



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

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FAO-4377-2006 (O&M)
Reserved on: 27.08.2025
Date of Decision: 05.09.2025

NATIONAL INSURANCE COMPANY LTD.

.....Appellant

Vs.

SEEMA AND ORS.

.....Respondents

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. Deepak Suri, Advocate
for the appellant.

Mr. Arsh Bir, Advocate
for Mr. Abhinav Sood, Advocate
for respondent No.1 to 3.

SUDEEPTI SHARMA J. (ORAL)

1. The present appeal has been preferred by the appellant-Insurance company against the Award dated 18.01.2006 passed in the claim petition under Section 166 of the Motor Vehicles Act, 1988 by the Motor Accident Claims Tribunal, Rohtak (for short, 'the Tribunal'), wherein the appellant-Insurance company was fastened with the liability to pay the compensation to the claimant to the tune of Rs.14,40,000 along with interest @ 9% per annum.

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



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. Learned counsel for the appellant/Insurance company contends that the learned Tribunal has wrongly taken the salary of deceased while calculating compensation. Therefore, he prays that the present appeal be allowed and award dated 18.01.2006 be set aside.

4. I have heard learned counsel for the parties and perused the whole record of this case.

5. The relevant portion of the award is reproduced as under:-

“28. Shri Prakash Chaturvedi, Finance Controller, Creative Looms, New Delhi (PW5), deposed that Mahender Singh was working as Export Consultant in the Company. He was appointed on May 1, 2002. His salary was Rs. 15,000/- per month. He has proved the appointment letter Exhibit P25 of the deceased, certificate Exhibit P26 issued by the Company and salary account Exhibit P27. IT has been also proved by him that after the death of Mahender Singh, an amount of Rs.45,000/- was paid to his widow, that is, Seema, applicant as a compensation vide vouchers Exhibits P28 to P30. The Company had also paid income tax vide challan No. 9, forms No. 16 and 24 Exhibits P31, P32 and P33 respectively.

29. Shri N.K. Singhal, learned counsel for the applicants has strenuously urged that while calculating the income of Mahender Singh, deceased, it has to be taken into consideration that the deceased was Non-Resident Indian. He had a company in the foreign country. He was employed by a foreign company from the year 1999 to 2002 and thereafter, was an Export Consultant in the Creative Looms, New Delhi drawing salary of Rs.15,000/- per month.



30. *On the other hand, Shri A.S. Malik, learned counsel for the insurance company, respondent no. 3 has refuted the contention of the learned counsel for the applicants on the ground that Mahender Singh, deceased was vagabond and challenged in a case under sections 363/366 of the Indian Penal Code registered against him and three others vide First Information Report Exhibit R1. He was convicted and sentenced for the offence punishable under section 363 of the Indian Penal Code in the said case as is evident from the copy of the judgment Exhibit R2. It was also pleaded that in the said criminal case, in his statement recorded under section 313 of the Code of Criminal Procedure, he stated that he was a taxi driver by profession. The copy of the statement recorded under section 313 of the Code Exhibit R3 has also been relied upon in that context. It was further urged that Mahender Singh, deceased was non-earning hand and the entire evidence led by the applicants to prove that he was earning Rs.15000/- per month is a manipulated affair.*

31. *In order to determine the income of Mahender Singh, deceased, it is not possible to take into consideration that he was non-resident Indian, stayed in foreign country for a couple of years and had a company in the foreign country, as canvassed by the learned counsel for the applicants because no such document has been placed on the record that the deceased was a non-resident Indian except relying upon Extract with regard to holding of account by Mahender Singh in Austria, letter written from Vienna, letter showing the employment of Mahender Singh in a company at Vienna in foreign language and its English translation, Certified copy of the extract from the Company's register in foreign language and its translation in English, Trade licence issued by the Municipality of the City of Vienna in foreign language and its English translation Exhibits P34, P47, P66 to P71. Further no evidence has been*



