IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

(i) FAO-884-2013 (O&M)

National Insurance Co. Ltd.

...Appellant

VERSUS

Meenakshi Khanna and others

...Respondents

(ii) FAO-885-2013 (O&M)

National Insurance Co. Ltd.

...Appellant

VERSUS

Meenakshi Khanna and others

...Respondents

(iii) XOBJC-222-CII-2014 in FAO-884-2013

National Insurance Co. Ltd.

...Appellant

VERSUS

Meenakshi Khanna and others

...Respondents

Date of Decision: February 06, 2025

CORAM: HON'BLE MRS. JUSTICE ARCHANA PURI

Present: Mr.Paul S. Saini, Advocate,
for the appellant in both the appeals.

Mr.Rajesh Gupta and Ms.Manjula Gupta, Advocates
for respondents No.1 to 4 (in FAO-884-2013)/cross-objectors
and for respondent No.1 (in FAO-885-2013).

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ARCHANA PURI, J.

These are two appeals, filed by the National Insurance Company Limited to assail the Award dated 22.09.2012 passed by learned Motor Accident Claims Tribunal, whereby, compensation was granted, on account of death of Rajinder Nath Khanna as well as injuries sustained by Meenakshi Khanna, in the accident, which took place on the intervening night of 8/9.12.2004.

Further, XOBJC-222-CII-2014 have been filed by the claimants to seek enhancement of the compensation.

For the convenience of discussion, the parties are referred to, as making appearance before learned Tribunal.

The material facts, to be noticed, are as follows:-

That, on the intervening night of 8/9.12.2004, at about 1.00 a.m., Rajinder Nath Khanna along with his wife Meenakshi Khanna was returning from Forest Resort towards Amritsar, in their Santro Car bearing registration No.PB-02U-7085, being driven by Rajinder Nath Khanna. Enroute, they met with an accident with a truck bearing registration No.DL-1G-1359, driven by respondent No.2-Kuldip Raj, in a rash and negligent manner and the same resulted into death of Rajinder Nath Khanna and injuries were caused to Meenakshi Khanna. FIR No.538 dated 09.12.2004 was got registered qua the accident in question.

Thereupon, one claim petition under Section 166 of the Motor Vehicles Act was filed by Meenakshi Khanna together with her children and mother-in-law, to claim compensation, on account of death of Rajinder Nath

Khanna, in the accident in question and another petition was filed by Meenakshi Khanna, to claim compensation, on account of injuries sustained by her, in the same accident.

In pursuance of the notice issued, Rajinder Pal Sharma as well as National Insurance Company Limited had filed respective replies. Rajinder Pal Sharma, who was impleaded as respondent No.1, in the capacity being owner of the truck bearing registration No.DL-1G-1359, in the reply had taken the plea that he is neither the owner of the aforesaid truck, nor he was driving the said truck, at the time of alleged accident, as he has already sold the truck to Sohan Lal s/o Tani Ram, r/o Peeragarh, Relief Camp, New Delhi, vide agreement to sell dated 14.06.2003 and as per clause 7 of the said agreement to sell, respondent No.1 had handed over the physical possession along with relevant documents to Sohan Lal and as such, he has no concern with the alleged accident.

On the basis of the contents of the reply, so filed, subsequent alleged owner of the offending vehicle i.e. Sohan Lal was impleaded as respondent No.4, in the claim petition. However, despite publication, he did not make appearance and as such, was proceeded against ex-parte.

The National Insurance Company Limited, which was impleaded as respondent No.3, had also filed reply, whereby, the factum of accident was denied. In the preliminary objections, the insurance company had disputed the maintainability of the claim petitions, as it took the plea that no liability can be fastened upon the insurance company, as the impugned insurance policy was obtained in the name of Rajinder Pal Sharma, covering period 01.10.2004 to 30.09.2005 and the cover note was issued on 30.09.2004, whereas, case of Rajinder Pal Sharma, at the time of filing of the reply is that he is not the owner of the truck bearing registration No.DL-1G-1359, as he has sold the same to Sohan Lal. In these circumstances, it was further pleaded that since Rajinder Pal Sharma was not owner of the vehicle in question, at the relevant time, but however, the insurance policy was obtained in the name of Rajinder Pal Sharma and since, the insurance company was not having privity of contract with Sohan Lal, it becomes quite evident that in fact, fraud has been played, at the time of obtaining of the impugned insurance policy.

