant filed a claim petition under Section 163-A of the Motor Vehicles Act, 1988, claiming compensation of Rs.15,00,000/- along with interest @ 18% per annum from the date of the accident till the realization of the compensation.

4. The Tribunal below after receipt of reply filed by the respondents framed the issues and recorded the evidence. Thereafter, the Tribunal passed the award. The Tribunal below has held that the appellant was not dependent upon the deceased. However, it has been held that even if there was no dependency of the appellant, there is loss to the estate and a person who is legal representative, but not dependent, can yet be entitled to the estate of the deceased. Thus, awarded a sum of Rs.1,52,000/- in favour of the appellant along with interest @ 7.5% per annum from the date of the petition.

5. The learned counsel for the appellant vehemently argued that the findings given by the Tribunal below holding that the appellant was not dependent are erroneous and

further the definition of legal representative should be given wider interpretation for the purpose of determining the compensation as held by the Hon'ble Supreme Court in various judgments. The compensation awarded in favour of the appellant is on the lower side. No compensation on account of consortium has been awarded under the head of filial consortium and further, the interest awarded is also on a lower side.

6. On the other hand, the learned counsel for the respondent-Corporation supported the award passed by the Tribunal below and argued that no interference is required.

7. I have heard the learned counsel for the appellant as well as the learned counsel representing the respondent-Corporation and perused the material placed on record.

8. It is not in dispute that the deceased was the son of the appellant and was aged 18 years at the time of accident. The findings recorded by the Tribunal below to the effect that the appellant being father of the deceased is not entitled for compensation as legal representative under the head of loss of dependency are wrong and illegal. Even if the father was not dependent upon the deceased as held by the Tribunal below, he is entitled to inherit the estate of the

deceased and thus, the compensation has to be assessed on the basis of the income of the deceased.

9. The Hon'ble Supreme Court had the occasion to deal with similar proposition in ***Gujarat SRTC vs. Ramanbhai Prabhatbhai*** [(1987) 3 SCC 234]**,** wherein, it has been observed that a legal representative is one, who suffers on account of death of a person due to a motor vehicle accident and need not necessarily be a wife, husband, parent or child. In the present case, the appellant is the father of the deceased and thus, entitled to claim compensation. Under the Motor Vehicles Act, 1988, the legal representatives are entitled to compensation being entitled to inherit the estate of the deceased and not on account of the dependency.

10. The Hon'ble Supreme Court in ***N. Jayasree and others Vs. Cholamandalam MS General Insurance Company Limited*** (2022) 14 SCC 712 had also the occasion to consider the similar proposition and held that the Motor Vehicles Act does not define the term 'legal representative'. However, the legal representative means a person who in law represents the estate of the deceased person and includes any person or persons in whom legal right to receive compensatory benefit vests. All legal representatives may also

include any person who intermeddles with the estate of the deceased. Such person does not necessarily have to be a legal heir. Legal heirs are the persons who are entitled to inherit the surviving estate of the deceased. The relevant paras of the judgment are reproduced hereinbelow:-

> *14. The MV Act does not define the term 'legal representative'. Generally, 'legal representative' means a person who in law represents the estate of the deceased person and includes any person or persons in whom legal right to receive compensatory benefit vests. A 'legal representative' may also include any person who intermeddles with the estate of the deceased. Such person does not necessarily have to be a legal heir. Legal heirs are the persons who are entitled to inherit the surviving estate of the deceased. A legal heir may also be a legal representative.*
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> *15. Indicatively for the present inquiry, the Kerala Motor Vehicle Rules, 1989, defines the term 'legal representative' as under:*
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> > *"**2. (k) "Legal Representative**" means a person who in law is entitled to inherit the estate of the deceased if he had left any estate at the time of his death and also includes any legal heir of the deceased and the executor or administrator of the estate of the deceased."*
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> *16. In our view, the term 'legal representative' should be given a wider interpretation for the purpose of Chapter XII of MV Act and itshould not be confined only to mean the spouse, parents and children of the deceased. As noticed above, MV Act is a benevolent legislation enacted for the object of providing monetary relief to the victims families. Therefore, the MV Act calls for a liberal and wider interpretation to serve the real purpose underlying the enactment and fulfil its legislative intent. We are also of the view that in order to maintain a claim petition, it is sufficient for the claimant to establish his loss of dependency. Section 166oftheMV Act makes it clear that every legal representative who sufferson account of the death of a person in a motor vehicle accident should have a remedy for realization of compensation."*

11. Thus, the appellant being legal representative of the deceased is held entitled to receive the compensation since he represents the estate of the deceased.

12. So far as the amount of compensation is concerned, no doubt, the deceased at the time of the accident was a student, but even in such like matters, the compensation cannot be on such a meager side.

