



2025:DHC:10099



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

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Decided on: 14.11.2025

+ MAC.APP. 623/2025

SHRI RAM GENERAL INSURANCE CO LTDAppellant

Through: Ms. Sonal Kushwah, Mr. Yasharth
Kant, Ms. Tanvi Saran, Ms. Zoya
Hashmi, Advocates.

versus

MAYA DEVI AND ORS

.....Respondents

Through:

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

PRATEEK JALAN, J. (ORAL)

1. The appellant – Insurance Company is in appeal against an award dated 14.05.2025 passed by the Motor Accident Claims Tribunal [“the Tribunal”] in MACT No. 37/2024.
2. The award arises out of an accident which took place on 14.11.2023, in which one Praveen Kumar passed away. It is the admitted position that the deceased was a bachelor and was 42 years of age on the date of the accident. The accident resulted in criminal proceedings, in which the chargesheet recorded that the accident occurred due to a vehicle (Maruti Swift D-Zire Car No. DL-1-RT-7339) hitting against cemented barricades. The vehicle was driven by Rajesh Kumar (respondent No. 3 herein), and was insured by the appellant. Upon returning a finding of rash and negligent driving, the Tribunal awarded



compensation in favour of the mother and sister of the deceased, being respondent Nos. 1 and 2 herein.

3. The only ground urged in support of the appeal concerns the deduction from loss of earnings on the ground of personal and living expenses. Ms. Sonal Kushwah, learned counsel for the appellant, submits that the Tribunal has erroneously computed the compensation on the basis of one-third deduction towards personal and living expenses of the deceased, whereas the deduction should have been one-half, as the deceased was unmarried.

4. The following three judgments of the Supreme Court deal with this issue squarely:

a. In *Sarla Verma (Smt) and Ors. v. Delhi Transport Corporation and Anr.*¹, the Court held as follows:

“30. Though in some cases the deduction to be made towards personal and living expenses is calculated on the basis of units indicated in Trilok Chandra [(1996) 4 SCC 362], the general practice is to apply standardised deductions. Having considered several subsequent decisions of this Court, we are of the view that where the deceased was married, the deduction towards personal and living expenses of the deceased, should be one-third (1/3rd) where the number of dependent family members is 2 to 3, one-fourth (1/4th) where the number of dependent family members is 4 to 6, and one-fifth (1/5th) where the number of dependent family members exceeds six.

***31. Where the deceased was a bachelor and the claimants are the parents, the deduction follows a different principle. In 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 dependant and the mother alone will*

¹ (2009) 6 SCC 121 [hereinafter, “*Sarla Verma*”].



be considered as a dependant. In the absence of evidence to the contrary, brothers and sisters will not be considered as dependants, because they will either be independent and earning, or married, or be dependent on the father.

32. Thus even if the deceased is survived by parents and siblings, only the mother would be considered to be a dependant, and 50% would be treated as the personal and living expenses of the bachelor and 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.²

- b. Sarla Verma was thereafter considered in *Reshma Kumari and Ors. v. Madan Mohan and Anr*³. After noting the above observations, the Court held as follows:

“41. The above does provide guidance for the appropriate deduction for personal and living expenses. One must bear in mind that the proportion of a man’s net earnings that he saves or spends exclusively for the maintenance of others does not form part of his living expenses but what he spends exclusively on himself does. The percentage of deduction on account of personal and living expenses may vary with reference to the number of dependent members in the family and the personal living expenses of the deceased need not exactly correspond to the number of dependants.

42. In our view, the standards fixed by this Court in *Sarla Verma* on the aspect of deduction for personal living expenses in paras 30, 31 and 32 must ordinarily be followed unless a case for departure in the circumstances noted in the preceding paragraph is made out.

43. In what we have discussed above, we sum up our conclusions as follows:

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43.6. Insofar as deduction for personal and living expenses is concerned, it is directed that the Tribunals shall ordinarily follow the standards prescribed in paras 30, 31 and 32 of the judgment in *Sarla*

² Emphasis supplied.

³ (2013) 9 SCC 65 [hereinafter, “*Reshma Kumari*”].