Furthermore, objection was also raised about driver Kuldip Raj-respondent No.2, to be not holding valid and effective driving licence, at the time of accident. Various other objections were also taken and on merits, the factum of accident and the manner, as alleged, was denied and thus, a prayer was made for dismissal of the claim petitions.

After framing of the issues, the evidence was adduced by the parties. At first instance, the claimants examined as many as nine witnesses. Learned counsel for the claimants tendered into evidence the post-mortem report of Rajinder Nath Khanna and closed the evidence.

However, Rajinder Pal Sharma (who was respondent No.1 before Tribunal) had died and his LRs were impleaded. Counsel for Rajinder Pal Sharma, had only tendered into evidence, the copy of the agreement to sell dated 14.06.2003 Mark-R1 and closed the evidence.

Counsel for the insurance company had tendered into evidence, the insurance policy Ex.RX. Further, the insurance company examined Kishan Singh, Steno of DTO Office Amritsar, as well as Jatinder Singh, Clerk, DTO

Office, Amritsar.

At this juncture, it is pertinent to mention that after recording of the aforesaid evidence, an application for additional evidence was filed, at the instance of the claimants, whereby, they intended to examine Dalip Vohra, an employee of the insurance company, as one of the witness to prove the cover note vis-a-vis, truck bearing registration No.DL-1G-1359. It is further pertinent to mention that the said application was allowed and thereupon, Dalip Vohra was examined as PW-10 and therein, copy of the cover note, allegedly relating to truck bearing registration No.DL-1G-1359, came forth on record as Mark CX. Even, another witness PW-11 Sham Sunder, Deputy Manager of Punjab National Bank was also examined.

After hearing counsel for the parties, vide impugned Award dated 22.09.2012, learned Tribunal had concluded about respondent No.2-Kuldip Raj, while driving the offending truck, in a rash and negligent manner, to have caused the accident and also held respondent No.1-Rajinder Pal Sharma, to be the owner of the offending truck and further, that Kuldip Raj was not holding valid driving licence, at the relevant time. Thus, learned Tribunal had allowed both the claim petition vide impugned Award and granted compensation to the extent of Rs.11,81,150/-, on account of death of Rajinder Nath Khanna and Rs.77,000/- along with interest was granted to Meenakshi Khanna, on account of injuries sustained by her, in the accident in question.

However, learned Tribunal held the liability of respondents No.1 to 3 i.e. Rajinder Pal Sharma, Kuldip Raj and National Insurance Company Limited, to be joint and several. It was further held that the insurance company shall pay the aforesaid compensation, at first instance, being indemnifier and will have the right to recover the same from respondents No.1 and 2 i.e. Rajinder Pal Sharma and Kuldip Raj.

Being aggrieved, the National Insurance Company Limited has filed the appeals, thereby seeking complete exoneration from the liability to pay the compensation and also sought reduction of the compensation granted, on account of death of Rajinder Nath Khanna.

Cross-objections were also filed by the claimants to seek enhancement of the compensation, vis-a-vis, death of Rajinder Nath Khanna.

In the appeals, applications were filed for additional evidence, which were allowed by this Court vide order dated 17.05.2016 and the case was remitted to learned Tribunal, thereby, directing to afford an opportunity to the insurer to lead evidence, with reference to the documents, brought on record and to submit report within a period of three months.

In consonance of the aforesaid order, the insurance company had examined RW-1 Inderjit Sharma and also brought on record various documents. However, in rebuttal, no evidence was led. The report was submitted by learned Tribunal.

Learned counsel for the parties heard.

Primarily, the insurance company is seeking complete exoneration from the liability to pay the compensation on the ground that cover note Mark CX, brought on record by the claimants is not a genuine document, relating to truck bearing registration No.DL-1G-1359 and thus, the insurance company, as such, cannot be held liable to pay the compensation, as assessed by learned Tribunal.

Before proceeding further, it is pertinent to mention that in reply, the insurance company had categorically taken the stand about the claim petitions to be not maintainable, as impugned insurance policy was obtained in the name of Rajinder Pal Sharma, covering the period from 01.10.2004 to 30.09.2005 and the cover note was issued on 30.09.2004, whereas, the version put forth by Rajinder Pal Sharma, at the time of filing of the reply is that he is not the owner of truck bearing registration No.DL-1G-1359, as he had already sold the same to Sohan Lal, vide agreement to sell dated 14.06.2003, by virtue whereof, he had also handed over the possession of the said truck to him and thus, he has no concern with the accident in question.

