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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

**FAO-1307-2014 (O&M) and
XOBJC-13-CII-2015
Date of Decision : 29.07.2025**

New India Assurance Company LimitedAppellant

VERSUS

Neelam and OthersRespondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Vipul Sharma, Advocate for the appellant.

Mr. Rakesh Dhiman, Advocate
for respondent Nos.1 to 4/cross-objectors.

Service of respondent No.5 dispensed with
vide order dated 08.02.2023.

Mr. Uday Vij, Advocate for
Mr. Sanjay Vij, Advocate for respondent No.6.

ALKA SARIN, J. (Oral)

CM-1220-CII-2015 in XOBJC-13-CII-2015

1. For the reasons stated in the application, the same is allowed.

The delay of 129 days in re-filing the cross-objections is condoned.

FAO-1307-2014 (O&M) and XOBJC-13-CII-2015

2. Present appeal has been filed by the Insurance Company aggrieved by the quantum of compensation awarded by the Motor Accident Claims Tribunal, Gurgaon (hereinafter referred to as 'Tribunal') vide the impugned award dated 28.10.2013 while the cross-objections being XOBJC-13-CII-2015 have been filed by the claimants i.e. respondent Nos.1 to 4 herein seeking enhancement of the compensation. The parties are being referred to as the claimants and the Insurance Company for the sake of clarity.

3. Since the factum of the accident is not in dispute, the facts are not being adverted to for the sake of clarity.

4. In the present case, the Tribunal had awarded the following compensation :

Sr. No.	Heads	Compensation Awarded
1	Monthly income	₹9,500/-
2	Future prospects @ 50%	[₹9,500 + 4,750] = ₹14,250/-
3	Annual income	[₹14,250 x 12] = ₹1,71,000/-
4	Deduction 1/4 th	[₹1,71,000 – 42,750] = ₹1,28,250/-
5	Multiplier of 17	[₹1,28,250 x 17] = ₹21,80,250/-
6	Funeral expenses	₹25,000/-
7	Loss of consortium	₹1,00,000/-
8	Loss of Estate	₹10,000/-
	Total Compensation	₹23,15,250/-
	Interest	7.5% per annum

5. Learned counsel for the Insurance Company would contend that the Tribunal has wrongly assessed the income of the deceased as ₹9,500/- per month. It is further the contention of the learned counsel for the Insurance Company that the salary certificate relied upon by the Tribunal cannot be taken to be sacrosanct in the absence of any supporting evidence at all even regarding the employment of the deceased. Learned counsel for the Insurance Company would further contend that the Tribunal has wrongly made an addition of 50% towards loss of future prospects which ought to have been 40%.

6. Learned counsel for the claimants would contend that though he does not challenge the income, deduction, multiplier and future prospects as applied by the Tribunal however, he states that the amounts awarded under

the conventional heads and under the head 'loss of consortium' are not in accordance with the law. In support of his contentions, learned counsel for the claimants has relied upon the judgments of Hon'ble Supreme Court in the cases of **National Insurance Company Ltd. vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]**, **Magma General Insurance Company Limited vs. Nanu Ram alias Chuhru Ram & Ors. [(2018) 18 SCC 130]** and **N. Jayasree & Ors. vs. Cholamandalam M.S General Insurance Company Ltd. [2021(4) RCR (Civil) 642]**.

7. I have heard the learned counsel for the parties.

8. In the present case, before the Tribunal, the claimants had examined PW-2 Naveen Sharma, Director of the company with whom the deceased was working and this witness categorically deposed that the deceased was working in their company and was getting a salary of ₹9,500/- per month with no deductions and had proved on record the salary certificate of the deceased as Ex.P2. This salary certificate of the deceased was neither disputed by the Insurance Company nor any evidence contrary thereto was led by it. Thus, the Tribunal was perfectly justified in accepting the salary of the deceased at the time of accident as ₹9,500/- per month. Hence, there is no merit in the argument in this regard raised by learned counsel for the Insurance Company and the same stands rejected.

9. So far as the argument of learned counsel for the Insurance Company as regards the future prospects, the Tribunal has made an addition of 50% towards loss of future prospects whereas in the present case as per the statement of PW-2 Naveen Sharma, the deceased was getting a fixed

salary of ₹9,500/- per month and keeping in view the law laid down by the Hon'ble Supreme Court in case of **Pranay Sethi** (*supra*), addition of future prospects @ 40% would be applicable. Therefore, the argument of learned counsel for the Insurance Company stands accepted accordingly.

10. Coming to the arguments of learned counsel for the claimants as regards the compensation under the conventional heads as well as under the head 'loss of consortium', the same deserves to be accepted inasmuch as the Tribunal has awarded an amount of ₹25,000/- towards funeral expenses and ₹10,000/- towards loss of estate and further a consolidated amount of ₹1,00,000/- has been awarded towards loss of consortium which in the opinion of this Court is not in accordance with the law down by Hon'ble Supreme Court in cases of **Pranay Sethi** (*supra*), **Magma General Insurance Company Limited** (*supra*) and **N. Jayasree** (*supra*). The same is accordingly re-worked to the effect that the claimants would be entitled to ₹18,000/- towards funeral expenses, ₹18,000/- towards loss of estate as also ₹48,000/- each under the head 'loss of consortium'.

11. Since there is no challenge to the deduction and the multiplier as applied by the Tribunal, the same are maintained.

12. Accordingly, the reworked compensation is as under :

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹9,500/-
2	Annual Income	₹1,14,000/- [₹9,500 x 12]
3	Deduction - 1/4 th	₹85,500/- [₹1,14,000 – 28,500]
4	Future Prospects - 40%	₹1,19,700/- [₹85,500 + 34,200]
5	Multiplier - 17	₹20,34,900/- [₹1,19,700 x 17]

6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	Loss of consortium (i) Parental [₹48,000/- x 2] (ii) Filial [₹48,000/- x 1] (iii) Spousal's	₹96,000/- ₹48,000/- ₹48,000/- (Total ₹1,92,000/-)
	Total Compensation	₹22,62,900/-

13. The difference in the amount awarded by the Tribunal and the amount as reworked out above is **₹52,350/-**. As noticed in the order dated 11.04.2014, compensation of ₹15,00,000/- alongwith interest was ordered to be released to the claimants without security and the remaining award amount was ordered to be released subject to furnishing of security by the claimants to the satisfaction of the Tribunal. To a query of this Court, learned counsel for the parties have fairly admitted that the compensation awarded by the Tribunal was already deposited and disbursed pursuant to the interim order passed this Court. Accordingly, it is directed that the amount so disbursed shall not be recovered from the claimants as per the law laid down by the Hon'ble Supreme Court in **Usha Devi & Ors. Vs. The New India Insurance Company Limited & Ors. [2020 (1) CivilLJ 854]**.

14. In view of the above, the impugned award passed by the Tribunal is modified and the appeal filed by the Insurance Company and the cross-objections filed by the claimants stand disposed off accordingly. Pending applications, if any, also stand disposed off.

(ALKA SARIN)
JUDGE

29.07.2025

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NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: YES/NO