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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-3657-2023 (O&M)
Date of Decision : 11.03.2026

SBI General Insurance Company Ltd. ... Appellant(s)

Versus

Rajan Khanna & Ors ... Respondent(s)

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

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

Mr. Shubham Gupta, Advocate for respondent Nos.1 and 2.

Mr. Rahul Pathania, Advocate for respondent No.6.

ALKA SARIN, J. (Oral)

1. 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 'Tribunal') vide the impugned award dated 09.03.2023 in a motor vehicle accident which occurred on 22.07.2018.

2. Since the factum of the accident is not in dispute, the facts are not being adverted to for the sake of brevity.

3. The Tribunal in the present case, relying on the judgment of the Hon'ble Supreme Court in the case of **S. Vasanthi & Anr. vs. M/s Adhiparasakthi Engg. College & Anr. [2022 (4) RCR (Civil) 837]** has assessed the notional income of the deceased as ₹30,000/- per month as it has been proved on record that the deceased was a student of MBA and awarded

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the following compensation :

Sr.No.	Heads	Compensation Awarded
1	Monthly Income	₹30,000/-
2	Future Prospects - 40%	₹42,000/- [₹30,000 + ₹12,000]
3	Deduction - 50%	₹21,000/- [₹42,000 - ₹21,000]
4	Annual Income	₹2,52,000/- [₹21,000 x 12]
5	Multiplier - 18	₹45,36,000/- [₹2,52,000 x 18]
6	Funeral expenses/ Loss of estate/Loss of consortium	₹70,000/-
	Total Compensation	**₹46,06,000/-**
	Interest	***7% pendente lite***

4. The only argument raised by the learned counsel for the appellant-Insurance Company is that the income of the deceased has wrongly been assessed as there was no evidence on the record as to the amount that a freshly graduated MBA student would be earning and it is merely by relying on the judgment of **S. Vasanthi's** case (supra) that the income has been assessed as ₹30,000/- per month.

5. *Per contra* the learned counsel for the claimant-respondent Nos.1 and 2 would contend that the detailed mark-sheet of the deceased was already on the record to prove that he was a student of MBA. Learned counsel would further contend that rather the income has been assessed on the lower side. Learned counsel has further contended that the compensation awarded under the conventional heads as well as under the head 'loss of consortium' is not in accordance with the law laid down by the Hon'ble Supreme Court in the cases of **National Insurance Company Ltd. vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]**, **Magma General Insurance Company Limited vs. Nanu Ram alias Chuhru Ram & Ors. [(2018) 18 SCC 130]** and **N. Jayasree & Ors. vs. Cholamandalam M.S General Insurance Company Ltd. [2021(4) RCR (Civil) 642]**. Learned counsel has further contended that though no

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appeal has been preferred by the claimants, however, this Court under Order XLI Rule 33 of the Code of Civil Procedure, 1908 is empowered to make or pass any such order as required notwithstanding that an appeal or cross-objections have not been preferred by the claimants especially in view of the fact that the Motor Vehicles Act, 1988 is a beneficial piece of legislation. In support of his contentions, the learned counsel has relied upon the judgment of the Hon'ble Supreme Court in the case of **Surekha & Ors. vs. Santosh & Ors. [2021 (1) PLR 795]**.

6. I have heard the learned counsel for the parties.

7. In the present case, the argument of the learned counsel for the appellant-Insurance Company that the income of the deceased has been assessed wrongly and excessively deserves to be rejected. The deceased in the present case was admittedly a student of MBA which has been proved on record by his detailed mark-sheet as well as the oral testimony of the claimants. Hon'ble Supreme Court in **S. Vasanthi's** (supra), in the case of an accident which took place on 22.05.2010 wherein also the deceased was a student in second year of MBA Course, had assessed the notional income as ₹30,000/- per month. In the absence of any evidence having been led by the claimants to show the income being earned by the colleagues of the deceased or the income being earned by a MBA pass-out, no fault can be found with the income as assessed by the Tribunal relying on the judgment in the case of **S. Vasanthi** (supra). Accordingly, the arguments of the learned counsel for the appellant-Insurance Company as well as the claimant-respondent Nos.1 and 2 qua the income stand rejected.