In fact, on the basis of the recitals of the reply filed by Rajinder Pal Sharma, it was asserted by the insurance company that the impugned insurance policy was obtained in the name of Rajinder Pal Sharma, while the insurance company was not having privity of contract with Sohan Lal and thus, fraud has been played, at the time of obtaining the impugned insurance.

However, during the course of evidence, the insurance company had brought on record the insurance policy Ex.RX, which relates to truck bearing registration No.DL-01G-9447, which was also allegedly owned by Rajinder Pal Sharma. In fact, on the basis thereof, the insurance company had attempted to build the claim that cover note Mark CX, brought on record, at the instance of the claimants, was not the genuine document and it did not relate to truck bearing registration No.DL-1G-1359.

Throughout the arguments, much emphasis has been laid upon the source of obtaining of the cover note Mark CX, having not been disclosed by the claimants.

In this regard, suffice to make mention that the insurance company, despite admission of the insurance having obtained and issuance of cover note dated 30.09.2004, had not produced the policy. In paragraph No.1 of the preliminary objections, where, the factum of obtaining of the insurance is mentioned, nothing has been mentioned by the insurance company about the policy obtained or the cover note dated 30.09.2004 to be relating to truck bearing registration No.DL-01G-9447.

It was after the reception of the policy Ex.RX, relating to truck bearing registration No.DL-01G-9447, the claimants had filed an application for leading additional evidence. This application was filed on 26.03.2010. For the proper appraisal, it is appropriate to reproduce paragraph No.5 of the said application, which reads as follows:-

> *5. That after that the claimants has made verification and from the criminal case file State Vs. Kuldeep Raj, it reveals to the claimants that the offending vehicle was duly insured with respondent no.3 vide Vehicle Insurance Cover note no.31 No.465412 book no.40/02/03-18617 valid from 30.9.2004 to 30.9.2005 and the said cover note is duly signed and issued by Deepak Vohra presently Branch Manager of respondent no.3 on behalf of respondent no.3 in the name of Rajinder Pal Sharma c/o Arora Goods Carrier, Outside Ghee Mandi, Amritsar."*

Perusal of the aforesaid paragraph reveals that the claimants, in the application itself, had disclosed the source of obtaining of the cover note, relating to truck in question and therein, the particulars have also been mentioned and the book number has also been mentioned. The validity of the cover note has been mentioned.

Considering the same, the submission with regard to the source of obtaining of the cover note, having not mentioned, does not hold good. The aforesaid application for additional evidence was allowed by the Tribunal and witness, namely, Dalip Vohra, an employee of the insurance company was examined and since, he had not brought the record, even, he was cross-examined by the counsel for the claimants. Besides the same, PW-11 Sham Sunder, Deputy Manager, PNB, who had brought the record and on the basis of the record, deposed about one cheque bearing No.034456 of Rs.4533/-, having presented by the official of the insurance company, on 04.10.2004 and the same was deposited in the account of the company on 06.10.2004.

To counter the aforesaid evidence before Tribunal, not sufficient evidence was brought on record. However, reliance was placed upon the letter received from the Registering Authority, MLO (HQ) Transport Department, Delhi, alongwith the details of the registration of truck bearing registration No.DL-01G-9447, which is Mark X-1/2 and the offending vehicle i.e. truck bearing registration No.DL-1G-1359, which is Mark X-1/3.

However, on appraisal of the evidence brought on record, learned Tribunal had concluded that the insurance company had not been able to rebut that the insurance cover note/policy Mark CX was fake one and thereupon, liability was fastened upon the insurance company also, though on the principle of 'pay and recover', as the driving licence of Kuldip Raj was held to be fake.

In this backdrop, it is pertinent to mention that in the appeal, the insurance company had also filed the application for additional evidence, which was allowed and thereupon, the insurance company examined Inderjit

Sharma as RW-1. However, the testimony of this witness, placed on record along with the report of learned Tribunal reveals that he had tendered into evidence, certain documents Ex.R1 to Ex.R7, besides his affidavit. In the affidavit, he stated about the policy No.401200/31/04/67000002802 to have been issued to cover the vehicle registration No.DL-01G-9447, for the period 01.10.2004 to 30.09.2005, in the name of Rajinder Pal Sharma. Relating to this vehicle, he further deposed that an amount of Rs.4533/- was received as premium amount, vide receipt No.401200/81/04/000003896 dated 01.10.2004, from insured i.e. Rajinder Pal Sharma and this amount, vide cheque No.34456 dated 30.09.2004, drawn on Punjab National Bank, Amritsar, was not received by the National Insurance Company Limited, regarding insurance of any other vehicle registration No.DL-1G-1359..

