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

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RAM NATH

.....Appellant

Vs.

NEW INDIA ASSURANCE CO. LTD AND ORS

.....Respondents

Reserved on: 24.03.2026**Pronounced on: 25.03.2026****Uploaded on: 06.04.2026***Whether only the operative part of the judgment is pronounced?**NO**Whether full judgment is pronounced?**YES***CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA**

Present: Mr. Aakash Singla, Advocate
for the appellant.

Mr. Vinod Gupta, Advocate
for respondent No.1-Insurance Company.

SUDEEPTI SHARMA J.

1. The present appeal has been preferred against the award dated 09.07.2013 passed in the claim petition filed under Section 166 of the Motor Vehicles Act, 1988 (in short '1988 Act'), by the learned Motor Accident Claims Tribunal, Sangrur (in short 'the Tribunal') for enhancement of compensation, granted to the appellant/claimant to the tune of Rs.3,51,147/- along with interest @ 6% per annum on account of injuries sustained by the appellant/claimant – Ram Nath in a motor vehicular accident, occurred on 25.04.2011.

2. As sole issue for determination in the present appeal is confined to quantum of compensation awarded by the learned Tribunal, a detailed narration of



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the facts of the case is not required to be reproduced and is skipped herein for the sake of brevity.

SUBMISSIONS OF THE LEARNED COUNSELS FOR THE PARTIES

3. The learned counsel for the appellant/claimant contends that the compensation awarded by the learned Tribunal is on the lower side and deserves to be enhanced. Therefore, he prays that the present appeal be allowed and the compensation awarded to the appellant/claimant be enhanced, as per latest law.

4. *Per contra*, learned counsel for the respondent No.1-Insurance Company, however, vehemently argues on the lines of the award and contends that the amount of compensation as assessed by Ld. Tribunal, has rightly been granted to the appellant/claimant. Therefore, he prays for dismissal of the present appeal.

5. I have heard learned counsel for the parties and perused the whole record of this case with their able assistance.

SETTLED LAW ON COMPENSATION

6. Hon'ble Supreme Court has settled the law regarding grant of compensation with respect to the disability. The Apex Court in the case of **Raj Kumar Vs. Ajay Kumar and Another (2011) 1 Supreme Court Cases 343**, has held as under:-

General principles relating to compensation in injury cases

5. The provision of the Motor Vehicles Act, 1988 ('Act' for short) makes it clear that the award must be just, which means that compensation should, to the extent possible, fully and adequately restore the claimant to the position prior to the accident. The object of awarding damages is to make good the loss suffered as a result of wrong done as far as money can do so, in a fair, reasonable and equitable manner. The court or tribunal shall have to assess the damages objectively and exclude from consideration any speculation or fancy, though some conjecture with reference to the nature of disability and its consequences, is inevitable. A person is not only to be compensated for the physical injury, but also for the loss which he suffered as a result of such injury. This means that he is to be



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compensated for his inability to lead a full life, his inability to enjoy those normal amenities which he would have enjoyed but for the injuries, and his inability to earn as much as he used to earn or could have earned. (See C.K. Subramonia Iyer v. T. Kunhikuttan Nair, AIR 1970 Supreme Court 376, R.D. Hattangadi v. Pest Control (India) Ltd., 1995 (1) SCC 551 and Baker v. Willoughby, 1970 AC 467).

6. *The heads under which compensation is awarded in personal injury cases are the following :*

Pecuniary damages (Special Damages)

(i) Expenses relating to treatment, hospitalization, medicines, transportation, nourishing food, and miscellaneous expenditure.

(ii) Loss of earnings (and other gains) which the injured would have made had he not been injured, comprising :

(a) Loss of earning during the period of treatment;

(b) Loss of future earnings on account of permanent disability.

(iii) Future medical expenses. Non-pecuniary damages (General Damages)

(iv) Damages for pain, suffering and trauma as a consequence of the injuries.

(v) Loss of amenities (and/or loss of prospects of marriage).

(vi) Loss of expectation of life (shortening of normal longevity).

In routine personal injury cases, compensation will be awarded only under heads (i), (ii)(a) and (iv). It is only in serious cases of injury, where there is specific medical evidence corroborating the evidence of the claimant, that compensation will be granted under any of the heads (ii)(b), (iii), (v) and (vi) relating to loss of future earnings on account of permanent disability, future medical expenses, loss of amenities (and/or loss of prospects of marriage) and loss of expectation of life.

