**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

(203) **FAO-2147-2001(O&M)**
Date of Decision-27.02.2026

NIRMAL RANI AND OTHERS … APPELLANTS

VERSUS

STATE OF RAJASTHAN AND ANOTHER … RESPONDENTS

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present: Mr. Dhruv Gupta, Advocate,
Ms. Titiksha, Advocate
for appellants.

Mr. Anil Kumar Gahlawat, Advocate,
for respondent No.1.

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VIRINDER AGGARWAL, J.(ORAL)

1. This appeal has been preferred by the claimants seeking enhancement of compensation awarded vide award dated 25.11.2000 passed by the Motor Accident Claims Tribunal, Ambala, whereby the compensation of ₹5,08,000/- along with interest at 12% per annum was granted on account of death of Surinder Kumar Manocha in a motor vehicular accident that took place on 01.09.1998.

BACKGROUND FACTS

2. The brief facts, as borne out from the record, are that on 01.09.1998, Surinder Kumar Manocha, aged about 50 years, was proceeding to Chandigarh in connection with his business on his scooter bearing registration No. HR-01D-4178. When he reached near the culvert situated in the revenue estate of village Sarsani, a bus bearing registration No. RJ-18-P-0686, driven by respondent No.2 Hanuman Parasad, came from the opposite direction at a high speed and in

a rash and negligent manner and struck against the scooter. Owing to the forceful impact, Surinder Kumar Manocha fell on the road and sustained multiple grievous injuries. He was immediately shifted to Civil Hospital, Ambala City, from where he was referred to Government Medical College and Hospital, Sector 32, Chandigarh, where he remained admitted and under treatment. Despite medical care, he succumbed to the injuries sustained in the accident. Thereafter, the claimants filed a claim petition under Section 166 of the Motor Vehicles Act, 1988, seeking compensation on account of the death of Surinder Kumar Manocha.

3. Upon a comprehensive appreciation of the oral as well as documentary evidence brought on record, the learned Tribunal recorded a categorical finding that the accident in question, which resulted in the death of Surinder Kumar Manocha, stood duly established and that the same had occurred on account of the rash and negligent driving of respondent No.2, Hanuman Prasad, while driving bus bearing registration No. RJ-18-P-0686. The finding on negligence was primarily founded upon the cogent and reliable ocular testimony of Rajesh Kumar (PW-2), an injured eye-witness to the occurrence, whose presence at the spot was natural and could not be doubted. His version was duly supported by the statement of Nirmal Rani (PW-1). The oral evidence so adduced stood further corroborated by the contemporaneous documentary record, including the FIR (Ex.P-1) and the Post-Mortem Report (Ex.P-2). While assessing the quantum of compensation, the learned Tribunal determined the age of the deceased, Surinder Kumar Manocha, to be 50 years at the time of the accident. The claimants had asserted that the deceased was a businessman running a saree shop under the name and style “Nisha Saree Centre” and was earning a substantial income, out of which he was contributing ₹20,000/- per month

towards household expenses. However, in the absence of cogent documentary evidence substantiating the claimed income, the learned Tribunal did not accept the asserted gross income for the purpose of computation. Nevertheless, taking into consideration the fact that the deceased was engaged in business, maintaining his family, and owning and running a scooter, the learned Tribunal assessed his net income at ₹4,000/- per month. After making deductions towards personal and living expenses of the deceased, the annual loss of dependency of the claimants was computed at ₹38,400/-. Having regard to the age of 50 years, the learned Tribunal applied a multiplier of 13 and assessed the loss of dependency at ₹4,99,200/-. In addition thereto, a sum of ₹2,000/- was awarded towards funeral and transportation expenses and ₹5,000/- was granted to the widow towards loss of consortium. It was also proved on record through Nirmal Rani (PW-1) that she had spent ₹450/- towards hire charges and ₹1,000/- for bringing the dead body of Surinder Kumar Manocha to Ambala, which expenses were also taken into account. Consequently, a total compensation of ₹5,08,000/- was awarded in favour of the claimants along with interest at the rate of 12% per annum from the date of filing of the claim petition till its realization, with joint and several liability fastened upon respondents Nos.1 and 2.

