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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

1. FAO-778-2022 (O&M)
Date of decision: 22.04.2026

United India Insurance Company Limited

...Appellant

Versus

Suman and others

...Respondents

2. FAO-809-2022 (O&M)
Date of decision: 22.04.2026

Suman and others

...Appellants

Versus

Vinod Kumar and others

...Respondents

CORAM: HON'BLE MR. JUSTICE VIKAS BAHL

Present: Mr. Angad Singh Khosla, Advocate and
Mr. P.S. Bedi, Advocate for the appellant.
(In FAO-778-2022)
for respondent No.3 (In FAO-809-2022)

Mr. Narender Kaajla, Advocate for the appellants
(In FAO-809-2022)
for respondent Nos.1 to 5 (In FAO-778-2022)

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VIKAS BAHL, J. (ORAL)

1. The present order would dispose of the abovesaid two appeals. First appeal bearing FAO-778-2022 has been filed by the Insurance

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Company in which challenge has been made to the award dated 20.07.2021 passed by the Motor Accident Claims Tribunal, Hisar vide which an amount of compensation of Rs.31,53,242/- has been awarded to the claimants along with interest on account of death of Sheodan Singh which had occurred in a motor vehicular accident which took place on 08.10.2018. Prayer made in the said appeal is for reduction of the compensation awarded. The other appeal bearing FAO-809-2022 has been filed by the widow, two minor children and parents of the deceased-Sheodan Singh for enhancement of the compensation awarded. The only issue that arises for consideration in the present two appeals is as to whether the compensation awarded to the claimants deserves to be increased or decreased, as other aspects have not been disputed before this Court.

2. Learned counsel for the Insurance Company has submitted that although, the deceased was working in the Rites & Jones Petrochemicals Private Limited and was earning an yearly income of Rs.3,58,919/- but he had resigned from the said job in August, 2017 and thereafter had started his own business. It is submitted that as per the Income Tax Return for the year 2018-19, which had been exhibited on record, from the business, the income of the deceased was shown to be Rs.39,421/- but income from the salary has also been mentioned as Rs.1,83,302/-. It is submitted that the said entry with respect to salary cannot be taken into consideration as the deceased had already resigned from the company in which he was working and for which he had already been paid salary. It is submitted that in the said circumstances, only an amount of Rs.39,421/- per year should have been taken as salary of the deceased and the finding of the Tribunal to the effect

that his total income was Rs.2,22,723/- per year was not in accordance with law and deserves to be set aside.

3. Learned counsel for the claimants who have also filed a separate appeal, on the other hand, has submitted that from the documents on record, it is proved beyond doubt that the deceased had done his Master of Business Administration from Guru Jambheshwar University of Science and Technology, Hisar and he had obtained degree in the Master of Business Administration and a copy of the same had been duly produced on record as Ex.P24 and that the said Degree Certificate was issued on 31.12.2009. It is submitted that thereafter, the deceased had worked with various companies and initially was drawing salary of Rs.2,40,000/- per annum (Ex.P29) and thereafter was drawing salary of Rs.3,50,004/- (Ex.P28) and the said salary had increased to an amount of Rs.3,58,919/- even as per Ex.R8 which had been produced on record by the Insurance Company. It is submitted that the earning of the deceased was on an increasing trajectory.

4. It is submitted that prior to his death, on 30.08.2018, the deceased had filed his Income Tax Return, a summary of which has been produced on record at page 303 of the record of the Tribunal and as per which the total income of the deceased was Rs.2,22,723/-. It is submitted that the Tribunal had taken the said amount as gross income of the deceased although from the record, it is apparent that the deceased would have been able to earn much more in due course of time. It is further submitted that in the present case, five claimants have been awarded only an amount of Rs.40,000/- each on account of consortium and only an amount of

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Rs.15,000/- on each aspect i.e., on account of last rites and loss of estate had been awarded and the aspect with respect to 10% increase after every three years has not been taken into consideration and thus, on the said account, the claimants are entitled to an additional compensation of Rs.40,000/- (Rs.8,000/- x 5) on account of loss of consortium and also an amount of Rs.6000/- (Rs.3000/- x 2) as additional compensation on account of loss of estate and last rites. In support of his arguments, learned counsel for the claimants has relied upon the law laid down by the Hon'ble Supreme Court in case titled as ***Sarla Verma (Smt.) and others Vs. Delhi Transport Corporation and another*** reported as ***(2009) 6 SCC 121***, ***National Insurance Company Limited Vs. Pranay Sethi and others*** reported as ***(2017) 16 SCC 680***, and ***Magma General Insurance Company Limited Vs. Nanu Ram alias Chuhru Ram and others*** reported as ***(2018) 18 SCC 130***.

5. This Court has heard learned counsel for the Insurance Company as well as learned counsel for the claimants and has also perused the record of the Tribunal.

