

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
CIVIL APPEAL NO. OF 2026
(Arising out of SLP (C) No.16566 of 2026)

MANI MANGLA & ORS.

APPELLANT(s)

VERSUS

ABHYUDAYA PALIWAL @ BANU & ORS.

RESPONDENT(s)

O R D E R

Leave granted.

2. This appeal is directed against the final judgment and order dated 09.09.2025 passed by the High Court of Punjab & Haryana at Chandigarh in FAO No. 3843/2025, which upheld the award of the Motor Accident Claims Tribunal (MACT), Palwal, dated 27.08.2024, and dismissed the appellants' plea for enhancement of compensation.

3. The brief facts are that on 21.07.2019, the deceased, Arun Kumar Mangla, aged 57 years, was fatally injured when a speeding white Creta car (Registration No. HR-30S-0716) struck his scooter while he was en route to his factory. An FIR (No. 0462/2019) was registered at Police Station Camp Palwal under Sections 279, 304A, 336, and 337 of the Indian Penal Code.

4. The appellants, being the legal heirs of the deceased, challenged the method of income assessment used by the lower courts. The Motor Accident Claims Tribunal (MACT), Palwal, while adjudicating the claim, declined to assess the deceased's income based on his Income Tax Returns, which reflected a gross total income of Rs. 6,97,287/- per annum. Instead, the Tribunal notionally reduced his monthly income to Rs. 30,000/-, observing that since his son was assisting in the business and continued to run it after his father's death, the entire income could not be attributed solely to the deceased. Consequently, the Tribunal awarded a total compensation of Rs. 27,57,700/- along with interest.

5. In the impugned judgment, the High Court affirmed the Tribunal's findings, holding that the overall compensation awarded was just and proper. The High Court upheld the hypothetical approach of assessing only a notional managerial contribution of the deceased, reasoning that the continuation of the sole proprietorship business by the son justified the reduced assessment of income.

6. The appellants have challenged these findings, contending that the lower courts erred in law by arbitrarily splitting the sole proprietor's income and assessing a notional figure despite established ITR records. It is further contended that the mere inheritance or continuation of a business by a legal heir does not negate the loss of dependency, which must be assessed with reference to the deceased's earning capacity on the date of the accident.

7. Having heard learned counsel for the parties and upon perusal of the material on record, including the Income Tax Returns and financial documents of the deceased, we are of the considered view that the

assessment of compensation warrants enhancement in order to meet the ends of justice. Interest of justice would be best served by further enhancing the compensation. Taking a holistic view of the matter, we deem it appropriate to award an additional lump sum amount.

8. Respondent No. 3 - HDFC Ergo General Insurance Company Limited is hereby directed to pay a lump sum amount of Rs. 10,00,000/- (Rupees Ten Lakh only) to the appellants.

9. The aforementioned amount of Rs. 10,00,000/- shall be paid in addition to the compensation that already stands awarded by the Motor Accident Claims Tribunal, Palwal, and affirmed by the High Court.

10. The Respondent Insurance Company shall directly deposit the said lump sum amount into the bank accounts of the claimants/appellants in the same proportion as directed in the original award dated 27.08.2024, within a period of six weeks from the date of this order. The appellants shall furnish the requisite bank account

particulars to learned counsel for the respondents without delay.

11. In the event of default, the appellant(s) shall be entitled to interest on the outstanding amount at the rate awarded by the Labour Court/Tribunal.

12. The appeal is disposed of in the above terms.

13. Pending applications, including I.A. No. 115620/2026 (Exemption from filing O.T.) and I.A. No. 115619/2026 (Permission to file additional documents), shall stand disposed of.

.....J.
(SANJAY KAROL)

.....J.
(AUGUSTINE GEORGE MASIH)

NEW DELHI
MAY 25, 2026