IN THE HIGH COURT OF JHARKHAND AT RANCHI

M.A. No. 324 of 2025

New India Assurance Co. Ltd, Branch-2, Atmaram Bhawan, Radeshyam Lane, Main Road, P.S. Lower Bazar, P.O. & District- Ranchi, through its Manager, T.P. Hub, having its office at 2nd Floor, Sethi Corporate, Pee Pee Compound, Main Road, P.S. Hindpiri P.O & District- Ranchi

... ... Appellant

Versus

1. Shruti Priya, wife of Late Amit Sharma
2. Dhawani Priya daughter of Late Amit Sharma
3. Darshi Priya daughter of Late Amit Sharma
4. Rajbala Sharma wife of Late Suresh Sharma

All resident of Kishoregaj (Kishoreganj), Lake Road, Opposite Palkot House, Ranchi, P.S. Kotwali, P.O. & District- Ranchi

(Respondent Nos. 2 & 3 are minors daughters of the deceased Amit Sinha hence they are being represented through Respondent No.1 their mother being her natural guardian as their Next Friend)

5. M/s Saa Vishnu Bakers Pvt. Ltd, I/c Aditya Dalmia, Hazam Basti, 10th Mile Chowk, Ranchi- Khunti Road, Ranchi, P.S. Hatia P.O. & District-Ranchi- 835210 … … ... Respondents

With

C.O. (Filing) No. 1082 of 2026

1. Shruti Priya (aged about 43 years), W/o Late Amit Sharma
2. Dhawani Priya (aged about 13 years) D/o Late Amit Sharma
3. Darshi Priya (aged about 07 years) D/o Late Amit Sharma
4. Rajbala Sharma (aged about 63 years) W/o Late Suresh Sharma

(Appellants no. 2 & 3 are the minor daughters of the deceased Amit Sharma hence they are being represented through their mother and natural guardian, i.e. the cross objector No. 1 (Shruti Priya)

All are resident of Kishoregaj Lake Road, Opposite Palkot House, Ranchi, P.S. Kotwali, Post-Ramchi GPO-834001 District- Ranchi (Jharkhand)

….. Cross Objectors

Versus

1. M/s Saa Vishnu Bakers Pvt. Ltd, I/c Aditya Dalmiya, Hazam Basti, 10th Mile Chowk, Ranchi- Khunti Road, P.S. & Post- Khunti, Ranchi 835210 (Jharkhand)
2. The New India Assurance Co. Ltd, Branch-2, Atmaram Bhawan, Radeshyam Lane, Main Road, P.S. Kotwali, Post: Ranchi-834001 District- Ranchi (Jharkhand)

… Respondents

CORAM: HON'BLE THE CHIEF JUSTICE

For the Appellant	: Mr. Alok Lal, Advocate
For Resps. 1 to 4	: Mr. Arvind Kumar Lall, Advocate. Mrs. D. Aarti Kumari, Advocate [M.A. No. 324 of 2025]
For the C.O.	: Mr. Arvind Kumar Lall, Advocate. Mrs. D. Aarti Kumari, Advocate
For the Insurance Co.	: Mr. Alok Lal, Advocate [C.O. (Filing) No. 1082 of 2026]

05/Dated: 24.04.2026

1. Heard learned counsel for the parties.

2. With the consent of and at the request of the learned counsel for the parties this appeal and the cross objection are taken up for final hearing since, dispute is only about computation of the compensation.

3. This appeal is directed against judgment and Award dated 23.11.2024 made by the Motor Vehicle Accident Claims Tribunal, Ranchi (Tribunal) in Motor Accident Claim Case No. 52 of 2020, awarding the respondent-claimants compensation of Rs.76,59,110/- along with interest @ 7.5 per cent per annum from the date of filing of this petition, i.e. 20.02.2020 till its realisation.

4. Mr Alok Lal, the learned counsel for the appellant-Insurance Company, has basically raised two grounds in support of this appeal. Firstly, he submitted that the Tribunal has considered the deceased's gross income without deducting the amounts paid by him towards income tax. He submitted that this approach is contrary to the law laid down in ***Sarla Verma (Smt) and others Vs Delhi Transport Corporation and another, (2009) 6 SCC 121***. He further submitted that at least a deduction of 10% should have been made towards the income tax that the deceased must have been paying on his gross income.

5. Secondly, Mr Lal submitted that there was no provision for granting interest on the component added to the salary for future prospects. Still, since this has been awarded, the impugned award warrants interference.

6. Mr Arvind Kumar Lal, the learned counsel for the claimants, submits that both the contentions now raised were never argued or raised before the Tribunal. He submitted that the salary certificate had accounted for a professional tax that the deceased was paying to the Government. Even otherwise, the deceased was not in a taxable bracket.