Furthermore, in the affidavit, he also stated about realization of the amount of the aforesaid cheque on 06.10.2004. The collection receipt issued by the bank was stated to be Ex.R1. Further, the certificate in respect of compliance of Section 64 VB was Ex.R3. Also, the certificate of insurance of truck bearing registration No.DL-01G-9447, covering period from 01.10.2004 to 30.09.2005 was Ex.R5. The computerized copy of the collection register covering period 01.10.2004 to 03.10.2004 was Ex.R7.

However, even if it was so deposed in the affidavit, but it is significant to point out that none of the original documents, as such, were brought on record by the insurance company, even before learned Tribunal or in the additional evidence, as ordered by this Court. It is significant to make reference to the cross-examination of RW-1, wherein the said witness had admitted a suggestion to be correct that when cover note is issued, the original cover note is handed over to the insurer and another copy is deposited with the company, by the concerned person. He also stated that in cover note book, every cover note has four copies, including the original. A cover note book is issued to the official authorised by the company and the cover note book is not issued to the agent directly, but through the concerned authorised person only and further also, this witness had stated that the agent of company can independently insure and issue a cover note. Further, he also stated that the original cover note is handed over to the insured, second and third copy is deposited with the concerned branch/office and fourth copy is retained by the issuing person.

He further stated in the cross-examination that after the company receives the cover note, the entry of the same is made in the register maintained by the company. In the said register, the entire details of the cover note, including the policy number are to be made. The premium register is in the software and the entire details of the cover note, including the name and address of the insured, the vehicle number, premium paid, details regarding payment in cash or cheque, are mentioned.

Further also, he admitted a suggestion to the correct that the printing date on Ex.R4 is 10.10.2013. He also admitted to be correct at Ex.R4 is a photocopy. He further admitted that on Ex.R4, the address of the company has been mentioned as 93-District Shopping Complex, First Floor, near Passport Office, Ranjit Avenue, ASR, at point A. He also admitted to be correct that Ex.R4 is a copy of copy, which the insurance company, alleged to be relating to truck bearing registration No.DL-01G-9447.

In this regard, further it is important to make mention that

Inderjit Sharma, in cross-examination, had stated that when the cover note is issued by the authorised person, which contains the name of the insured address, make of vehicle, model, sum assured, registration number of vehicle, use of vehicle, sometimes engine number and chassis number, but it is not always necessary. Also, he admitted to be correct that he cannot show any rules or instructions in this regard, where it is mentioned that all columns are not mandatory to be filled. Further, he admitted that in Ex.R4, the chassis number and engine number of vehicle have not been mentioned. He admitted that Ex.R4 is photocopy of computerized print.

Similarly, it is pertinent to mention that in other documents i.e. Ex.R1, R2, R3, R6 and R7, it has been stated that vehicle number is not mentioned. Further, he also stated that cheque number is not mentioned in Ex.R5, which is cover note. He further also stated that Ex.R3 is the copy of copy and is a photocopy of computerized print. He also admitted that the address of the company in documents Ex.R1, R2 and R4 to R6, to be mentioned as 93-District Shopping Complex, First Floor, near Passport Office, Ranjit Avenue, Amritsar, whereas, the company shifted its office in the year 2011. In Ex.R3, the address of the company is mentioned as 103-Lawrence Road, Amritsar. The printing date of document Ex.R1 is 20.09.2013 and printing date of document Ex.R2 is 08.07.2016, which is the collection receipt. The printing date on Ex.R4 is 10.10.2013 and on Ex.R5 is 08.07.2016 and on Ex.R6 and Ex.R7, the date is 24.06.2016.