8. The argument of the learned counsel for the claimant-respondent Nos.1 and 2 that despite there being no appeal, this Court is empowered under

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Order XLI Rule 33 CPC to pass any order as may be required, deserves to be accepted in view of the law laid down by the Hon'ble Supreme Court in the case of **Surekha** (supra), wherein it has been held as under :

> *"3. By now, it is well-settled that in the matter of insurance claim compensation in reference to the motor accident, the court should not take hyper technical approach and ensure that just compensation is awarded to the affected person or the claimants."*

9. In view of the order in the case of **Surekha** (supra) and especially in view of the fact that the Motor Vehicles Act, 1988 is a beneficial piece of legislation, though no appeal has been preferred by the claimants, however, in order to do complete justice to the claimants, this Court deems it appropriate to invoke the provisions of Order 41 Rule 33 CPC to enhance the compensation.

10. Since there is no dispute to the deduction, addition of future prospects as well as the multiplier as applied by the Tribunal, the same are maintained. The compensation awarded under the conventional heads and under the head 'loss of consortium' is not as per the law laid down by the Hon'ble Supreme Court in the cases of **Pranay Sethi** (supra), **Magma General Insurance Company Limited** (supra) and **N. Jayasree** (supra), hence, the claimants would be entitled to ₹18,000/- (₹15,000+20% increase) towards loss of estate and ₹18,000/- (₹15,000+20% increase) towards funeral expenses and the claimants (parents of the deceased) would also be entitled to ₹48,000/- each (₹40,000+20% increase) towards loss of consortium.

11. In the present case, the Tribunal while disposing of the claim petition has awarded interest @ 7% *pendente lite* from the date of filing of the

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claim petition and in case the payment is not made within a period of two months, it was held that the claimants would be entitled to interest @ 9% per annum from the date of passing of the award till its realization. The said finding cannot be sustained. As per Section 171 of the Motor Vehicles Act, 1988, interest is to be awarded from the date of filing of the claim petition till its realization. In view thereof, the claimants would be entitled to interest @ 7.5% from the date of filing of the claim petition till the realization of the compensation already awarded by the Tribunal as well as on the enhanced compensation.

12. Accordingly, the reworked compensation is as under :

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹30,000/-
2	Annual Income	₹3,60,000/- [₹30,000 x 12]
3	Deduction - 50%	₹1,80,000/- [₹3,60,000 - ₹1,80,000]
4	Future Prospects - 40%	₹2,52,000/- [₹1,80,000 + ₹72,000]
5	Multiplier - 18	₹45,36,000/- [₹2,52,000 x 18]
6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	Loss of consortium (i) Filial [₹48,000/- x 2]	₹96,000/-
	Total Compensation	**₹46,68,000/-**
	Interest	**7.5%**

13. In view of the decision by the Hon'ble Supreme Court in **Parminder Singh Vs. Honey Goyal & Ors. [AIR 2025 SC 1713 = 2025 SCC OnLine SC 567]**, after calculation of the enhanced amount, the same be transferred by the Insurance Company in the bank account(s) of the claimants within six weeks from today and the apportionment thereof shall be as per the direction of the Tribunal. The particulars of the bank account(s) alongwith the requisite documents(s) in support thereof shall be furnished by the claimants to the Insurance company within a period of two weeks from the date of this

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order and needful shall be done by the Insurance Company after verification thereof within four weeks thereafter alongwith up-to-date interest. The compliance shall be reported by the Bank to the Tribunal concerned.

14. In view of the above discussion, the impugned award passed by the Tribunal stands modified accordingly. The present appeal is dismissed. Pending applications, if any, also stand disposed off.

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(ALKA SARIN)
JUDGE

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: YES/NO

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