IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

(i) FAO-1203-2021 (O&M)

Reliance General Insurance Company Limited

...Appellant

VERSUS

Ramesh Kumar and others

...Respondents

(ii) FAO-1207-2021 (O&M)

Reliance General Insurance Company Limited

...Appellant

VERSUS

Satish Kumar and others

...Respondents

Date of Decision: January 22, 2026

CORAM: HON'BLE MRS. JUSTICE ARCHANA PURI

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

Ms.Diksha Sharma, Advocate for
Mr.Vaibhav Mittal, Advocate
for respondent No.1.

Respondents No.2 and 3 proceeded against ex-parte.

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ARCHANA PURI, J.

These are two appeals filed by the appellant-insurance company to assail the common Award passed by learned Motor Accident Claims Tribunal, on account of injuries sustained by Satish Kumar and on account

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of the death of Sandeep Kumar, in a motor vehicular accident.

Suffice to consider that the accident had taken place on 11.06.2018. On appraisal of the evidence, brought on record, learned Tribunal had concluded about the accident to have taken place, due to rash and negligent driving of truck bearing registration No.HR-69C-6116, being driven by respondent-Khazan Singh. As a result of same, both Satish Kumar and Sandeep Kumar had sustained multiple injuries, which proved fatal for Sandeep Kumar.

Separate claims petitions were filed. Satish Kumar filed the claim petition for seeking compensation, on account of injuries sustained by him and another claim petition was filed by Ramesh Kumar, for seeking compensation, on account of death of his son Sandeep Kumar, in the accident in question. Both the claim petitions were consolidated and were decided together.

On appraisal of the evidence, brought on record, learned Tribunal had concluded about Satish Kumar to have sustained injuries and about Sandeep Kumar to have died, on account of injuries sustained in the accident.

So far as, Satish Kumar is concerned, there was no evidence, coming on record, about the disability suffered by him. Even, the doctor was not examined and on this account, under the head of 'pain and suffering', 'loss of income' due to the injuries and 'medical expenses', a lumpsum amount of Rs.20,000/- was awarded and besides the same, an amount of Rs.10,000/- was awarded, on the count of 'special diet', 'transportation and attendant charges'. In total, compensation to the extent of Rs.30,000/- was awarded.

Likewise, on appraisal of the evidence, brought on record, learned

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Tribunal had concluded about deceased Sandeep Kumar to be 22 years old, at the relevant time and that he was working as Naik in Indian Army and was unmarried. Considering his salary, on the basis of the salary certificate, coming on record, which is not disputed, as such, was taken as Rs.43,643/- per month, annual whereof Rs.5,23,716/-. The compensation worked upon, by learned Tribunal, on the count of death of Sandeep Kumar, is now reproduced in tabular form:-

Annual income	Rs.5,23,716/-
Deduction of income tax	Rs.5,23,716-17,933=Rs.5,05,783/-
After deduction of ½ deceased being unmarried	Rs.2,52,892/-
Multiplier of '18'	Rs.2,52,892x18=Rs.45,52,056/-
Addition of 50% on count of future prospects	Rs.45,52,056+22,76,028= Rs.68,28,024/-
Loss Estate and Funeral expenses	Rs.30,000/-
Loss of consortium	Rs.40,000/-
Total	**Rs.68,98,084/-**

In both the claim petitions, the claimants were further held entitled to interest on the award amount, at the rate of 9% per annum, from the date of filing of the claim petition, till actual realization of the compensation amount. The liability was fastened upon the driver, owner and insurance company, jointly and severally.

Being aggrieved, the insurance company had filed the appeals in hand, to assail the factum of accident as well as the extent of interest and interest awarded on on future prospects, which was granted qua death of Sandeep Kumar.

In pursuance of the notice issued, the contesting respondents made appearance through counsel.

Even though, as observed aforesaid, in the grounds of appeal,

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various other grounds were also raised by the insurance company, but however, during the course of arguments, learned counsel for the appellant-insurance company has confined his prayer only to agitate awarding of interest for future prospects.

So far as, death of Sandeep Kumar is concerned, the compensation has been worked, as reproduced aforesaid. It is evident that the future prospects, in any event, is an amount received in advance, normally enuring to the benefits of the claimants, only in future. In the case in hand also, there is addition on the count of 'future prospects' as per the settled law, to the amount of earnings of the deceased, which was assessed after deducting the tax liability.

However, the submission made, for the denial of interest on future prospects, as such is not tenable. It is necessary to pin point that at the time, when the accident had taken place and Sandeep Kumar had died, there was no compelling circumstance faced by the insurance company, which refrained it from settling the claim on computation or on receipt of intimation of the accident. Rather, perusal of the reply, reveals that the insurance company has denied about the involvement of the vehicle in the accident and the manner of taking place of the accident and contested the claim petition.

At the initial stage, the insurance company did not deem it appropriate for the settlement of the claim, on which account, definitely, there was denial of the rightful claim to the claimants. When, there is refusal to consider the claim, then the claimants are driven to the Tribunal. What matter is pending before the Tribunal or in appeal, before the higher forums, definitely, the claimants are deprived of the compensation for future

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prospects, for which they were entitled, as soon as the death of victim occurs. If the amount for future prospects is paid in time, then the claimants have a rightful claim to utilize the same and on failure, to do so, the loss of dependency, as such, also causes inconvenience to the claimants to adjust their earnings from other sources. This is sought to be compensated. at least minimally by award of interest, which often is nominal and that too simple interest. If the rightly amounts are disbursed to the claimants, on rough calculation also, on intimation of the accident to the insurance company, or in the minimum, when the insurance company makes appearance before the Tribunal and then also, it is not inclined to go in for amicable settlement, then necessarily, the insurance company, as such, cannot be absolved of the liability to pay the interest, at least to the extent of disbursement to be made.

Considering the same, when in the case in hand, the accident had taken place in the year 2018 and the claim petition was filed, the insurance company maintained total silence for amicable settlement. Rather, their pleadings are also with regard to the denial of the accident. In these circumstances, no justifiable reason is coming forth, for the insurance company to take benefit of the denial and also of the interest thereupon, in consonance with the settled law.

Therefore, the contention raised for denial of interest on future prospects, as such, is bereft of merits and the same is hereby rejected.

Hence, both the appeals stand dismissed.

January 22, 2026 **(ARCHANA PURI)**
Vgulati **JUDGE**

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

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