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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-688-2025
Date of Decision: 25.03.2026

SHINDER KAUR AND ORS .... Appellants

Versus

RAJINDER SINGH AND ORS ..... Respondents

CORAM: HON'BLE MR. JUSTICE YASHVIR SINGH RATHOR

Present : Mr. Lalit Goyal, Advocate
for the appellants.

Mr. Raj Kumar, Advocate
for respondent No.3-NIC.

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YASHVIR SINGH RATHOR, J. (Oral)

1. This appeal has been instituted against the Award dated 29.10.2024 for enhancement of compensation awarded in MACT case No.49/2022 decided by the MACT, Ludhiana (**for short "Tribunal"**) in a petition under Section 166 of Motor Vehicles Act, 1988 vide which a sum of Rs.22,87,425/- has been awarded as compensation to the claimants alongwith interest at the rate of 6% per annum from the date of filing of claim petition till realization on account of death of Jagpal Singh in a motor vehicular accident which took place due to rash and negligent driving on the part of respondent No.1 while driving the offending vehicle bearing No.PB-13T-5411 (**for short 'offending vehicle'**), owned by respondent No.2, which was insured with respondent No.3.

2. From the pleadings of parties, following issues were framed

by the Tribunal:-

> *"i. Whether the accident in question took place due to rash and negligent driving of tripper bearing No.PB-13T-5411 by respondent No.1?OPC*
>
> *ii. If issue No.1 is proved, whether the claimants are entitled to receive compensation, if yet to what extent and from whom? OPC*
>
> *iii. 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.22,87,425/- as compensation to the claimants alongwith interest at the rate of 6% per annum from the date of filing of claim petition till realization.

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

6. 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 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 and insured with respondent No.3 and they have been held liable to pay compensation jointly and severally. 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.

7. Learned counsel for the appellant argued that the Tribunal has gravely erred while discarding the income tax return Ex. P-10 on the ground that the same was filed after the death of the deceased namely Jagpal Singh, whereas he had been regularly filing income tax returns during his lifetime. Learned counsel contended that as per income tax return Ex. P-10, the annual income of the deceased from business and profession was Rs.4,52,317/-, whereas as per income tax return for the previous year Ex. P-11, his annual income was Rs.4,35,700/-. The income earned by the deceased for the previous year, as reflected in return Ex. P-12, was Rs.4,41,210/-. Learned counsel contended that the income shown in the latest income tax return Ex. P-10 is not exaggerated or inflated and there is only an increase of around Rs.17,000/- per annum and merely because it was filed after the death is no ground to discard the same. Learned counsel contended that the income of the deceased should have been taken as Rs.4,52,317/- as reflected in the latest income tax return Ex. P-10 instead of the income of Rs.4,35,700/- as reflected in the previous income tax return Ex. P-11. Learned counsel next contended that 10% increase has not been granted on the compensation for loss of estate and funeral expenses in view of the guidelines laid down by Hon'ble Supreme Court in 2017 ACJ 2700, ***'National Insurance Co. Ltd. Vs. Pranay Sethi and Others',*** and interest too has been awarded @ 6%, which is on the lower side and learned counsel prayed that the compensation be duly enhanced.

8. On the other hand, learned counsel for the respondent No.3 argued that the Tribunal has awarded just compensation after relying

upon the income tax return which was filed during the lifetime by the deceased and compensation under all the heads as well as interest on the compensation amount have been properly assessed and awarded and the impugned award does not call for any interference.

9. As per income tax return Ex. P-12, the annual income of the deceased was Rs.4,41,210/-. For the next year, his annual income was Rs.4,35,700/- as reflected in income tax return Ex. P-11. Income tax return Ex. P-10 was filed after the death which reflected an income of Rs.4,52,317/-. The same has been ignored on the ground that it has been filed after the death of the deceased. However, the income tax return has not been filed for any inflated amount and there is only an increase of around Rs.17,000/- in the income from the previous year. Even a return filed by the family members after the death can be taken into consideration provided the same inspires confidence and since the deceased had earned Rs.4,41,210/- and Rs.4,35,700/- during the previous years, it can be assumed that he may have earned Rs.4,52,317/- in the year when he died and the learned Tribunal has, thus, wrongly ignored the income tax return Ex. P-10. Accordingly, the income of the deceased is assessed as Rs.4,52,317/- per annum.

