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**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

FAO-2179-2024 (O&M)

Date of Decision : 23.12.2025

UNITED INDIA INSURANCE CO. LTD.

.... Appellant

VERSUS

KRISHNA DEVI & ORS

.... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Vipul Sharma, Advocate for
Mr. Paul S. Saini, Advocate for the appellant.

Mr. Rajiv Kumar Saini, Advocate for respondents No.1 to 4.

None for respondent No.5.

ALKA SARIN, J. (ORAL)

1. The present appeal has been preferred by the appellant challenging the award dated 18.01.2024 passed by the Motor Accident Claims Tribunal, Karnal (hereinafter referred to as 'the Tribunal') on the limited ground that the deceased was a Haryana Government employee and that the dependents of the deceased were entitled to receive the amount under the Haryana Compassionate Assistance to the Dependents of Deceased Government Employees Rules, 2006. Though it has been noted in the impugned award that the dependents of the deceased would be entitled to receive an amount of ₹32,59,008/-, however, while calculating the compensation to be awarded to the dependents, only 50% of the said amount i.e. ₹16,29,504 has been deducted from the compensation awarded.

2. The Tribunal in the present case had awarded the following compensation :

Sr. No.	Heads	Compensation Awarded
1.	Monthly income	₹23,838
2.	Future prospects 25%	[₹23,838 + ₹5,960] = ₹29,798
3.	Deduction 1/4 th	[₹29,798 - ₹7,450] = ₹22,348
4.	Annual income	[₹22,348 x 12] = ₹2,68,176
5.	Multiplier of 13	[₹2,68,176 x 13] = ₹34,86,288
6.	Funeral expenses	₹15,000
7.	Loss of estate	₹15,000
8.	Loss of consortium for widow	₹40,000
9.	Expenses incurred on the treatment of victim/deceased	₹1,99,900
	Total Compensation	₹37,56,188
	Amount to be deducted (received by respondents No.1 to 4 under Haryana Compassionate Assistance to the Dependents of Deceased Government Employees Rules, 2006)	₹16,29,504
	Compensation after deduction	₹21,26,684
	Interest	@ 9% p.a.

3. Learned counsel for the appellant would contend that as per the judgments of the Hon’ble Supreme Court in the cases of **Reliance General Insurance Co. Ltd. vs. Shashi Sharma & Ors. [2016(4) RCR (Civil) 569]** and **Krishna & Ors. vs. Tek Chand & Ors. [2024 ACJ 443]** the entire amount received under the Haryana Compassionate Assistance to the Dependents of Deceased Government Employees Rules, 2006 has to be deducted while calculating the compensation payable to the respondents No.1 to 4 herein.

4. Learned counsel for respondents No.1 to 4 does not dispute the aforesaid fact. Learned counsel, however, states that the amounts awarded under the conventional heads as well as under the head loss of consortium are not in consonance 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]**.

5. Heard.

6. The argument of the learned counsel for the appellant that the entire amount received by respondents No.1 to 4 under the Haryana Compassionate Assistance to the Dependents of Deceased Government Employees Rules, 2006 ought to be deducted, deserves to be accepted. The Hon'ble Supreme Court in the case of **Shashi Sharma** (supra) has held as under :

'19. Reverting back to Rule 5, sub-clause (1) provides for the period during which the dependents of the deceased employee may receive financial assistance equivalent to the pay and other allowances that was last drawn by the deceased employee in the normal course without raising a specific claim. Sub-rule (2) provides that the family shall be eligible to receive family pension as per the normal Rules only after the period during which they would

receive the financial assistance in terms of sub-rule (1).

Sub- rule (3) guarantees the family of a deceased Government employee of a Government residence in occupation for a period of one year from the date of death of the employee, upon payment of normal rent/license fee.

By virtue of sub-rule (4), an ex-gratia assistance of 25,000/- is provided to the family of the deceased employee to meet the immediate needs on the loss of the bread earner. Sub-rule (5) clarifies that house rent allowance shall not be a part of allowance for the purposes of calculation of assistance.