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19. We may now summarise the principles discussed above :

(i) All injuries (or permanent disabilities arising from injuries), do not result in loss of earning capacity.

(ii) The percentage of permanent disability with reference to the whole body of a person, cannot be assumed to be the percentage of loss of earning capacity. To put it differently, the percentage of loss of earning capacity is not the same as the percentage of permanent disability (except in a few cases, where the Tribunal on the basis of evidence, concludes that percentage of loss of earning capacity is the same as percentage of permanent disability).

(iii) The doctor who treated an injured-claimant or who examined him subsequently to assess the extent of his permanent disability can give evidence only in regard the extent of permanent disability. The loss of earning capacity is something that will have to be assessed by the Tribunal with reference to the evidence in entirety.

(iv) The same permanent disability may result in different percentages of loss of earning capacity in different persons, depending upon the nature of profession, occupation or job, age, education and other factors.



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20. The assessment of loss of future earnings is explained below with reference to the following

Illustration 'A' : The injured, a workman, was aged 30 years and earning Rs. 3000/- per month at the time of accident. As per Doctor's evidence, the permanent disability of the limb as a consequence of the injury was 60% and the consequential permanent disability to the person was quantified at 30%. The loss of earning capacity is however assessed by the Tribunal as 15% on the basis of evidence, because the claimant is continued in employment, but in a lower grade. Calculation of compensation will be as follows:

- a) Annual income before the accident : Rs. 36,000/-.
- b) Loss of future earning per annum
(15% of the prior annual income) : Rs. 5400/-.
- c) Multiplier applicable with reference to age : 17
- d) Loss of future earnings : (5400 x 17) : Rs. 91,800/-

Illustration 'B' : The injured was a driver aged 30 years, earning Rs. 3000/- per month. His hand is amputated and his permanent disability is assessed at 60%. He was terminated from his job as he could no longer drive. His chances of getting any other employment was bleak and even if he got any job, the salary was likely to be a pittance. The Tribunal therefore assessed his loss of future earning capacity as 75%. Calculation of compensation will be as follows :

- a) Annual income prior to the accident : Rs. 36,000/- .
- b) Loss of future earning per annum
(75% of the prior annual income) : Rs. 27000/-.
- c) Multiplier applicable with reference to age : 17
- d) Loss of future earnings : (27000 x 17) : Rs. 4,59,000/-

Illustration 'C' : The injured was 25 years and a final year Engineering student. As a result of the accident, he was in coma for two months, his right hand was amputated and vision was affected. The permanent disablement was assessed as 70%. As the injured was incapacitated to pursue his chosen career and as he required the assistance of a servant throughout his life, the loss of future earning capacity was also assessed as 70%. The calculation of compensation will be as follows :

- a) Minimum annual income he would have got if had been employed as an Engineer : Rs. 60,000/-
- b) Loss of future earning per annum
(70% of the expected annual income) : Rs. 42000/-
- c) Multiplier applicable (25 years) : 18
- d) Loss of future earnings : (42000 x 18) : Rs. 7,56,000/-

[Note : The figures adopted in illustrations (A) and (B) are hypothetical. The figures in Illustration (C) however are based on actuals taken from the decision in Arvind Kumar Mishra (supra)].



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7. Hon'ble Supreme Court in the case of **National Insurance Company Ltd. Vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]** has clarified the law under Sections 166, 163-A and 168 of the Motor Vehicles Act, 1988, on the following aspects:-

- (A) Deduction of personal and living expenses to determine multiplicand;
- (B) Selection of multiplier depending on age of deceased;
- (C) Age of deceased on basis for applying multiplier;
- (D) Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses, with escalation;
- (E) Future prospects for all categories of persons and for different ages: with permanent job; self-employed or fixed salary.

The relevant portion of the judgment is reproduced as under:-

“ Therefore, we think it seemly to fix reasonable sums. It seems to us that reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses should be Rs.15,000, Rs.40,000 and Rs.15,000 respectively. The principle of revisiting the said heads is an acceptable principle. But the revisit should not be fact-centric or quantum-centric. We think that it would be condign that the amount that we have quantified should be enhanced on percentage basis in every three years and the enhancement should be at the rate of 10% in a span of three years. We are disposed to hold so because that will bring in consistency in respect of those heads.”