This witness further categorically stated that he had not brought the original register and the authorised person, who had issued the cover note of vehicle bearing registration No.DL-01G-9447, had deposited two copies of the cover note with the office. The entry of the said cover note was made in the register maintained by the company, along with details of the cover note. He also stated he cannot tell number of the cover note, on which the policy was issued, with regard to vehicle number DL-01G-9447. He also had not brought the copies of the cover note, which were deposited by the concerned official to the office. This witness also deposed that he had not brought the register of the cover note. He further deposed that he had not brought the original register of the collection. He also expressed his helplessness, when he stated that he cannot produce any document, showing the policy Ex.R3 issued, on which cover note. He further admitted in the cross-examination that he cannot tell that if the cover note book containing the cover note 31 number 465412 book number 18617 was issued to Dalip Vohra. He further deposed that he cannot produce in Court, if the time is granted to him, to produce any record showing that the abovesaid cover note was issued to whom, nor he can produce the copy of the cover note Mark CX, deposited with the company by Dalip Vohra.

Furthermore, this witness also stated that he cannot produce the original of Ex.R4 and further also stated that he has no personal knowledge if the cheque No.034456 was issued to the company, relating to which vehicle and he cannot say regarding issuance of cover note Mark CX by Dalip Vohra, in favour of Rajinder Pal Sharma, with regard to vehicle number DL-01G-1359.

The exhaustive cross-examination of the above-said witness, as reproduced aforesaid, make the things very clear that the insurance company had not brought any original record, nor is divulging any details with regard to the insurance policy of truck bearing registration No.DL-1G-1359 or of the other truck, which now it claimed to be owned by Rajinder Pal Sharma, which is bearing registration No.DL-01G-9447.

During the course of arguments, learned counsel for the insurance company has emphatically submitted that the cover note Mark CX do not relate to truck bearing registration No.DL-1G-1359. As observed aforesaid, the details of the cover note and the book number, as such, have already come on record. Very true, Dalip Vohra, did not produce the said document and the fact remains that he is the employee of the insurance company. He had not produced the documents, while claiming that due to shifting of the office, it was not available. Even, during the recording of the additional evidence vide order passed by this Court, RW-1 Inderjit Sharma has also not produced any document. Rather, from his cross-examination, it is evident that copies of the so called insurance policy were made on the proforma, which were printed, much after the period of insurance of the trucks in question.

Even if the computerized copies have come on record, where from these recitals of documents were obtained, relating to the same, nothing, as such, is coming on record. Definitely, there is suppression of material facts, at the behest of the insurance company. This is all the more important to notice, in view of the admission made by the insurance company, at first instance, in the reply about the insurance policy having been effected and cover note having been issued on 30.09.2004. Even though, an attempt is made to assert about this insurance, as alleged to be relating to truck bearing registration No.DL-01G-9447, but however, there is not a single word, in the pleadings of the parties, coming to this effect nor any amendment of the reply, as such, has been sought.

Not only this, now coming to Mark CX also, though it is stated that the engine number and chassis number is differently stated and the reliance has been placed upon marked documents, which are asserted to have been received by the Tribunal, through speed post, but however, no witness, as such, has been examined, to prove this document i.e. Marx X1/3. It was incumbent upon the insurance company to have summoned a witness, who on the basis of the record, could prove the engine and chassis number and furthermore, cover note book was also required to have been produced, but however, the same, as such, has not been produced, nor witness has been examined. Therefore, no sustenance can be drawn, likewise about Mark CX to be containing wrong chassis number and engine number.

In the light of the aforesaid, even if, for the sake of arguments, it is taken that admission of the insurance and the issuance of the cover note, as mentioned in the preliminary objection, was made with regard to the other truck owned by Rajinder Pal Sharma, then the insurance company was required to sought amendment of the reply, or made clarification of the same by filing additional reply, after seeking permission from the Tribunal, but no such steps have been taken. Relating to the source of Mark CX, also disclosure was made in the application for additional evidence filed by the claimants and even then, further probe could have been made by the insurance company, with regard to the procurement of the cover note, by way of examination of the criminal record and the person, who produced the same, but no steps have been taken.

In the given circumstances, it cannot be held that Mark CX is not a genuine document and it has been falsely prepared by the claimants, more particularly, when they have disclosed the source of obtaining of the same. Thus, the insurance company has miserably failed to discharge its onus and had led much evidence, which is beyond the pleaded case and that too, does not inspire confidence, as only copies have been produced and original, as such, have not been produced.