10. The deceased was 62 years of age and the multiplier of 7 has rightly been applied in view of the guidelines laid down in 2009(6) SCC 121 – ***'Sarla Verma and others Vs. Delhi Transport Corporation and Another'.*** The deceased has left behind 5 dependents and 1/4th of the income has rightly been deducted towards personal expenses. Accordingly, after taking the annual income of the deceased to be Rs.4,52,317/- and after deducting 1/4th towards personal expenses, the

annual loss of dependency comes out to Rs.3,39,237/-. The multiplier of 7 has to be applied and after applying the same, the total loss of dependency comes out to Rs.23,74,659/-.

11. The claimants have been awarded a sum of Rs.15,000/- towards loss of estate, Rs.15,000/- towards funeral expenses and Rs.44,000/- each towards loss of consortium. However, 10% increase after three years has not been granted on the compensation towards loss of estate and funeral expenses and as per law laid down in **2017 (16) SCC 680 National Insurance Co. Ltd Vs. Pranay Sethi and Other,** the claimants are held entitled to a sum of Rs.16,500/- towards loss of estate and Rs.16,500/- towards funeral expenses. In addition, claimants are also held entitled to a sum of Rs.44,000/- each towards loss of consortium in view of law laid down in 2018 (4) R.C.R. (Civil) 333, ***'Magma General Insurance Co. Ltd. v. Nanu Ram alias Chuhru Ram & Others'***, which takes the compensation to Rs.26,27,659/-. The compensation to be awarded by this Court is, thus, assessed as under:-

Sr. No.	**Head of Compensation**	**Compensation assessed by the Tribunal**	**Compensation assessed by this Court.**
1.	Annual Income	Rs.4,35,700/-	Rs.4,52,317/-
2.	Age of the deceased	62 years	62 years
3.	Number of dependents	5	5
4.	Deduction towards personal expenses of the deceased (1/4th)	Rs.1,08,925/-	Rs.1,13,080/-
5.	Annual loss of dependency	Rs.3,26,775/-	Rs.3,39,237/-
6.	Multiplier	7	7
7.	Total loss of dependency	Rs.22,87,425/-	Rs.23,74,659/-
7.	Loss of estate	Rs.15,000/-	Rs.16,500/-
8.	Funeral expenses	Rs.15,000/-	Rs.16,500/-
9.	Loss of consortium	Rs.44,000/- each x 5	Rs.2,20,000/- each (Rs.44,000 X 5)
10.	Interest	6%	9%
	Total	Rs.25,37,425/-	Rs.26,27,659/-

12. It is pertinent to mention that Tribunal has assessed the loss

of dependency to be Rs.22,87,425/-. In addition to this, a sum of Rs.30,000/- has been awarded towards loss of estate and towards funeral expenses and Rs.2,20,000/- (44,000 x 5) to all the five claimants towards loss of consortium but these amounts have not been added to the loss of dependency assessed to the tune of Rs.22,87,425/- and award has been passed for a sum of Rs.22,87,425/- and a mistake has been committed by the Tribunal while calculating the total compensation. Even as per the calculation made by the Tribunal, a sum of Rs. 25,37,425/- was to be awarded as compensation which now stands enhanced to Rs.26,27,659/- by this Court.

13. The Tribunal has awarded interest @ 6% per annum, which appears to be on the lower side. In view of the law laid down by the Hon'ble Supreme Court in ***(2022) 5 SCC 107 titled 'R. Valli and others Vs. Tamil Nadu State Transport Corporation Ltd.'***, interest ought to have been granted @ 9% per annum.

14. Resultantly, the appeal in hand is partly accepted with costs and the appellants/claimants are held entitled to a total compensation of **Rs.26,27,659/-** alongwith interest @ 9% per annum from the date of filing of claim petition till realization as against Rs.22,87,425/- awarded by the Tribunal payable by respondents No.1 to 3 jointly and severely. The amount shall be disbursed to the claimants as per award.

15. 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.

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

(YASHVIR SINGH RATHOR)
JUDGE

25.03.2026
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Whether speaking/reasoned Yes/No
Whether Reportable Yes/No