8. Hon'ble Supreme Court in the case of **Erudhaya Priya Vs. State Express Tran. Corpn. Ltd. 2020 ACJ 2159**, has held as under:-

*“ 7. There are three aspects which are required to be examined by us:
(a) the application of multiplier of '17' instead of '18';*

The aforesaid increase of multiplier is sought on the basis of age of the appellant as 23 years relying on the judgment in National Insurance Company Limited v. Pranay Sethi and Others, 2017 ACJ 2700 (SC). In para 46 of the said judgment, the Constitution Bench effectively affirmed the multiplier method to be used as mentioned in the table in the case of Sarla Verma (Smt) and Others v. Delhi Transport Corporation and Another, 2009 ACJ 1298 (SC) . In the age group of 15-25 years, the multiplier has to be '18' along with factoring in the extent of disability.

The aforesaid position is not really disputed by learned counsel for the respondent State Corporation and, thus, we come to the



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conclusion that the multiplier to be applied in the case of the appellant has to be '18' and not '17'.

(b) Loss of earning capacity of the appellant with permanent disability of 31.1%

In respect of the aforesaid, the appellant has claimed compensation on what is stated to be the settled principle set out in Jagdish v. Mohan & Others, 2018 ACJ 1011 (SC) and Sandeep Khanuja v. Atul Dande & Another, 2017 ACJ 979 (SC). We extract below the principle set out in the Jagdish (supra) in para 8:

"8. In assessing the compensation payable the settled principles need to be borne in mind. A victim who suffers a permanent or temporary disability occasioned by an accident is entitled to the award of compensation. The award of compensation must cover among others, the following aspects:

- (i) Pain, suffering and trauma resulting from the accident;*
- (ii) Loss of income including future income;*
- (iii) The inability of the victim to lead a normal life together with its amenities;*
- (iv) Medical expenses including those that the victim may be required to undertake in future; and*
- (v) Loss of expectation of life."*

[emphasis supplied]

The aforesaid principle has also been emphasized in an earlier judgment, i.e. the Sandeep Khanuja case (supra) opining that the multiplier method was logically sound and legally well established to quantify the loss of income as a result of death or permanent disability suffered in an accident.

In the factual contours of the present case, if we examine the disability certificate, it shows the admission/hospitalization on 8 occasions for various number of days over 1½ years from August 2011 to January 2013. The nature of injuries had been set out as under:

"Nature of injury:

- (i) compound fracture shaft left humerus*
- (ii) fracture both bones left forearm*
- (iii) compound fracture both bones right forearm*
- (iv) fracture 3rd, 4th & 5th metacarpals right hand*
- (v) subtrochanteric fracture right femur*
- (vi) fracture shaft femur*
- (vii) fracture both bones left leg*

We have also perused the photographs annexed to the petition showing the current physical state of the appellant, though it is stated by learned counsel for the respondent State Corporation that the same was not on record in the trial court. Be that as it may, this is the position even after treatment and the nature of injuries itself show their extent. Further, it has been opined in para 13 of Sandeep Khanuja case (supra) that while applying the multiplier method, future prospects on

advancement in life and career are also to be taken into consideration.

We are, thus, unequivocally of the view that there is merit in the contention of the appellant and the aforesaid principles with regard to future prospects must also be applied in the case of the appellant taking the permanent disability as 31.1%. The quantification of the same on the basis of the judgment in National Insurance Co. Ltd. case (supra), more specifically para 61(iii), considering the age of the appellant, would be 50% of the actual salary in the present case.

(c) The third and the last aspect is the interest rate claimed as 12%

In respect of the aforesaid, the appellant has watered down the interest rate during the course of hearing to 9% in view of the judicial pronouncements including in the Jagdish’s case (supra). On this aspect, once again, there was no serious dispute raised by the learned counsel for the respondent once the claim was confined to 9% in line with the interest rates applied by this Court.

CONCLUSION

8. The result of the aforesaid is that relying on the settled principles, the calculation of compensation by the appellant, as set out in para 5 of the synopsis, would have to be adopted as follows:

<i>Heads</i>	<i>Awarded</i>
<i>Loss of earning power (Rs.14,648 x 12 x 31.1/100</i>	<i>Rs. 9,81,978/-</i>
<i>Future prospects (50 per cent addition)</i>	<i>Rs.4,90,989/-</i>
<i>Medical expenses including transport charges, nourishment, etc.</i>	<i>Rs.18,46,864/-</i>
<i>Loss of matrimonial prospects</i>	<i>Rs.5,00,000/-</i>
<i>Loss of comfort, loss of amenities and mental agony</i>	<i>Rs.1,50,000/-</i>
<i>Pain and suffering</i>	<i>Rs.2,00,000/-</i>
<i>Total</i>	<i>Rs.41,69,831/-</i>

The appellant would, thus, be entitled to the compensation of Rs. 41,69,831/- as claimed along with simple interest at the rate of 9% per annum from the date of application till the date of payment.