<u>CONTENTIONS</u>

4. Learned counsel for the appellants contended that the compensation awarded by the learned Tribunal is manifestly inadequate and contrary to the settled principles governing the determination of just compensation under the Motor Vehicles Act. It was submitted that the learned Tribunal has erred in assessing the income of the deceased. It was further argued that the multiplier applied by the learned Tribunal is erroneous and not in consonance with the age

of the deceased, thereby resulting in substantial diminution of the compensation. Learned counsel also submitted that no addition towards future prospects was made, which is impermissible in view of the settled legal position. Additionally, the amounts awarded towards funeral expenses and other conventional heads are wholly inadequate, and no compensation has been granted under certain mandatory conventional heads. On these grounds, it was urged that the impugned award warrants enhancement so as to award just, fair and reasonable compensation to the claimants.

5. Learned counsel for the respondent No.1 supported the award of the learned Tribunal, contended that the award had been passed after a proper and thorough appreciation of the evidence on record and therefore, did not warrant any interference by this Court.

OBSERVATIONS AND FINDINGS

6. I have heard learned counsel for the parties and perused the complete records. On due consideration of the findings recorded by the learned Tribunal, particularly on the issue of negligence and fastening of liability, I find no reason to take a different view. The findings on those aspects are accordingly affirmed. However, the core issue arising in the appeal pertains to the reassessment of the quantum of compensation.

7. Firstly, with regard to the income of the deceased is concerned, the learned Tribunal has rightly relied upon the documentary evidence produced on record. K.C. Bajaj (PW-3) brought the income tax record of the deceased and deposed that Surinder Kumar Manocha was an income tax assessee. As per the return submitted for the assessment year 1996-1997, his annual income was shown as ₹51,140/-, whereas for the year 1998-1999, his annual income was reflected as ₹14,360/-. The returns placed on record clearly demonstrate that the

deceased was engaged in running a business under the name and style of "Nisha Saree Centre" and that his income was fluctuating in nature, as is evident from the variations in the declared income in different assessment years. Keeping in view the fact that the deceased was admittedly running his own business, maintaining a scooter and supporting family members, the learned Tribunal reasonably concluded that his income could not be taken at a fixed or static figure solely on the basis of one year's return. Considering the overall circumstances and the fluctuating pattern of income disclosed in the tax record, the learned Tribunal rightly assessed the monthly income of the deceased at ₹4,000/-, which cannot be said to be arbitrary or excessive in the facts and circumstances of the case.

8. Further, compensation requires reassessment strictly in terms of the principles laid down by Hon'ble the Supreme Court in ***National Insurance Co. Ltd. v. Pranay Sethi, (2017) 16 SCC 680, Magma General Insurance Co. Ltd. v. Nanu Ram alias Chuhru Ram, 2018 (18) SCC 130 and Sarla Verma v. DTC, (2009) 6 SCC 121,*** wherein the framework for computation of "loss of dependency" by addition towards future prospects as per the nature of employment, deducting personal expenses of deceased, and applying appropriate multiplier on the basis of age of the deceased, and standardized amounts for conventional heads such as loss of estate, funeral expenses and loss of consortium, has been settled. The present matter, therefore, call for recalculation of the amount under each of these heads by applying the correct deduction on basis of dependency and correct multiplier relatable to the age of the deceased and by granting the admissible sum towards loss of consortium and other conventional heads as mandated in the aforesaid decisions. The reassessment is structured as under:

REASSESSED COMPUTATION

Particulars	Reassessed Award (₹)
Monthly Income	4,000/-
Income With Future Prospects (10%)	**4,400/-** **(4,000 + 400)**
After Deduction (4 Dependents)	3,300/- (1/4th for personal expense)
Annual Contribution To Family	**39,600/-** (3300 x12)
Multiplier **(age 50 yrs)**	**13**
Loss Of Dependency	**5,14,800/-** **(39,600× 13)**
Spousal Consortium	40,000/-
Parental Consortium	1,20,000/-
Funeral Expenses	15,000/-
Loss Of Estate	15,000/-
Total	**₹7,04,800/-**

9. Resultantly, the compensation awarded by the learned Tribunal is enhanced from ₹5,08,000/- to **₹7,04,800/-**. The enhanced amount shall carry the interest at rate of 7% per annum from the date of filing of the claim petition till realization. The liability and apportionment of the compensation shall remain the same as determined by the learned Tribunal

10. The appeal is accordingly partly **allowed** with modification of the award to the above extent. All other conditions of the award, not inconsistent with this judgment, shall remain unaltered.

11. Since the main case has been decided, pending miscellaneous

application(s), if any, stands also disposed of.

(VIRINDER AGGARWAL)
JUDGE

27.02.2026
Sourav Pathania

(i)	*Whether speaking/reasoned*	*:*	*Yes/No*
(ii)	*Whether reportable*	*:*	*Yes/No*