Verma subject to the observations made by us in para 41 above.⁴

c. A Constitution Bench, in *National Insurance Company Limited v. Pranay Sethi and Ors*,⁵, reiterated the aforesaid observations in *Reshma Kumari*, as follows:

*“41. On a perusal of the analysis made in Sarla Verma which has been reconsidered in Reshma Kumari, we think it appropriate to state that as far as the guidance provided for appropriate deduction for personal and living expenses is concerned, **the tribunals and courts should be guided by Conclusion 43.6 of Reshma Kumari.** We concur with the same as we have no hesitation in approving the method provided therein.”*⁶

The conclusion on this aspect was recorded in paragraph 59.5 as follows:

*“59.5. For determination of the multiplicand, the deduction for personal and living expenses, **the tribunals and the courts shall be guided by paras 30 to 32 of Sarla Verma** which we have reproduced hereinbefore.”*⁷

5. Thus, for unmarried victims, in the normal course, a deduction of 50% is made for personal and living expenses, where the parents are the claimants. Brothers and sisters are not ordinarily considered as dependents. However, a proper reading of *Sarla Verma*, as followed and approved in *Reshma Kumari* and *Pranay Sethi*, makes it clear that, on this aspect, the standardised formula is not a rule of universal application, but can be varied if the facts so require. The foundational judgment in *Sarla Verma* itself makes it clear that the siblings of the deceased will not be considered as dependents “*in the absence of evidence to the contrary*”. The conclusion, that a 50% deduction on account of personal and living

⁴ Emphasis supplied.

⁵ (2017) 16 SCC 680 [hereinafter, “*Pranay Sethi*”].

⁶ Emphasis supplied.



expenses is warranted, rests upon the default presumption that the mother alone is to be considered as a dependent. However, *Sarla Verma* recognises an exception in cases where the deceased “*has a widowed mother and large number of younger non-earning sisters or brothers*”. In such a case, the personal and living expenses of the deceased are restricted to one-third. These principles were reaffirmed in *Reshma Kumari*, with the caveat noted in paragraphs 41 and 42, reproduced hereinabove. After noticing both the judgements, the Constitution Bench in *Pranay Sethi* reaffirmed the conclusion in *Reshma Kumari*.

6. Applying these principles to the facts of the present case, the evidence shows that the deceased was 42 years of age at the time of the accident. His father had predeceased him. His mother and one of his two sisters claimed dependency. As far as the mother is concerned, there is no difficulty in this claim. As far as the sister is concerned, the mother, who was examined as PW-1, deposed that her daughter (respondent No. 2 herein) was of marriageable age and pursuing a course in Disaster Management from Indira Gandhi National Open University, Delhi. She reiterated this in cross-examination by the counsel for the driver. She specifically stated that both she and her daughter were dependent on the deceased, and rebutted the suggestion that the daughter had no dependency over the deceased. Evidence was also led by respondent No. 2, the sister of the deceased, as PW-2. She was also cross-examined by learned counsel for the driver on the question of her dependency and denied the suggestion that she was not dependent on the deceased.

⁷ Emphasis supplied.



7. In these circumstances, I am of the view that the Tribunal has rightly noted that the deceased was survived by two dependents, being his mother and sister.

8. The question is whether, in these circumstances, the Tribunal ought to have deducted one-third of his income towards personal and living expenses.

9. The analysis in *Sarla Verma*, as stated above, is clear that a deduction of 50% is normally applicable to a bachelor where the mother is the sole dependent. However, the evidence in this case shows that the deceased was also survived by an unmarried sister, who was a student and dependent on the deceased for her expenses, including educational expenses. Ms. Kushwah emphasised that, in paragraph 32 of *Sarla Verma*, the deduction of one-third is generally to be made when the deceased is survived by a widowed mother and large number of younger non-earning brothers and sisters. She distinguished the present case, where there was only one sibling.

10. While Ms. Kushwah's reading is undoubtedly correct, a judgement is not ordinarily to be read like a statute⁸. A holistic reading of the observations of the Court, in my view, shows that there is some flexibility, depending upon the proved dependency, allowing the Court to deduct one-third of the income towards personal and living expenses, even in the case of a bachelor. The deduction normally applied can be varied, if the facts, as determined, so require.

11. In the circumstance of this case, I am of the view that the deduction

⁸ *P.S. Sathappan (dead) by lrs v. Andhra Bank Limited & Ors.* [(2004) 11 SCC 672], paragraph 144; *Zee Telefilms Limited v. Union of India and Anr.* [(2005) 4 SCC 649], paragraph 254.



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of one-third was justified in arriving at a just and reasonable compensation, which is the obligation of the Tribunal.

12. Further guidance may be derived from paragraph 30 of *Sarla Verma*, where, in the case of a married deceased, one-third deduction is applicable when the number of dependent family members is two to three. The observations of the Court in paragraphs 41 and 42 of *Reshma Kumari*, reaffirmed in *Pranay Sethi*, also fortify this view.

13. In the facts and circumstances of this case, therefore, I am of the view that the Tribunal's computation of the compensation payable to the claimants, does not call for interference. There being no other points urged in support of the appeal, the appeal is dismissed.

14. The statutory deposit of Rs. 25,000/- be refunded to the appellant.

PRATEEK JALAN, J

NOVEMBER 14, 2025

"Bhupi/KA"/