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9. A perusal of the award reveals that the claimant/appellant was 62 years old at the time of the accident. Since the factum of age is not disputed therefore, the learned Tribunal rightly considered the age of the claimant/appellant as 62 years and rightly applied the multiplier of 7.

10. A further perusal of the award reveals that the claimant was working as a labourer of loading and unloading and was also earning by use of vehicle. He was stated to be earning Rs.12,000/- to Rs.15,000/- per month from both the sources. For proving the same, income tax return was placed on record. The learned Tribunal however, erred in ignoring the ITR and assessing the income of the claimant on the basis of guess work. The only reason given by the learned Tribunal is that the ITR was filed in the aftermath of the accident. This reasoning is devoid of any merit and untenable in the eyes of law.

11. In this regard, reliance can be placed on the judgment of Hon'ble Supreme Court titled as **Nidhi Bhargava v. National Insurance Company Ltd.** **2025 INSC 526** wherein the apex court placed reliance on the ITR filed after the accident for the purpose of determining the salary.

The relevant portion of the same is reproduced as under:-

11. Having considered the matter, we find the reasoning in the Impugned Order to be, putting it mildly, erroneous. The only reasoning by the High Court can be found in Paragraph 10 of the Impugned Order, extracted below:

'10. Upon hearing and on perusal of impugned Award, evidence on record and the decisions cited. I find that in the case of deceased- Kapil Bhargava, the income tax returns for assessment years 2008-09 was filed on 10th September, 2008 i.e. after the day of accident



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*and so, it has to be excluded from consideration. The income of deceased-Kapil Bhargava has to be assessed on the basis of previous assessment year's income tax return i.e. for the year 2007-08. The gross income of deceased in the assessment year 2007-08 was Rs. 1,25,600/- and after deducting tax of Rs. 1610/-, the net income of deceased is assessed at Rs. 1,23,990/-. Deceased-Kapil Bhargava was aged 43 years on the day of accident and in view of Supreme Court's decision in **Sarla Verma (Smt.) v. Delhi Transport Corporation (2009) 6 SCC 121**, the Tribunal has rightly applied multiplier of 14. In light of Supreme Court's Constitution Bench decision in **National Insurance Company Ltd. v. Pranay Sethi (2017) 16 SCC 680**, the Tribunal has rightly made addition of 25% towards "future prospects. In view of aforesaid, the "loss of dependency" of deceased-Kapil Bhargava is reassessed as under:-*

$$Rs. 1,23,990/- \times 14 \times 125/100 \times 3/4 = Rs. 16,27,370/-'$$

(emphasis supplied)

12. Just because on the date of the accident i.e., 12.08.2008, the Return for the Assessment Year 2008-2009 had not been filed, cannot disadvantage the appellants, for the reason that the period for which the Return is to be submitted covers the period starting 1st of April, 2007 and ending 31st March, 2008. Thus, for obvious reasons, the Return would be only for the period 01.04.2007 to 31.03.2008, and date of submission would be post-31.03.2008. No income earned beyond 31.03.2008 would reflect in the Income Tax



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Return for the Assessment Year 2008-2009. To reject the Return on the sole ground of its submission after the date of accident alone, in our considered view, cannot be legally sustained.

13. The Income Tax Return is a legally admissible document on which the income assessment of the deceased could be made. This Court in Malarvizhi v. United India Insurance Co. Ltd., (2020) 4 SCC 228 affirmed that the determination of income must proceed on the basis of Income Tax Return(s), when available, being a statutory document. In S Vishnu Ganga v. Oriental Insurance Company Limited, 2025 SCC Online SC 182, we opined:

'11. ...It is no longer res integra that Income Tax Returns are reliable evidence to assess the income of a deceased, reference whereof can be made to Amrit Bhanu Shali v. National Insurance Co. Ltd., (2012) 11 SCC 738 [Para 17]; Kalpanaraj v. Tamil Nadu State Transport Corporation, (2015) 2 SCC 764 [Para 7], and K Ramya (supra) [Para 14 of 2022 SCC Online SC 1338].'