7. Mr Arvind Kumar Lal submitted that the Tribunal failed to award consortium to each of the four claimants, but awarded only Rs. 40,000/- to all the claimants. This is contrary to the law laid down in ***Magma General Insurance Company Limited Vs. Nanu Ram Alias Chuhru Ram and others, (2018) 18 SCC 130***. He submitted that, to this extent, the cross-objection filed by the claimants may be allowed.

8. The rival contentions now fall for determination.

9. As regards the first point for determination, i.e. the alleged non-deduction of the Income Tax for determining the income of the deceased, reference can usefully be made to the discussion in paragraph 14 of the impugned Award, which reads as follows: -

> *"14. The claimant in support of pleadings has filed and exhibited documents, a copy of salary certificate issued from the office of the Jana small Finance Bank exhibited as Ext.-11. The document discloses the gross salary of the deceased with the organisation as Rs.37,724/- per month. The document is in the name of deceased, employee code as 16502, the document has been further affirmed by witness A.W.2- Ashutosh Gautam. He has discussed about the deceased, his salary, the person under whose signature the certificate has been issued. The widow of the deceased as A.W-1, has deposed that he was a working with the organization Jana small Finance Bank with salary of Rs.37,724/-. There is no*

reason to disbelieve with the document and the claim of income of the deceased as Rs.37,724/- per month. The witness wife has also admitted that deceased husband was filing income tax return for his income. How ever income tax return could not be filed. The document also discloses that he was paying professional tax to the government. Thus, income of Rs.37,724/- shall be basis for the calculation of award. The annual income of the deceased is calculated as Rs.37,724/- X 12 = Rs.4,52,688/-. That as per income tax calculator of income tax department the income of deceased was not within the taxable limit."

10. Apart from the fact that no specific ground was raised about the deceased falling within the taxable bracket, the cross-examination on this issue is quite sketchy. The salary certificate on record disclosed that the deceased was paying professional tax to the Government. The Tribunal held that, according to the income tax department's income tax calculator, the deceased's income was not within the taxable bracket. Based on the above material, at least the onus was duly discharged by the claimants. If the appellant-Insurance Company wished to contend otherwise, it was for them to produce some material or, at the very least, to elucidate through cross-examination that the deceased fell within the taxable bracket and therefore the tax amount was liable to be deducted while computing the deceased's income.

11. ***Sarla Verma (supra)*** was cited only for the proposition that the income tax deduction should be considered. However, considering the facts of the present case or rather, the material on record, this principle would not be of any assistance to the appellant-Insurance

Company. Based virtually upon an argument raised for the first time in the appeal, no case is made out to interfere with the determination of compensation at the behest of the appellant-Insurance Company.

12. The second argument about interest in the element of future prospects was also never raised or argued before the Tribunal. In any event, nothing is produced on record, nor is any statutory provision or precedent shown to support such a contention. Therefore, there is no question of modifying the impugned Award based upon the argument now raised for the first time before this Court.

13. For the above reasons, the appeal of the Insurance Company is liable to the dismissed and is hereby dismissed.

14. Insofar as the cross-objection is concerned, compensation to the consortium had to be awarded to each of the claimants, given the law laid down in **Magma General Insurance Company Limited (supra).** The impugned Award, however, allows compensation of only Rs. 40,000/- by way of consortium even though there were four claimants. This amount should have been Rs. 40,000/- for each of the claimants, i.e. Rs. 1,60,000/-. Therefore, the awarded amount will have to be enhanced by Rs. 1,20,000/- and it is so ordered. The cross objection is allowed.

15. Accordingly, this appeal is dismissed, but the cross objection is allowed by enhancing the compensation by a further amount of Rs. 1,20,000/-. No Costs.

16. Since the compensation amount together with interest is already deposited in this Court, the claimants shall be entitled to withdraw the same. The balance amount, after adjusting Rs. 25,000/-

by way of statutory deposit made by the appellant-Insurance Company, must now be deposited in this Court within four weeks with intimation to the learned counsel for the claimants. If any amounts shall be paid pursuant to the interim award, even such amounts can be adjusted.

17. The learned counsel for the claimants must furnish identity and bank details to the Registry, so that the Registry can transfer the compensation amount to the claimants' bank accounts. Under no circumstances should the amount be transferred other than through regular banking channels.

18. Interlocutory applications, if any, will not survive and are disposed of.

(M. S. Sonak, C.J.)

24.04.2026

N.A.F.R.

APK/VK

Uploaded on 27.04.2026