

**HIGH COURT OF JUDICATURE FOR RAJASTHAN AT
JODHPUR**

S.B. Civil Miscellaneous Appeal No. 650/2023

1. Mohanlal Nagar S/o Late Shri Vishnudutt Nagar, Aged About 73 Years, By Caste Brahmin, Resident Of Near Bus Stand Pali.
2. Sarla Devi W/o Shri Mohanlal Nagar, Aged About 63 Years, By Caste Brahmin, Resident Of Near Bus Stand Pali.
3. Lovely Nagar D/o Late Shri Rakesh Kumar Nagar, Aged About 15 Years, By Caste Brahmin, Resident Of Near Bus Stand Pali. Minor Through Their Natural Guardian Grand Mother Smt. Sarla Devi, Appellant No. 2
4. Punjan D/o Late Shri Rakesh Kumar Nagar, Aged About 12 Years, By Caste Brahmin, Resident Of Near Bus Stand Pali. Minor Through Their Natural Guardian Grand Mother Smt. Sarla Devi, Appellant No. 2

----Appellants

Versus

1. Bheru Singh S/o Shri Amar Singh, By Caste Rawat, R/o Kheda Behind Thana, Srinagar, Police Station Sri Nagar, Ajmer . (Driver)
2. Bajrang Lal Yadav S/o Shri Kishanlal Yadav, By Caste Yadav, Resident Of Kheda Behind Thana, Srinagar, Police Station Srinagar, Ajmer (Owner)
3. Tat Aig General Insurance Company Limited, C-Scheme, Jaipur, Through Its Branch Manager, 12Th Bachrajji Ka Bagh, Chopasani Road, Jodhpur. (Insurer)

----Respondents

For Appellant(s)	:	Mr. Sunil Bhandari
For Respondent(s)	:	Mr. Amit Mehta

HON'BLE MR. JUSTICE MUKESH RAJPUROHIT

Judgment

28/04/2026

1. The appellants-claimants have filed present civil miscellaneous appeal seeking enhancement of the compensation awarded vide Judgment dated 06.02.2023 passed by the Judge, Motor Accident Claims Tribunal, Pali in M.A.C. Case No. 124/2019 (*Mohanlal Nagar & Ors. vs. Bheru Singh & Ors.*), whereby the Tribunal partly allowed the claim petition filed under Section 166

of the Motor Vehicles Act, 1988 and granted a total compensation of ₹40,95,683/- under various heads in favour of the claimants, holding the respondents jointly and severally liable. The award was made on account of death of the deceased Rakesh Kumar Nagar in a vehicular accident that occurred on 01.05.2011, along with interest at the rate of 6% per annum from the date of filing of the claim petition until realization of the awarded amount.

2. Since the controversy in the present appeal is confined to the quantum of compensation, a detailed recapitulation of facts is considered unnecessary and is accordingly omitted for brevity.

3. Heard learned counsel for the parties.

4. Learned counsel for the appellants-claimants contends that the Tribunal committed an error in ignoring the actual income of the deceased while computing compensation. It is submitted that the accident occurred on 01.05.2011 and the Income Tax Return of the deceased for the Assessment Year 2011-12 (Ex.18), relating to the financial year 01.04.2010 to 31.03.2011, clearly reflects an annual income of ₹2,80,587/-. It is contended that the mere fact that the Income Tax Return for the Assessment Year 2011-12 came to be filed after the date of the accident cannot, by itself, be a ground to discard the same. It is argued that such rejection is legally unsustainable, as the income disclosed pertains to a period prior to the accident and thus, constitutes reliable evidence.

5. In support of the aforesaid submissions, reliance has been placed on the judgment of the Hon'ble Supreme Court in ***Nidhi Bhargava and Others vs. National Insurance Company Ltd. and Others* (2025 INSC 526)**.

6. It is further contended that the amounts awarded under the conventional heads i.e. consortium, loss of estate and funeral expenses, deserve enhancement in light of the principles laid down in **National Insurance Company Limited vs. Pranay Sethi & Ors.** reported in **AIR 2017 Supreme Court 5157.**

7. Learned counsel for appellants restricts his submissions to the above extend and do not press other ground/claims raised in the appeal.

8. *Per contra*, learned counsel for the respondent–Insurance Company while supporting impugned award, submits that the Tribunal has duly appreciated the evidence on record and passed a well-reasoned award. It is argued that the Tribunal rightly exercised caution in evaluating the Income Tax Return produced by the claimants. It is further submitted that the compensation awarded under various heads is just, fair and in accordance with settled principles governing motor accident claims. Hence, no interference is warranted.

9. I have considered the rival submissions, perused the impugned judgment as well as the record, and examined the precedent relied upon.

