



FAO-4164-2009 (O&M)

1

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

FAO-4164-2009 (O&M)

Date of decision: 30.10.2025

Parmila Devi and others

..Appellants

Versus

Manpreet Singh and others

..Respondents

CORAM: HON'BLE MS. JUSTICE MANDEEP PANNU

Present: Mr.Gagandeep Sanwal, Advocate for the appellants

Ms. Manvi Verma, Advocate for

Mr. Rajneesh Malhotra, Advocate for respondent No.4

MANDEEP PANNU, J.

1. This is claimants' appeal against the award dated 25.04.2009 passed by the Motor Accident Claims Tribunal, Sonipat (hereinafter referred to as 'Tribunal') with a prayer to modify the amount of compensation. The Tribunal has awarded compensation of Rs.7,95,000/- on account of death of Subedar Subhash Kumar in a vehicular accident, which took place on 21.01.2007. The claim petition has been filed on behalf of his widow, three minor children and parents. There is no dispute with regard to the correctness of the findings recorded by the Tribunal regarding death of deceased in the aforesaid vehicular accident as well as the fact that he died due to rash and negligent driving by Driver of the Tractor bearing registration plate no. PB-65E-5453. Hence, the only issue is with regard to quantum of compensation.



2. Since the factum of the accident is not in dispute, therefore, for the sake of brevity, the facts, as recorded by the Tribunal, in the impugned award, are not being reproduced herein.
3. The compensation awarded by the Tribunal is tabulated as under:-

Sr. No.	Heads	Compensation awarded
1.	Monthly Income	22000/-
2.	Deduction for personal & Living expenses 1/3rd i.e 14,667	14,667/-
3.	Annual income 14667x12 = 1,76,004/-	1,76,004/-
4.	Deduction of amount received as family pension @ 9973 per month i.e 9973x12=119676 176004-119676 = 56,328/-	56,328/-
5.	Multiplier @ 14 14x 56328 = 7,88,592/-	7,88,592/-
6.	Funeral expenses	6000/-
	Total	Rs. 7,94,592/- rounded off to Rs.7,95,000/-

4. Learned counsel for the claimants-appellants submits that there is no dispute regarding the monthly income being assessed as Rs.22,000/- by the Tribunal, however, it has erred in deducting amount of family pension from it and also failed to grant future prospects, amount under Heads ‘loss of consortium’, ‘loss of estate’, applying correct multiplier and making appropriate deduction on account of personal expenses. Furthermore, he submits that the amount awarded under Head ‘funeral expenses’ is highly inadequate. He places reliance on **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], Sarla Verma and others vs. Delhi Transport Corporation and another (2009) 6 SCC 121 and Pramod Kumar Tiwari vs. Premlal Gautam and others (Civil Appeal no. 5061 of 2025 arising out of SLP (C) 26620 of 2023 decided on 08.04.2025)

5. Per contra, learned counsel for respondent No.4- Insurance Company has vehemently argued that sufficient amount towards compensation has already been awarded by the Tribunal and there is no scope for enhancement.

6. This Court has considered the submissions made by the learned counsel for the parties.

7. The Tribunal has taken monthly income of deceased as Rs.22,000/-, regarding which there is no dispute, however, grievance of the claimants is that the amount of family pension has been wrongly deducted from it. Hon'ble Supreme Court in **Pramod Kumar Tiwari's case (supra)** while relying upon settled law that family pension amount cannot be deducted from salary as laid down in **Helen C. Rebello (Mrs.) and others vs. Maharashtra State Road Transport Corporation and Another (1999) 1 SCC 90**, has observed as under:-

*“6) Later, in a recent judgment in the case of ‘**Sebastiani Lakra and others vs. National Insurance Company Limited and Another**’ (2019) 17 SCC 465’ this court observed that deductions cannot be allowed from amount of compensation either on account of insurance or pensionary benefits or gratuity or grant of employment to kith and kin of the deceased. The Court in para 12 noted as thus-*



“12. The law is well settled that deductions cannot be allowed from the amount of compensation either on account of insurance, or on account of pensionary benefits or gratuity or grant of employment to a kin of the deceased. The main reason is that all these amounts are earned by the deceased on account of contractual relations, entered into by him with others. It cannot be said that these amounts accrued to the dependents or the legal heirs of the deceased on account of his death in a motor vehicle accident. The claimants/dependents are entitled to “just compensation” under the Motor Vehicles Act as a result of the death of the deceased in a motor vehicle accident. Therefore, the natural corollary is that the advantage which accrues to the estate of the deceased or to his dependents as a result of some contract or act which the deceased performed in his lifetime cannot be said to be the outcome or result of the death of the deceased even though these amounts may go into the hands of the dependents only after his death.”

8. Likewise, the Hon’ble Supreme Court in **Shyamwati Sharma and others vs. Karam Singh and others 2010(12) SCC 378** has held that salary of a Govt. employee has to be assessed after deducting income tax only and any deductions shown in the salary slip towards GPF, life insurance premium, repayment of loans etc. should not be excluded from the income.

9. Therefore, this Court has no hesitation to hold that present case is duly covered by the ratio of the aforesaid judgments of



the Hon’ble Supreme Court in **Pramod Kumar Tiwari’s case (supra) and Shyamwati Sharma’s case (supra)**. Therefore, it is held that amount of family pension drawn by claimant will not be deducted from income of deceased and only deduction towards income tax shall be made.

10. While relying upon observations of Hon’ble Supreme Court in **Pranay Sethi’s case (supra)**, the claimants are held entitled to future prospects at the rate of 50% considering the fact that deceased was 39 years old at the time of accident. They are also held entitled to Rs.18,000/- each towards loss of estate and funeral expenses as well as Rs.48,000/- each towards loss of consortium.

11. Furthermore, in view of observations of Hon’ble Supreme Court in **Sarla Verma’s case (supra)**, deceased being 39 years old, appropriate multiplier is assessed as 15 instead of 14 as applied by the Tribunal. Similarly, deduction towards personal expenses at the rate of 1/3rd applied by the Tribunal is incorrect considering the size of the family, which consists of widow, three minor children and parents. Therefore, this Court directs that 1/4th deduction towards personal expenses be made. Thereafter, in view of **Shyamwati Sharma’s case (supra)**, 10% tax is deducted on the said amount.

12. Accordingly, the compensation is re-assessed as under :

Sr. No.	Heads	Compensation awarded
1.	Monthly Income	22,000/-
2.	Annual income 22000x12 = 2,64,000	2,64,000/-



3.	Future prospects @ 50% 50% of 264000 = 1,32,000/-	3,96,000/- [264000+132000]
4.	Deduction for personal & Living expenses i.e 1/4th 396000/4 = 99,000 396000-99000 = 2,97,000/-	2,97,000/-
5.	Annual dependency after deduction of tax @ 10% i.e Rs.29700/- 297000-29700 = 267,300	2,67,300/-
6.	Multiplier @ 15 15 x 267300 = 40,09,500/-	40,09,500/-
7.	Loss of estate	18,000/-
8.	Funeral expenses	18,000/-
9.	Loss of consortium @ Rs.48,000/- each i.e 48000x6 = 2,88,000/-	2,88,000/-
	Total Compensation	Rs.43,33,500/-

13. The claimants-appellants shall be entitled to difference in amount of compensation alongwith interest at the rate of 7.5% per annum from the date of filing of the claim petition till its realization. Rest of the award needs no modification.

14. Accordingly, the appeal stands partly allowed.

15. All the pending miscellaneous applications, if any, are also disposed of.

(MANDEEP PANNU)
JUDGE

30.10.2025

rekha

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