13. The Constitution Bench of the Hon'ble Supreme Court in ***National Insurance Company Limited*** vs. ***Pranay Sethi and others,*** (2017) 16 SCC 680 has considered the judgment passed in ***Puttamma*** vs. ***K.L. Narayana Reddy***, (2013)15 SCC 45 and held that so far as the second schedule, which has been enacted in 1994 has now become redundant, irrational and unworkable due to changed scenario including the present cost of living and current rate of inflation and increased life expectancy. Since in the present case, the deceased was 18 years old when the petition was instituted by the appellant being father of the deceased under Section 163-A of the Motor Vehicles Act, the compensation, to which the appellant is entitled, can be based on notional income of the deceased to be taken as Rs.25,000/-per annum. At the time of death, the deceased was 18 years old

and as per multiplier having been fixed by the Hon'ble Supreme Court in ***Pranay Sethi's case*** (supra), the income of Rs.25,000/- has to be multiplied by 18 and thus the compensation comes to Rs.25,000X18=Rs.4,50,000/-. Since the appellant is father of the deceased, as per the dictum of the Hon'ble Supreme Court in **Magma General Insurance Company Ltd. Versus Nanu Ram,** (2018) 18 SCC 130, he is also entitled to consortium as having been culled out being 'filial consortium' and further the appellant is also entitled to the 'loss of estate' and some amount has to be awarded towards 'funeral expenses'.

14. Further, as per ***Pranay Sethi's*** *case* (supra), the Hon'ble Supreme Court has held that the consortium amount which was fixed at Rs.40,000/- has to be increased after every three years of the pronouncement of the judgment, not only with respect to consortium, but with respect to loss of estate as well as funeral expenses and thus the appellant is held entitled to Rs.50,000/- towards the 'filial consortium' and Rs.20,000/- each towards 'loss of estate' as well as towards 'funeral expenses'.

15. The deceased was bachelor at the time of accident and, therefore, in view of the judgment of the Hon'ble

Supreme Court in the ***Pranay Sethi's*** *case* (supra), 50% of the income of deceased would be treated as his personal and living expenses being bachelor. Since the deceased was aged 18 years and below 40 years, while computing the income of deceased, 40% towards future prospects had to be added in the income of the deceased.

16. It has been brought to my notice by the learned counsel representing the respondent-Corporation that the matter was being discussed by the Corporation and at one point of time, they were ready and willing to pay Rs.1,00,000/- to the appellant as lump-sum amount, but due to some reasons, the said amount could not be paid or accepted by the appellant. However, since the appeal was listed for hearing, the Court has proceeded to decide the same on the basis of the material on record.

17. The income of the deceased is taken as Rs.25,000/- per annum. The Hon'ble Supreme Court recently in the decision of ***Civil Appeal No.6902 of 2021, titled, Kurvan Ansari alias Kurvan Ali and another vs. Shyam Kishore Murmu and another*** *has taken the notional income of son who was aged 7 years as RS.25,000/- per annum.* Thus, the compensation is determined by adding 40% of

future prospects of deceased on notional income of Rs.25,000/- per annum multiplied by multiplier of 18, as per Constitution Bench judgment in ***Pranay Sethi's*** case (supra) and other emoluments, as have been stated above. Thus, the appellant is held entitled to the following amount:-

| **Sr.No.** | **Head** | **Amount** |
|---|---|---|
| 1. | Annual Income | Rs.25,000/- |
| 2. | Add future prospects@40% | Rs.25,000+Rs.10,000=Rs.35,000/- |
| 3. | Deduction towards personal expenses 50% | Rs.17,500/- |
| 4. | Annual loss of dependency | Rs.17,500/- |
| 5. | Multiplier 18 | Rs.17,500X18=Rs.3,15,000/- |
| 6. | Loss of consortium | Rs.50,000/- |
| 7. | Loss of estate | Rs.20,000/- |
| 8. | Funeral charges | Rs.20,000/- |
| **Total amount of compensation.** | | **Rs.4,05,000/-** |

18. So far as the interest component is concerned, the Tribunal below awarded interest @ 7.5% per annum, but I am of the considered view that since the Hon'ble Supreme Court by its three-Judge Bench judgments have enhanced the interest to 9%, the appellant is held entitled to interest @ 9% per annum on the compensation amount.

19. The three-Judge Bench of Hon'ble Supreme Court in ***Sube Singh & another*** vs. ***Shyam Singh (Dead) & Others*** *(2018) 3 SCC 18* had enhanced the interest awarded @ 6% per annum to 9% per annum on the compensation

amount. Similarly in ***Jagdish*** vs. ***Mohan and others*** *(2018) 4 SCC 571* and ***Nutan Rani & another*** vs. ***Gurmail Singh & others*** *(2018) 17 SCC 109*, which judgments are again by a three-Judge Bench of the Hon'ble Supreme Court had enhanced the rate of interest from 7.5% to 9% on the compensation amount awarded by the Tribunal. Thus, the appellant is held entitled to the compensation amount along with 9% interest per annum.

20. No other points have been raised and argued by the learned counsel for the parties

21. In view of the above, the impugned award dated 10.11.2015 passed by the Tribunal below is modified. The appellant is held entitled to the compensation amount of Rs.4,05,000/- instead of Rs.1,52,000/- as awarded by the Tribunal along with 9% interest per annum from the date of filing of the petition till its realization. Since the appeal preferred by the appellant has been allowed, the respondent-Corporation is directed to deposit the enhanced amount of compensation within 90 days from today and in case the compensation amount is not deposited within the aforesaid period, the respondent-Corporation shall be liable to pay interest @ 12% on the amount of compensation.

Pending applications, if any, also stand disposed of accordingly.

No order as to costs.

**(Jiya Lal Bhardwaj )**
**Judge**

November 28, 2025
(naveen)