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

FAO-6146-2019 (O&M)

Date of Decision : 26.08.2025

TATA AIG GENERAL INSURANCE COMPANY LTD Appellant

VERSUS

PRITAM KAUR AND ORS Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Sachin Ohri, Advocate for the appellant.

Mr. Umesh K. Kanwar, Advocate for respondents No.1 to 3.

None for respondents No.4 and 5.

ALKA SARIN, J. (ORAL)

CM-20364-CII-2019

1. This is an application for condonation of delay of 523 days in filing the main appeal.

2. For the reasons stated in the application, the same is allowed and the delay of 523 days in filing the main appeal is condoned.

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3. The present appeal has been preferred by the appellant-Insurance Company aggrieved by the quantum of compensation awarded by the Motor Accident Claims Tribunal, Jalandhar (hereinafter referred to as the 'Tribunal') vide award dated 02.01.2018.

4. Since the factum of the accident is not in dispute, the facts, as recorded in the impugned award passed by the Tribunal, are not being adverted to herein for the sake of brevity.

5. The Tribunal in the present case had awarded the following compensation :

Sr. No.	Heads	Compensation Awarded
1.	Monthly income	₹7,000
2.	Annual income	[₹7,000 x 12] = ₹84,000
3.	Deduction 50%	[₹84,000 - ₹42,000] = ₹42,000
4.	Future prospects 40%	[₹42,000 + ₹16,800] = ₹58,800
5.	Multiplier of 11	[₹58,800 x 11] = ₹6,46,800
6.	Funeral expenses	₹15,000
7.	Loss of estate	₹15,000
	Total Compensation	₹6,76,800 (rounded off to ₹6,80,000)
	Interest	@ 8% per annum

6. Learned counsel for the appellant-Insurance Company would contend that an addition @ 40% towards future prospects has wrongly been made by the Tribunal which ought to have been 10% keeping in view the age of the deceased as 55 years at the time of the accident. In support of his contentions the learned counsel for the appellant-Insurance Company has relied upon the judgment of the Hon'ble Supreme Court in the case of **National Insurance Company Ltd. vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]**.

7. *Per contra*, learned counsel for the claimant-respondents No.1 to 3 would contend that the Tribunal has rightly awarded the compensation and that no fault can be found with the same.

8. Heard.

9. In the present case the argument of the learned counsel for the appellant-Insurance Company that the Tribunal has wrongly made an addition @ 40% towards future prospects, which ought to have been 10% keeping in view the age of the deceased as 55 years at the time of the accident, deserves to be accepted. The Tribunal had itself considered the age of the deceased as 54 years. Hence, as per the law laid down by the Hon'ble Supreme Court in the case of **Pranay Sethi** (supra), an addition of 10% towards future prospects ought to have been made instead of 40%. Since there is no challenge to the compensation awarded under the remaining heads, the same are maintained including the income as assessed, the deduction as made, and the multiplier as applied.

10. Accordingly, the reworked compensation is as under :

Sr. No.	Heads	Compensation Awarded
1.	Monthly income	₹7,000
2.	Annual income	[₹7,000 x 12] = ₹84,000
3.	Deduction 50%	[₹84,000 - ₹42,000] = ₹42,000
4.	Future prospects 10%	[₹42,000 + ₹4,200] = ₹46,200
5.	Multiplier of 11	[₹46,200 x 11] = ₹5,08,200
6.	Funeral expenses	₹15,000
7.	Loss of estate	₹15,000
	Total Compensation	₹5,38,200

11. In view of the above, the present appeal is allowed and the awarded passed by the Tribunal stands modified accordingly. Admittedly, the compensation amount stands disbursed to the claimants. Hence, 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], the same shall not be recovered from them. Pending applications, if any, also stand disposed off.

26.08.2025

Aman Jain

(ALKA SARIN)

JUDGE

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