10. Upon consideration of the rival submissions and material available on record, this Court finds merit in the contention advanced on behalf of the appellants with regard to assessment of income of the deceased.

11. In **Nidhi Bhargava and others** (*supra*), the Hon'ble Supreme Court has held as under :-

“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 1 st 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. 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].’ (emphasis supplied)

14. In Malarvizhi (supra), the Madras High Court relied upon the Returns ‘for Assessment Year 1997-1998 and not 1999-2000 and 2000-2001 which reflected a reduction in the annual income of the deceased’ therein.

15. The High Court interfered and reduced the compensation as awarded by the Tribunal only on the ground that Return for the Assessment Year 2008-2009 had to be excluded from consideration. It is not in dispute that the deceased was a businessman. The relevance of the Income Tax Return stems, in the context of the Act, for the period which it relates to i.e., the Financial Year concerned, and not on the date on which it is filed with the Income Tax Department. When faced with Returns for different Assessment Years, it would be upto the Tribunal concerned to adopt either the average income therefrom or choose an Assessment Year to rely upon. There is good reason to leave judicial discretion on the Tribunal to adopt one of the afore-noted two courses of action, bearing in nature the social purpose and object behind the Act, which is a beneficial legislation. It is quite unfortunate that the High Court in the present case has dealt with the matter in such a casual and superficial way where the rightful claim of the appellants under a welfare legislation has been drastically reduced without any cogent reason on a very tenuous ground, which we find to be totally unjustified. As pointed out in Shivaleela v Divisional Manager, United India Insurance Co. Ltd., 2025 SCC OnLine SC 563:

‘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 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. ... ' ... '2 (underlined in original)"

12. Applying the aforesaid principle to the present case, the Income Tax Return (Ex.18) for the Assessment Year 2011-12, relating to the financial year immediately preceding the accident, reflects annual income of the deceased as ₹2,80,587/-. The mere fact that return was filed on 05.08.2011 i.e. after the accident, cannot be a ground to discard it, especially when the income pertains to the period ending 31.03.2011. In the absence of any material indicating manipulation or fabrication, said return deserves to be accepted as reliable evidence of income.

13. However, it is settled that for computation of compensation, net income after deduction of income tax is to be considered. The record indicates that an amount of ₹11,050/- was payable towards income tax. After deducting the same, net annual income of the deceased is assessed at ₹2,69,537/-. The loss of dependency is, thus, liable to be recomputed on the basis of the said income, while maintaining the other parameters adopted by the Tribunal.

14. As regards the conventional heads, the Tribunal has awarded ₹44,000/- towards consortium and ₹16,500/- each towards loss of estate and funeral expenses. In view of the settled principle of periodical enhancement of 10% every three years, the claimants are entitled to an increase under these heads.

15. Accordingly, the re-computation of compensation is as under :-

A Annual Income after deducting income tax (Rs.2,80,587 – Rs. 11,050 = Rs.2,69,537)	Rs. 2,69,537/-
B. 40% increase in income on account of	

future prospects (Rs. 2,69,537 x 40% / 100 = Rs.1,07,815/-) (rounded off)	Rs. 1,07,815/-
Total (A + B)	Rs. 3,77,352/-
C. Deduction of 1/4th amount towards personal expenditures (Rs.3,77,352 x ¼ = Rs. 94,338)	Rs. 94,338/-
Income after deduction (A + B – C)	Rs. 2,83,014/-
D. Multiplier / Loss of Income (Rs.2,83,014 x 17)	Rs. 48,11,238/-
E. Consortium (Rs. 44,000 + 10% / 100 = Rs. 48,400) (Rs. 48,400 x 4 dependents = Rs.1,93,600)	Rs. 1,93,600/-
F. Loss of Estate (Rs.16500 x 10% / 100 = Rs. 18,150)	Rs. 18,150/-
G. Funeral Expenses (Rs.16500 x 10% / 100 = Rs. 18,150)	Rs. 18,150/-
Total (D+E+F+G)	Rs. 50,41,138/-
Compensation awarded by the tribunal	Rs. 40,95,683/-
Enhanced amount	Rs. 9,45,455/-

The aforesaid re-computation of the award shows that appellants are entitled to receive enhanced amount of compensation of Rs.9,45,455/- with interest.

16. In view of the discussions made above, the appeal is partly allowed. The Award dated 06.02.2023 passed by the tribunal is modified to the extent of enhancement made in the re-computation made hereinabove.

17. It is made clear that if the awarded amount or any part of it has already been paid, then same shall be adjusted against the enhanced amount. The respondents are directed to pay the enhanced amount with interest @ 6% per annum from the date of filing the claim petition till the same is paid to the appellants.



18. The original record of the tribunal along with a certified copy of this order be remitted back forthwith.

(MUKESH RAJPUROHIT),J

78-/Inder//-