20. Rule 5 broadly deals with two aspects. Firstly, to compensate the dependents of the deceased Government employee by granting ex-gratia financial assistance on compassionate grounds for the loss of pay and other allowances for a specified period. The second part of Rule 5 is to compensate the dependents of the deceased Government employee by way of allowances and concessions - of retaining occupation of the Government residence on specified terms, of family pension and other allowance. As regards the second part, it deals with income from other source which any way is receivable by the dependants of the deceased Government employee. That cannot be deducted from the claim amount, for

determination of a just compensation under the Act of 1988.

21. The claimants are legitimately entitled to claim for the loss of “pay and wages” of the deceased Government employee against the tortfeasor or Insurance Company, as the case may be, covered by the first part of Rule 5 under the Act of 1988. The claimants or dependents of the deceased Government employee (employed by State of Haryana), however, cannot set up a claim for the same subject falling under the first part of Rule 5 - “pay and allowances”, which are receivable by them from employer (State) under Rule 5 (1) of the Rules of 2006. In that, if the deceased employee was to survive the motor accident injury, would have remained in employment and earned his regular pay and allowances. Any other interpretation of the said Rules would inevitably result in double payment towards the same head of loss of “pay and wages” of the deceased Government employee entailing in grant of bonanza, largesse or source of profit to the dependents/claimants. Somewhat similar situation has been spelt out in Section 167 of the Motor Vehicles Act, 1988, which reads thus:

167. Option regarding claims for compensation in certain cases. - Notwithstanding anything contained

in the Workmen's Compensation Act, 1923 (8 of 1923) where the death of, or bodily injury to, any person gives rise to a claim for compensation under this Act and also under the Workmen's Compensation Act, 1923, the person entitled to compensation may without prejudice to the provisions of Chapter X claim such compensation under either of those Acts but not under both.'

In the case of **Krishna** (supra) the judgment in the case of **Shashi Sharma** (supra) has been reiterated and relied upon. In view thereof, the entire amount i.e. ₹32,59,008 received by respondents No.1 to 4 under the Haryana Compassionate Assistance to the Dependents of Deceased Government Employees Rules, 2006 would have to be deducted.

7. The learned counsel for the appellant has fairly stated that the amounts awarded under the conventional heads and the head loss of consortium are not in consonance with the law laid down by the Hon'ble Supreme Court. The amounts awarded under the head loss of consortium and under the conventional heads i.e. funeral expenses and loss of estate are not in accordance with the law laid down in the cases of **Pranay Sethi** (supra), **Magma General Insurance Company Limited** (supra) and **N. Jayasree** (supra). Accordingly, respondents No.1 to 4 would be entitled to ₹18,000 (₹15,000 + 20% increase) towards loss of estate and ₹18,000 (₹15,000 + 20% increase) towards funeral expenses. The respondents No.1 to 4, being the

widow, the children and the mother of the deceased, would also be entitled to ₹48,000 each (₹40,000 + 20% increase) towards loss of consortium.

8. Accordingly, the reworked compensation to which respondents No.1 to 4 are entitled to is as under :

Sr. No.	Heads	Compensation Awarded
1.	Monthly income	₹23,838
2.	Future prospects 25%	[₹23,838 + ₹5,960] = ₹29,798
3.	Deduction 1/4 th	[₹29,798 - ₹7,450] = ₹22,348
4.	Annual income	[₹22,348 x 12] = ₹2,68,176
5.	Multiplier of 13	[₹2,68,176 x 13] = ₹34,86,288
6.	Funeral expenses	₹18,000
7.	Loss of estate	₹18,000
8.	Loss of consortium (i) Spousal (ii) Parental (iii) Filial	₹48,000 [₹48,000 x 2] = ₹96,000 ₹48,000 Total = ₹1,92,000
9.	Expenses incurred on the treatment of victim/deceased	₹1,99,900
	Total Compensation	₹39,14,188
	Amount to be deducted (received by respondents No.1 to 4 under Haryana Compassionate Assistance to the Dependents of Deceased Government Employees Rules, 2006)	₹32,59,008
	Compensation after deduction	₹6,55,180

9. In view of the above discussion, the present appeal is allowed and the impugned award passed by the Tribunal is modified accordingly. Pending applications, if any, also stand disposed off.

23.12.2025

Aman Jain

NOTE:

Whether speaking/non-speaking: Speaking

Whether reportable: Yes/No

(ALKA SARIN)

JUDGE