



IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

107

FAO-5321-2002 (O&M)
Reserved on: 05.05.2026
Pronounced on: 19.05.2026
Uploaded on: 19.05.2026

Surjit Kaur and others

.....Appellants

Versus

Mastan Singh and others

.....Respondents

CORAM: HON'BLE MR. JUSTICE AMARINDER SINGH GREWAL

Present: Mr. Amandeep Saini, Advocate,
for the appellant Nos. 2 to 4.

Mr. Neeraj Khanna, Advocate for
Mr. Ravinder Arora, Advocate
for the respondent No.3 (Insurance Company)

Amarinder Singh Grewal, J.

1. The present appeal has been filed by the appellants—claimants seeking enhancement of the compensation awarded by the learned Motor Accident Claims Tribunal, Rupnagar (hereinafter “*the Tribunal*”), vide award dated 03.09.2002, whereby a sum of ₹2,75,000/- was granted on account of the death of Amarjeet Singh, husband of the appellant No.1, in the motor vehicular accident dated 18.06.2000, due to rash and negligent driving of respondent No.2.

2. Learned counsel for the appellants contended that the Award dated 03.09.2002 passed by the learned Tribunal is contrary to law, facts and evidence available on record and, therefore, deserves modification by way of enhancement of compensation. It was submitted that the learned Tribunal failed to properly appreciate the unrebutted oral as well as documentary evidence led



by the appellants and awarded a meagre amount despite the death of the sole breadwinner, thereby depriving the dependents of just compensation. Further, the learned Tribunal committed a grave error while assessing the age of the deceased to be between 40 to 45 years and yet applying a multiplier of only 12, despite documentary evidence, particularly Ex.P-3, supporting the said age bracket and warranting application of a higher multiplier. Furthermore, the findings of the learned Tribunal in awarding only ₹2,75,000/- have been assailed on the ground that irrelevant considerations, namely compassionate appointment granted to one of the sons of the deceased and alleged financial assistance received by the widow from the Police Department, were taken into account without any supporting evidence on record. Additionally, it has been contended that the Tribunal wrongly assessed the income of the deceased and made unwarranted deductions on the basis of presumptions and assumptions, thereby drastically reducing the compensation amount. Lastly, learned counsel submitted that no amount was awarded towards pain and suffering, transportation expenses and funeral expenses, though the appellants were legally entitled to the same.

3. *Per contra*, learned counsel for respondent No.3-Insurance Company submitted that the award passed by the learned Tribunal does not suffer from any irregularity or infirmity, and that the findings recorded therein are well-reasoned on the basis of the material available before the learned Tribunal. It was accordingly contended that no ground is made out for interference in the appeal.

4. I have heard learned counsel for the parties and examined the record, with their able assistance.

5. A perusal of the award reveals that the learned Tribunal has made deduction from the compensation on the account of grant of employment to the



son of deceased and family pension benefit. Whereas, it is clearly observed by Hon'ble Supreme Court in the ***Sebastian Lakra v. National Insurance Company Limited, (2019) 17 SCC 465***, that deduction cannot be allowed from the amount of compensation either on account of pensionary benefits or grant of employment to kin of deceased while granting the compensation under the Motor Vehicles Act, 1988. A similar view was also laid down by the Hon'ble Apex Court in ***Pramod Kumar Tiwari v. Premal Gautam, 2025(2) TAC 384***.

6. The relevant extract of ***Sebastian Lakra's case (supra)***, is reproduced as under:-

"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 life time 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."

7. The Motor Vehicles Act, 1988 provides for compensation in cases of accidental death due to motor vehicle accidents. This compensation is separate from benefits like family pension or other benefits such as grant of employment to a kin of deceased, which are derived from employment contracts and are not correlated with the statutory compensation under the Act.



These benefits are earned through contractual or service relations and do not arise as a direct consequence of accidental death. Therefore, the compensation calculation under the Motor Vehicles Act is independent of these benefits. Hence the learned Tribunal has erred in making deduction from the compensation on the account of grant of employment to the son of deceased and family pension benefit.

8. The findings of the learned Tribunal with respect to the age as well as income of the deceased are affirmed. However, the learned Tribunal has erred in law in awarding compensation on the lower side, inasmuch as it has not awarded any amount towards future prospects, and has not awarded amounts under the conventional heads. Additionally, the deduction made is not in accordance with law. Consequently, the quantum of compensation deserves to be reassessed in the light of the settled principles governing motor accident claims.

9. Therefore, the deceased was between 40-45 years of age, as reflected in the post-mortem report (Ex P3) and his income is assessed as ₹5640/- as given in salary certificate (Ex P2). In view of the law laid down by the Hon'ble Supreme Court in *National Insurance Company Limited v. Pranay Sethi (2017) 16 SCC 680*, 30% is liable to be added towards future prospects, and the appropriate multiplier applicable for the age group is '14', with deduction of 1/4th towards personal expenses as there are four dependents. Hence, the compensation amounts to ₹9,23,832/- ($₹5,640 + 30\% = ₹7,332 \times 12 = ₹87,984 - 1/4\text{th} = ₹65,988 \times 14 = ₹9,23,832/-$).

10. In addition, thereto, the appellant Nos. 2 to 4, being the children of the deceased, are held entitled to compensation under the conventional heads and each claimant is held entitled to ₹48,400/- towards loss of love and affection/consortium, however, this court is of the view that no compensation



shall be awarded to appellant No.1-wife of the deceased, on the account of love and affection, as ₹2,00,000 – ₹4,00,000 has been already awarded by the police department for the loss suffered by her on the account of death of her husband as admitted by her. Further, the claimants are entitled to ₹18,150/- towards loss of estate and ₹18,150/- towards funeral expenses (escalation @10% every three years as per the law laid down by the Hon’ble Supreme Court in *Pranay Sethi’s case* (supra)). Accordingly, the total compensation payable to the claimants is computed as ₹11,05,332/- (₹9,23,832/- + ₹1,45,200/- + ₹18,150/- + ₹18,150/-)

11. The enhanced compensation in the appeal, i.e. ₹8,30,332/- (₹11,05,332/- – ₹2,75,000/-) shall also carry interest @ 7.5% per annum from the date of filing of the claim petition till its realization, payable by respondent No.3 to the appellants-claimants in equal ratio. Hence, the appeal is allowed in above terms.

12. Pending application(s), if any, shall also stand disposed of.

(AMARINDER SINGH GREWAL)
JUDGE

May 19, 2026
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Whether speaking/reasoned:-	Yes/No
Whether Reportable:-	Yes/No