Though, the plea of record, not being available, on account of shifting of the office has been taken, but however, it was not produced, even at the time of leading additional evidence, as ordered by this Court, at the appellate stage. In the worst circumstances, it could be taken that the record was lost, but however, on account of loss of record also, no action, as such, has been initiated by the insurance company, which also is a pointer to the hollowness of the plea, now taken by the insurance company.

Now, let us consider the adequacy of the compensation awarded by learned Tribunal, on account of death of Rajinder Nath Khanna, in the accident in question. The insurance company is seeking reduction of the amount of compensation, whereas, by virtue of filing cross-objections, the claimants are seeking enhancement of the compensation awarded, qua death of Rajinder Nath Khanna.

It is categoric claim of the claimants that Rajinder Khanna was carrying on the business under the name and style of M/s Raj Laxmi Textiles Mills and his monthly income was Rs.20,000/-. Meenakshi Khanna, widow of deceased Rajinder Nath Khanna, had stepped into witness box as PW-8 and in her affidavit, she has categorically stated about the business run by her husband and also about his earnings to be Rs.20,000/- per month. Besides Meenakshi Khanna, the claimants have also examined PW-2 Surinder Pal, Senior Tax Assistant of Income Tax Office, Ward 1(ii), Amritsar, who had proved in evidence, the income tax returns for the assessment 2002-03, 2003-04 and 2004-05, which are Ex.PW2/1, PW2/2 and PW2/3. He also brought on record the statement of account for the aforesaid years, which are Ex.PW2/5 and Ex.PW2/6 and assessment order Ex.PW2/7.

As per the same, learned Tribunal had correctly observed that for the year 2002-03, the income of the deceased from this business was Rs.89,959/- and then for the year 2003-04, it was Rs.87,689 and for the year 2004-05, the income was Rs.1,18,285/-, which was rounded off as Rs.1,20,000/- and the same was taken into consideration.

Though, now it is submitted, at the behest of the insurance company, that the extent of earnings so taken, is on higher side, but however, it is significant to note that earnings have been reflected in the income tax returns, which is reliable piece of evidence. At this stage, reference is made to the decision rendered by the Hon'ble Supreme Court in ***New India Assurance Co. Ltd. vs. Sonigra Juhi Uttamchcand, 2025(1) RCR (Civil) 430***, wherein, it has been observed that income returns, if appropriately produced, can be take into consideration. Also, reference is made to ***K.Ramya and others vs. National Insurance Company Ltd. and another, 2022(4) RCR (Civil) 435***, wherein also, it has been held that income tax returns are reliable piece of evidence. All the income tax returns, proved in evidence, were filed prior to the death of Rajinder Nath Khanna and therefore, these returns form relevant piece of evidence, to make assessment of the earnings.

While considering the income tax return, immediately prior to the death of Rajinder Nath Khanna for the year 2004-05, to be Rs.1,18,285/-, learned Tribunal, rounded off the same as Rs.1,20,000/- and had appropriately considered this extent of earnings. Taking it to be so, the compensation, so worked upon by learned Tribunal, for the convenience, is reproduced in the tabular form, as herein given:-

Sr.No.	Heads	Calculation
(i)	Salary/income	Rs.1,20,000/- per annum
(ii)	After deducting 1/3rd on the count of 'personal expenses'	Rs.1,20,000-40,000=Rs.80,000/-
(iii)	Considering age to be 43-44 years, multiplier of '14' applied	Rs.80000x14=Rs.11,20,000/-
(iv)	Expenditure incurred on funeral and last rites	Rs.10,000/-
(v)	Loss of estate and love and affection	Rs.10,000/-
(vi)	Medical bills/receipts Ex.PW1/1, PW7/1, Mark Z1 to Z6 and Ex.PW6/1	Rs.41,150/-
(vii)	Total	Rs.11,81,150/-

However, the 'work on' of the compensation, as aforesaid do call for re-computation.

So far as, the extent of earnings of deceased is concerned, as observed aforesaid, it has been appropriately assessed as Rs.1,20,000/- per annum, while considering the income tax returns, proved in evidence.