6. First question that arises for consideration before this Court is as to what amount should be taken as the annual income of the deceased-Sheodan Singh who had admittedly died in a motor vehicular accident which had taken place on 08.10.2018. It has been proved on record that deceased-Sheodan Singh was very well qualified as he had done his Master of Business Administration from Guru Jambheshwar University of Science and Technology, Hisar and the said aspect is apparent from the certificate dated 31.12.2009 which had been issued by the said university and had been exhibited as Ex.P24 on record (page 265 of the record of the Tribunal).

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Even the mark sheets issued by the said University had also been exhibited as Ex.P25 to Ex.P27. Ex.P31 is the letter of appointment dated 05.11.2012 which had been issued by the company named as XADO India Lubricants Private Limited which has been placed on record at page 285 of the record of the Tribunal, which shows that the deceased was appointed as a Sales Executive w.e.f. 05.11.2012 at yearly salary of Rs.2,40,000/- and thus, after having done MBA, he had started earning a handsome salary.

7. Further Ex.P28 (page 273 of record of the Tribunal) dated 21.07.2015 would show that the deceased was thereafter appointed as Territory Sales Manager having yearly income of Rs.3,50,004/- and had thus, made gradual progress with respect to his earnings. The salary payment details exhibited as Ex.R8 which is at page 331 of the record of the Tribunal and has been produced by the Insurance Company would show that yearly income of the deceased from April, 2016 to April, 2017 was Rs.3,58,919/-. The said document clearly shows that on account of high qualification of the deceased, his yearly income had been gradually increasing and thus, he had a very bright future. However, later on, he resigned from the said job and started doing his private business. The Income Tax Returns for the year 2018-19 which was filed by the deceased on 30.08.2018 prior to the date of accident i.e., 08.10.2018 would show that his gross income was Rs.2,22,723/-. The summary of Income Tax Returns has been placed on record at page 303 of the record of the Tribunal. From the above, it was apparent that even in the initial years of his business, the deceased had made profit and the Tribunal had rightly taken into consideration the fact that since he was well qualified and was earning

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handsome salary thus, there was every likelihood that he would earn much more profit in the near future. Thus, at any rate, the income of the deceased is required to be taken as Rs.2,22,723/- as had been taken by the Tribunal.

8. The argument raised on behalf of the Insurance Company for excluding the amount of Rs.1,83,302/-, as mentioned in Ex.P2, had been rightly rejected by the Tribunal in view of the abovesaid facts and circumstances. Moreover, before this Court, learned counsel for the Insurance Company has not been able to exactly specify that the amount of Rs.1,83,302/- which although has been shown under the heading salary is the same salary which is shown in Ex.R8. A perusal of Ex.R8 when compared with Ex.P2 does not reflect any figure of Rs.1,83,302/- for this Court to affirmatively hold that the said earning was from the company Rites & Jones Petrochemicals Private Limited. At any rate, keeping in view the fact that the deceased was earning much more prior to having started his own business and had a bright future, at least the income which has been shown in the Income Tax Returns, filed prior to the accident, is required to be taken as the income of the deceased as has been done by the Tribunal.

9. Not much scope has been left even to order enhancement with respect to the income assessed in spite of good academic qualification of the deceased. The Income Tax Return has been relied upon by the claimants themselves. As per the same, total income for the year immediately prior to the death of deceased was Rs.2,22,723/- which has been taken into consideration by the Tribunal and there is no legal ground for this Court to enhance the amount on account of income earned by the deceased. However, since benefit of 10% increase after every three years had not been

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given to the claimants/appellants on the amount of compensation on account of loss of consortium and on account of loss of estate and last rites, thus, claimants are entitled to an additional amount of compensation of Rs.40,000/- (Rs.8,000 x 5) on account of loss of consortium, there being five claimants and also an amount of Rs.6,000/- (Rs.3,000/- x 2) as an additional compensation on account of loss of estate and last rites. Accordingly, the claimants are entitled to an amount of Rs.46,000/- as an additional compensation. With respect to the rate of interest, this Court has been consistently awarding rate of interest at the rate of 7.5% per annum, which rate of interest is also reasonable in the present case.

10. Keeping in view the abovesaid facts and circumstances, FAO-778-2022 filed by the Insurance Company is dismissed and FAO-809-2022 filed by the claimants is partly allowed and respondent No.3-Insurance Company is directed to pay an additional amount of compensation to the tune of Rs.46,000/-to the claimants along with interest at the rate of 7.5% per annum from the date of filing of the claim petition till its realisation within a period of six weeks from today.

11. All the pending miscellaneous applications, if any, shall stand disposed of in view of the abovesaid order.

22.04.2026 **(VIKAS BAHL)**
Pawan **JUDGE**

Whether speaking/reasoned:- **Yes/No**

Whether reportable:- **Yes/No**