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

(213)

FAO No. 4309 of 2001(O&M)
Reserved on : 21.01.2026
Pronounced on : 23.01.2026
Uploaded on : 23.01.2026

Kamlesh Kaur and Others … Appellants

Versus

Jaspal Kaur & Others … Respondents

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present: Mr. Manoj Pundir, Advocate and
Mr. Puneet Munjal, Advocate
for the appellants.

Mr. Jayant Chauhand, Advocate and
Mr. Vinod Chaudhri, Advocate
for the Respondent No.3/Insurance Company.

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VIRINDER AGGARWAL,J.

1. This appeal has been preferred by the claimants under Section 173 of the Motor Vehicles Act, 1988, assailing the award dated 02.02.2001 passed by the learned Motor Accident Claims Tribunal, Patiala, whereby compensation to the tune of ₹4,32,000/- has been awarded on account of the death of Purshotam Dass @ Babli in a motor vehicle accident dated 25.03.1998.

BACKGROUND FACTS

2. The claim petition was filed under Section 166 of the Motor Vehicles Act alleging that on 25.03.1998, the deceased Purshotam Dass @ Babli was hit by a Maruti Van bearing registration No. CH-01-Q-4824, driven by respondent No.2 in a rash and negligent manner. The deceased sustained serious injuries and, despite medical treatment at Ashok Sarwal Hospital, Ambala and thereafter at

PGI Chandigarh, succumbed to the injuries on 29.03.1998. FIR No.25 dated 29.03.1998 was registered at Police Station Lalru. The deceased was stated to be about 35 years of age and was running an industrial unit under the name and style of “M/s Kashmiri Industries”. He was an income tax assessee and a partner in the said concern. The claimants, namely the widow and minor children, pleaded that the deceased was the sole breadwinner of the family. The owner, driver and insurer contested the claim. The insurer raised objections regarding alleged breach of policy conditions and validity of driving licence.

3. Upon appreciation of the oral and documentary evidence on record, the learned Tribunal held that the accident occurred due to rash and negligent driving of respondent No.2. The deceased was held to be earning approximately ₹3,600/- per month, dependency was assessed at ₹28,800/- per annum, multiplier of 15 was applied and a total compensation of ₹4,32,000/- was awarded along with interest at rate of 12% per annum from the date of filing of the claim petition.

<u>CONTENTIONS</u>

4. Learned counsel for the appellants submitted that the compensation determined by the learned Tribunal is manifestly inadequate and contrary to the settled principles governing the assessment of just compensation. The learned counsel contends that the learned Tribunal grossly erred in assessing the income of the deceased at a much lower figure despite documentary and oral evidence showing that the deceased was an income tax assessee and partner in an industrial unit. Further, learned counsel argued that the multiplier applied by the learned Tribunal is erroneous and not in consonance with the age of the deceased. Learned counsel for appellants also submitted that the amounts awarded towards loss of consortium and last rites are unrealistically low and

that the learned Tribunal failed to award compensation under other mandatory conventional heads. Additionally, no addition towards future prospects was made. On these grounds, it was urged that the impugned award calls for enhancement so as to grant just, fair and reasonable compensation to the claimants.

5. Learned counsel for the respondent no.3/Insurance Company supports the award and submits that the learned Tribunal has correctly appreciated the evidence on record. It is contended that income of the deceased was not proved by cogent documentary evidence and the compensation awarded is just and reasonable. 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 income and reassessment of the quantum of compensation.

7. So far as the assessment of income of the deceased is concerned, this Court finds no infirmity in the approach adopted by the learned Tribunal in determining the monthly income at ₹3,600/-. The documentary evidence, particularly the income tax payment of ₹1,400/- by the partnership firm M/s Kashmir Industries (in which the deceased held a 50% share), was duly considered. The learned Tribunal has recorded that the testimony of PW-6 Kuldeep Singh, an official from the Income Tax Office, Rajpura, who proved that the deceased was paying income tax of merely ₹1,400/- in respect of the industrial unit. For the relevant financial year corresponding to the accident

period, the basic exemption limit under the Income Tax Act stood at ₹60,000/-, with no tax payable on income up to that threshold. The payment of ₹1,400/- as income tax by the firm strongly indicates that the gross taxable income of the firm was substantially higher than the exemption limit of ₹60,000/-. Even assuming the deceased's 50% share was the relevant portion for dependency purposes, the learned Tribunal's estimation that the actual income exceeded the exempt threshold (and that claims of ₹10,000/- to ₹15,000/- per month were exaggerated) is well-founded and cautious. In the absence of reliable proof regarding turnover, profits or actual withdrawals by the deceased from the partnership business, the learned Tribunal adopted a reasonable estimation by assessing the monthly income at ₹3,600/-, which works out to ₹43,200/- per annum. Such assessment strikes a balance between the claim of high income and the lack of dependable documentary substantiation. It is well settled that in claim petitions under the Motor Vehicles Act, while some degree of estimation is permissible, the determination must still rest on credible material and reasonable inference. The learned Tribunal, therefore, rightly refrained from accepting exaggerated claims and adopted a cautious and pragmatic approach. This Court finds the said assessment to be fair, rational and based on proper appreciation of evidence and accordingly affirms the monthly income of the deceased at ₹3,600/-.

8. However, the 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 consortium and other conventional heads as mandated in the aforesaid decisions. The reassessment is structured as under:

REASSESSED COMPUTATION

Particulars	Tribunal Award (**₹**)	**Reassessed Award (₹)**
Monthly Income	3,600/-	**3,600/-**
Income With Future Prospects (40%)	x	**5,040/- (3,600 + 1,440)**
Income after Deduction (3 Dependents)	2,400/- (1/3rd Deduction for personal expenses)	**3,360/- (1/3rd Deduction for personal expense)**
Annual Contribution To Family	28,800/- (2,400 x 12)	**40,320/- (3,360 x 12)**
Multiplier **(age 23 yrs)**	15	**16**
Loss Of Dependency	4,32,000/- (28,800 x 15)	**6,45,120/- (40,320 × 16)**
Spousal Consortium	x	**40,000/-**
Parental Consortium (2 Children)	x	**80,000/- (40,000 × 2)**
Funeral Expenses	x	**15,000/-**
Loss Of Estate	x	**15,000/-**
Total	₹4,32,000/-	**₹7,95,120/-**

8. Resultantly, the compensation awarded by the learned Tribunal is enhanced from ₹4,32,000/- to **₹7,95,120/-** The enhanced amount shall carry the interest at rate of 7% per annum from the date of filing of the claim petition till realization.

9. Accordingly, the appeal is **allowed**. The impugned award dated 02.02.2001 is modified to the extent indicated above. The liability to pay the compensation shall remain joint and several upon the respondents as determined by the learned Tribunal. The manner of disbursement shall remain the same unless otherwise directed.

10. Since the main case has been decided, pending miscellaneous application(s), if any, stands also disposed of.

(VIRINDER AGGARWAL)
JUDGE

23.01.2026
Saurav Pathania

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