However, as per ***National Insurance Company Limited vs. Pranay Sethi and others, 2017(4) RCR (Civil) 1009***, for the purpose of 'work on' of the compensation, actual salary ought to be taken minus tax component. As per the tax slab, prevalent in the year 2009-2010, the income upto Rs.50,000/- was exempted from tax. However, from the income bracket of Rs.50,000-60,000/-, income tax payable was 10%, which is to the extent of Rs.1,000/-. Furthermore, for the income bracket of Rs.60,000-1,50,000/-, the tax payable was 20%. After deduction of Rs.60,000/-, the residue taxable amount works out to be Rs.60,000/- and therefore, working upon the tax on this amount @ 20%, it comes to be Rs.3,000/-. Thus, the total tax payable, comes to be **Rs.4,000/-**. After making deduction of the aforesaid extent of income tax amount, the residue annual income, comes out to be Rs.1,20,000-4,000=**Rs.1,16,000/-.**

However, the deduction made to the extent of 1/3rd is on higher side. As per ***Smt.Sarla Verma vs. Delhi Transport Corporation and anr., 2009(3) RCR (Civil) 77***, if the number of dependents are between 4 to 6, then the deduction, ought to be made, to the extent of 1/4th, on the count of 'personal expenses'. The widow, two minor children and mother of deceased Rajinder Nath Khanna had filed the claim, as such, there are four dependents and therefore, deduction of 1/4th is to be made.

Even, as per ***Pranay Sethi's case (supra)***, considering the age of the deceased to be 43-44 years, addition of 25% ought to be made, on the count of 'future prospects', which has been given amiss by learned Tribunal.

Considering the age of the deceased, learned Tribunal had appropriately applied the multiplier of '14'. However, the compensation awarded under the conventional heads of 'funeral and last rites' as well as 'loss of estate' is on lower side and the compensation, on the count of 'loss of consortium' has been given amiss, to which, all the claimants are entitled, as per ***'Magma General Insurance Company Limited vs. Nanu Ram @ Chuhru Ram and others, 2018 (18) SCC 130'***. Considering the same, as per ***Pranay Sethi's case (supra)***, an amount of Rs.40,000/- is required to be granted to the dependents, which also called for further enhancement to the extent of 10%, after period of every three years of pronouncement of the judgment and taking it to be so, the compensation, on the count of 'loss of consortium', at present, works out to be Rs.48,400/- to each of the claimants i.e. Rs.48400x4=**Rs.1,93,600/-** and likewise, on the counts of 'loss of estate' and 'funeral expenses', the compensation payable, comes to be **Rs.18,150/-**, on each count.

The compensation, on the count of 'loss of love and affection' has also been considered by learned Tribunal, but however, it is comprehended in the 'loss of consortium'.

Besides the aforesaid, learned Tribunal had appropriately granted an amount of **Rs.41,150/-**, on the count of medical bills, coming on record.

Considering the same, the compensation payable to appellants-claimants, on account of death of Rajinder Nath Khanna, is re-computed, as herein given:-

Sr.No.	Heads	Calculation
(i)	Earnings after deducting income tax	Rs.1,16,000/- per annum
(ii)	After deducting 1/4th on the count of 'personal expenses'	Rs.116000-29000=Rs.87,000/-
(iii)	After adding 25% as 'future prospects'	Rs.87000-21750=Rs.1,08,750/-
(iv)	Multiplier of '14'	Rs.108750x14=**Rs.15,22,500/-**
(v)	Loss of consortium	Rs.48,400x4=**Rs.1,93,600/-**
(vi)	Loss of Estate	**Rs.18,150/-**
(vii)	Funeral expenses	**Rs.18,150/-**
(viii)	Medical bills	**Rs.41,150/-**
(viii)	Total	**Rs.17,93,550/-**

(ix)	Enhanced compensation after the deduction of compensation awarded by the Tribunal	**Rs.17,93,550-11,81,150=Rs.6,12,400/-**

On the enhanced amount of the compensation, as now worked upon, the appellants-claimants shall be entitled to the interest, at the rate of 6% per annum, from the date of filing of the present appeal, till realization of the enhanced amount of compensation.

Accordingly, the impugned Award, stand modified, to the extent, as indicated aforesaid. The residue terms of the Award, as ordered by learned Tribunal, shall remain the same.

In view of the aforesaid observations, the appeals filed by the insurance company i.e. **FAOs-884 and 885-2013**, stand dismissed, whereas, the cross-objections filed by the claimants i.e. **XOBJC-222-CII-2014**, stands allowed.

The pending civil misc. applications, if any, shall stand disposed of.

February 06, 2025 **(ARCHANA PURI)**
Vgulati **JUDGE**

Whether speaking/reasoned **Yes**
Whether reportable **Yes/No**