

CIVIL APPEAL NO. _____ **OF 2025**
(Arising out of SLP(C) No. 24501/2025)

VERSUS

ORDER

Time taken for disposal of the claim petition by MACT	Time taken for disposal of the appeal by the High Court	Time taken for disposal of the appeal in this Court
1 Year 4 Months 19 Days	15 Years 8 Months 17 Days	3 Months 10 Days

2. This appeal is directed against the Judgment and Order dated 25th April 2025, passed in S.B. Civil Miscellaneous Appeal No.4976/2009 by the High Court of Judicature for Rajasthan, Bench at Jaipur, which in turn, was preferred against

the order dated 9th June 2009 in MACT Claim Petition No.185 of 2007(643/2006) passed by the Motor Accident Claims Tribunal cum Additional District Judge (Fast Track), Ajmer.

3. The brief facts giving rise to this appeal are that on 27th June 2006, the deceased, namely, Rajendra Singh Gena, aged 32 years, along with his brothers, was travelling from Jaipur to Ajmer, and suddenly Respondent No. 2 who was driving his truck negligently (*Offending vehicle*) bearing registration no.RJ-14-1G-9787, dashed into the vehicle in which the deceased was travelling. As a result of the accident, the deceased sustained severe injuries and died on the spot.

4. In connection with this incident, FIR No.1006/2006 was registered at PS. Gegal, District Ajmer, under Sections 279, 337 and 304A of the Indian Penal Code, 1860 was registered against the driver of the offending vehicle.

5. A claim petition was filed on behalf of the claimant-appellant(s) (*the legal representatives of the deceased*) under Section 166 of the Motor Vehicles Act, 1988, before the Tribunal seeking compensation to the tune of Rs.68,94,000/-, claiming that the deceased earned Rs. 84,000/- per annum in the financial year 2004-05 and Rs.1,26,000/- per annum in the

financial year 2005-06, through his transport business and agricultural works.

6. The Tribunal, *vide* its order dated 9th June 2009, awarded an amount of Rs.9,74,000/- to the claimant-appellant(s) along with interest @7.5% per annum from the date of filing of the claim petition. The Tribunal, considering the evidence on record, determined the income of the deceased to be Rs.84,000/- per annum. A deduction of 1/3rd of the income of the deceased was made towards living expenses, and a multiplier of 17 was applied. The Respondents were held jointly and severally liable to pay compensation to the claimant-appellant(s).

7. Aggrieved by the compensation awarded by the Tribunal, the claimant-appellant(s) filed an appeal before the High Court seeking an enhancement of the compensation amount. It was urged that the Tribunal erred in not considering the income of the deceased as Rs.1,26,000/- per annum and that the Tribunal also failed to consider that the deceased used to earn a further sum of Rs.60,000/- per annum from agriculture. It was also averred that no amount has been granted under the heads of loss of estate and future prospects.

8. The High Court, *vide* the impugned judgement, partly allowed the appeal and enhanced the compensation amount to

Rs.16,01,200/- from Rs.9,74,000/- as awarded by the Tribunal. The enhancement was granted under the heads of future prospects, loss of consortium, loss of estate and other conventional heads. The High Court deducted 1/4th of the income of the deceased towards personal expenses, keeping in view the number of dependents and the settled principles laid down in *National Insurance Company v. Pranay Sethi*¹.

9. Yet, dissatisfied with the judgment and order passed by the High Court, the claimant-appellant(s) are now before us. The significant contention is that the Courts below erred in computing the annual income of the deceased at Rs.84,000/-, instead of Rs.1,26,000/-. Further, the High Court failed to grant a 10% increase towards conventional heads, which in terms of *Pranay Sethi* (supra) has to be increased every 3 years. The claimant-appellant(s) also submit that the interest should have been calculated @9%, instead of 5% as awarded by the High Court.

10. We have heard the learned counsel for the parties.

11. In the attending facts and circumstances of the present case, we are inclined to interfere with the judgment and order of the Courts below in assessing the annual income of the

¹ (2017) 16 SCC 680

deceased at Rs.84,000/-. The claimant-appellant(s) have place on record the Income Tax Returns of the deceased for the year 2004-05 from which it is evident that the income of the deceased for the concerned year was Rs.84,000/- per annum. So far as the Income Tax Return for the year 2005-06 is concerned, both the Courts below have concurrently held that the said return was not proved and was not genuine, mainly on the grounds that it had been filed posthumously and that there were certain variations in the signatures of the deceased on the said return. Be that as it may, this Court in **Nidhi Bhargava v. National Insurance Co. Ltd**², has held that: -