12. Therefore, in view of the above referred to judgment the income of the claimant is re-assessed **as Rs.1,58,488/- per annum (Rs.13,207/- per month).**

13. A further perusal of the record shows that the learned Tribunal has awarded the compensation on the lower side to the claimant under the heads of Pain and suffering, which is required to be enhanced.

14. It is trite that permanent disability suffered by an individual not only impairs his cognitive abilities and his physical facilities, but there are multiple non-quantifiable implications for the victim. Further, the very fact that healthy person turns into invalid being deprived of normal companionship and incapable of leading a productive life makes one suffer loss of dignity. As per the facts of the case the claimant suffered multiple injuries on his person including fracture on his leg. Dr. Jasjot Singh, CW-1 deposed regarding the disability of the claimant. He



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categorically states that disability of the claimant is assessed by the medical board @ 41%. This fairly concludes the fact that the claimant have suffered immense amount of pain and agony due to the accident in question.

15. The Hon'ble Apex Court in the case of '**KS Muralidhar versus R Subbulakshmi and another 2024 INSC 886**' highlighted the intangible but devastating consequence of pain and suffering. The relevant portion of the same is reproduce as under:-

“15. Keeping in view the above-referred judgments, the injuries suffered, the 'pain and suffering' caused, and the life-long nature of the disability afflicted upon the claimant-appellant, and the statement of the Doctor as reproduced above, we find the request of the claimant-appellant to be justified and as such, award Rs.15,00,000/- under the head 'pain and suffering', fully conscious of the fact that the prayer of the claimant-appellant for enhancement of compensation was by a sum of Rs. 10,00,000/-, we find the compensation to be just, fair and reasonable at the amount so awarded.”

16. Therefore, in view of the above judgment and facts and circumstances of the present case, this Court deems it appropriate to grant compensation of **3 lakhs** under the heads of pain and suffering.

17. A further perusal of the award reveals that meager amount is granted by the learned Tribunal under the heads of special diet, attendant charges and medical expenses for future treatment. Furthermore, no amount is granted under

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the head of transportation and loss of amenities of life. Therefore, the award requires indulgence of this Court.

RELIEF

18. In view of the above, the present appeal is **allowed** and award dated 09.07.2013 is modified. Accordingly, as per the settled principles of law as laid down by Hon'ble Supreme Court as mentioned above, the appellant-claimant is held entitled to the enhanced amount of compensation as calculated below:-

Sr. No.	Heads	Compensation Awarded
1	Income	Rs.13,207/-
3	Annual Income	Rs.1,58,484/- (Rs.13,207 /- X 12)
4	Loss of future earning on account of 41% disability	Rs.64,978/- (Rs.1,58,484 /- X 41%)
5	Multiplier of 7	Rs.4,54,846/- (Rs.64,978 /-X 7)
6	Medical Expenses	Rs.20,979/-
7	Pain and suffering	Rs.3,00,000/-
8	Attendant Charges	Rs.1,00,000/-
9	Transportation Charges	Rs.50,000/-
10	Loss of amenities of life	Rs.1,00,000/-
11	Medical expenses for future treatment	Rs.50,000/-
12	Special Diet	Rs.70,000/-
13	Total compensation awarded:-	Rs.11,45,825/-
14	Deduction:- Amount awarded by Tribunal	Rs.3,51,147/-
15	Enhanced amount of compensation	Rs.7,94,678 /- (11,45,825- 3,51,147)

19. So far as the interest part is concerned, as held by Hon'ble Supreme Court in **Dara Singh @ Dhara Banjara Vs. Shyam Singh Varma 2019 ACJ 3176** and **R.Valli and Others VS. Tamil Nadu State Transport Corporation (2022) 5 Supreme Court Cases 107**, the amount so calculated shall carry an interest @ 9% per annum from the date of filing of the claim petition, till the date of realization.



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20. Respondents No.1 is directed to deposit the enhanced amount along with interest with the Tribunal within a period of two months from the date of receipt of copy of this judgment. The Tribunal is directed to disburse the enhanced amount of compensation along with interest to the appellant-claimant.

21. Pending application(s), if any, also stand disposed of.

25.03.2026

Lalita-II

(SUDEEPTI SHARMA)
JUDGE

Whether speaking/non-speaking : Speaking
Whether reportable : Yes/No