led to prove that the Company which he might have owned in the foreign country was still running or not. It is the say of Seema, applicant, (PW6) that Mahender Singh came back to India in the year 1991 and thereafter never went to foreign country. The income of the deceased can not be assessed on the basis of the documents Exhibits P66 and P67 whereby it has been shown that he was paid Rs.75,000/- per annum from the years 1999 to 2002 because the relevant time to assess the income of the deceased is the date of his death, that is, December 28, 2002. The only evidence led by the applicants to prove the income of the deceased is the statement of Parkash Chaturvedi, (PW5), who has unequivocally stated that Mahender Singh was working in Creative Looms, New Delhi drawing salary of Rs.15,000/- per month. The statement of Prakash Chaturvedi, (PW5), is corroborative to the documents viz. appointment letter issued to the deceased by the Creative Looms, New Delhi, certificate issued by the creative Looms, salary and Wages account, vouchers vide which three months pay of the deceased was paid to his wife Seema, applicant and challan No. 9, forms No. 16 and 24 vide which income tax of the deceased was deposited by the Creative Looms Exhibits P25 to P33 respectively. Thus, from the evidence discussed above, it is evident that Mahender Singh, deceased was working as an Export Consultant with Creative Looms, New Delhi drawing salary of Rs. 15,000/- per month on the date of his death, that is, December 28, 2002.

32. The argument of learned counsel for the insurance company, respondent No. 3 that the deceased was non-earning because he was challaned and convicted in a criminal case under sections 363/366 of the Indian Penal Code registered against him and three others vide First Information Report Exhibit R1 is devoid of merit. The deceased having been challaned and convicted does not mean that he was debarred



to work in future. A perusal of the First Information Report Exhibit R1 and the judgment Exhibit R2 would, therefore, go to show that he was challaned for the said offence in the month of May, 1992 whereas he died in December, 2002, that is, after 10 years. It was never expected from Mahender Singh, deceased that for such a long period of 10 ½ he could not work on account of the registration of criminal case against him. No importance is to be given to the statement of the deceased (accused in the criminal case) recorded under section 313 of the Code of Criminal Procedure in the aforesaid criminal case that he was a taxi driver because it was the case of the prosecution themselves against him in the said case that at the time of the offence, he was on the steering wheel of the vehicle involved in the occurrence. Otherwise too, as has been observed earlier, the income of the deceased is to be assessed keeping in view his profession and income at the time of his death.

33. The upshot of the discussion recorded supra is that Mahender Singh, since deceased was working as an Export Consultant in the Creative Looms, New Delhi drawing salary of Rs. 15,000/- per month. Thus, the income of the deceased is assessed at Rs. 15,000/- per month.”

6. A perusal of the impugned award reveals that the contention raised by the learned counsel for the appellant/insurance company that the learned Tribunal erred in assessing the monthly income of the deceased is without substance and doesn't warrant any interference.

7. The learned Tribunal has thoroughly examined the oral and documentary evidence placed on record, including the testimony of Parkash Chaturvedi, (PW5), appointment letter and challan No.9, forms No. 16 and 24 of income tax(Exhibits P25 to P33 respectively) which shows the salary drawn by



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Mahender Singh, deceased as Rs.15000/- per month for providing his services as Export Consultant at Creative Looms, New Delhi. The income of the deceased can not be assessed on the basis of the documents Exhibits P66 and P67 whereby it has been shown that he was paid Rs.75,000/- per annum from the years 1999 to 2002 because the relevant time to assess the income of the deceased is the date of his death, that is, December 28, 2002.

8. In view of the above discussion, this Court does not find any error in the Ld. Tribunal approach. The Ld. Tribunal rightly relied upon the official salary records furnished by the employer, which constitute the best evidence of income. The monthly income of the deceased has, therefore, been correctly assessed at Rs.15000/-.

9. It is well settled by the Hon'ble Supreme Court in **K. Ramya v. National Insurance Co. Ltd., 2022 (4) RCR (Civil) 435** that the Motor Accident Claims Tribunals are vested with sufficient latitude to determine "just compensation" and are not shackled by rigid arithmetical rules or strict standards of evidence as in civil suits for damages. Interference by the Appellate Court is warranted only when the award of compensation is manifestly excessive, arbitrary, or contrary to settled principles.

10. The findings of the learned Tribunal are based on sound appreciation of evidence and established principles of law, particularly in determining income for computation of compensation under the Motor Vehicles Act, 1988. No perversity, illegality, or error is found that would justify interference under appellate jurisdiction.

11. Accordingly, this Court finds no merit in the appeal, and the same is dismissed. Thus, the award dated 18.01.2006 is hereby upheld.



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12. The statutory amount of Rs.25,000/- deposited by the appellants at the time of admission of the appeal, is ordered to be refunded to them.

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

(SUDEEPTI SHARMA)
JUDGE

05.09.2025

Ayub

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