“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 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. ... In K Ramya v. National Insurance Co. Ltd., 2022 SCC OnLine SC 1338, after taking note of, inter alia, Ningamma v. United India Insurance Co. Ltd., (2009) 13 SCC 710, the Court held that the ‘... Motor Vehicles Act of 1988 is a beneficial and welfare legislation that seeks to provide compensation as per the contemporaneous position of an individual which is essentially forward-looking. Unlike tortious liability, which is chiefly concerned with making up

² 2025 SCC OnLine SC 872

for the past and reinstating a claimant to his original position, the compensation under the Act is concerned with providing stability and continuity in peoples' lives in the future. ... ' ... ' ”

(emphasis supplied)

12. What flows from *Nidhi Bhargava* (supra) is that the Income Tax Returns filed after the accident/death can also be taken into consideration for calculation of income to award compensation. However, having due regard for the Tribunal's well-placed doubts, in so far as returns filed for the relevant year, we take a different approach. In the instant case, it cannot be simply assumed that there is no profit accruing from the business of the deceased at the time of the accident. To adopt such a presumption would be contrary to the settled principles guiding the assessment of compensation. Rather, the returns for the preceding year or years must be taken as a foundational benchmark, subject to careful judicial examination, recognizing that business profits are seldom static and often exhibit a progressive growth trajectory. The exercise thus calls for a fair and reasonable assessment, grounded in available evidence, of the financial benefits that the deceased would have justifiably earned but for the untimely accident. In our considered view, in order to award just and fair compensation, the annual income of the deceased is re-assessed at Rs.1,00,000/- per annum. The

claimant-appellant(s) are also entitled to compensation under other heads in accordance with the settled principles of law.

13. In view of the aforesaid, the compensation payable to the claimant-appellant(s) would be as follows:

CALCULATION OF COMPENSATION

Compensation Heads	Amount Awarded	In Accordance with:
Monthly Income	Rs.8,333.3/-	
Yearly Income	Rs.1,00,000/-	
Future Prospects (40%) (Age being 32)	1,00,000 + 40,000 = Rs.1,40,000/-	<i>National Insurance Co. Ltd. v. Pranay Sethi</i> (2017) 16 SCC 680 <i>Paras 37, 39, 41, 42 and 59.4</i>
Deduction (1/4)	1,40,000 – 35,000 = Rs. 1,05,000/-	
Multiplier (16)	1,05,000 X 16 = Rs.16,80,000/-	
Loss of Income of the Deceased	Rs.16,80,000/-	
Loss of Estate	Rs.18,150/-	<i>National Insurance Co. Ltd. v. Pranay Sethi</i> (2017) 16 SCC 680 <i>Para 59.8</i>
Loss of Funeral Expenses	Rs.18,150/-	
Loss of Consortium	48,400 X 4 = Rs.1,93,600/-	<i>National Insurance Co. Ltd. v. Pranay Sethi</i> (2017) 16 SCC 680 <i>Para 59.8</i> <i>United India Insurance Co.</i>

		<i>Ltd. v. Satinder Kaur,</i> (2021) 11 SCC 780 <i>Para 37.12</i> <i>Rajwati alias Rajjo and Ors v. United India Insurance Company Ltd. and Ors.</i> 2022 SCC Online SC 1699 <i>Para 34</i>
Total	Rs.19,09,900/-	

Thus, the difference in compensation is as under:

MACT	High Court	This Court
Rs.9,74,000/-	Rs. 16,01,200/-	Rs.19,09,900/-

14. The Civil Appeal is allowed in the aforesaid terms. The impugned Award dated 9th June 2009 passed in MACT Claim Petition No. 185 of 2007(643/2006) passed by the Motor Accident Claims Tribunal cum Additional District Judge (Fast Track), Ajmer, as modified by the High Court of Judicature for Rajasthan, Bench at Jaipur, *vide* the impugned order dated 25th April 2025, passed in S.B. Civil Miscellaneous Appeal No. 4976/2009 stands modified accordingly. The aspect of liability, being joint and several, is not interfered with. Interest on the amount is to be paid as awarded by the Tribunal.

15. The amount be directly remitted into the bank account of the claimant-appellant(s). The particulars of the bank account are to be immediately supplied by the learned counsel for the claimant-appellant(s) to the learned counsel for the respondents. The amount be remitted positively within a period of four weeks thereafter.

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

.....**J.**
(SANJAY KAROL)

.....**J.**
(NONGMEIKAPAM KOTISWAR SINGH)

New Delhi;
7th November, 2025