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

(219) **FAO-1688-2005(O&M)**
Date of Decision-26.02.2026

Poonam Rani And Others **… Appellants**

Versus

Prem Singh And Others **… Respondents**

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present: Mr. Abhishek Sharma, Advocate,
Mr. Vishal Gupta, Advocate
for appellants

Mr. Neeraj Khanna, Advocate,
Mr. Ravinder Arora, Advocate
for respondent No.3.

*****

VIRINDER AGGARWAL, J.(ORAL)

1. This appeal has been preferred by the claimants seeking enhancement of compensation awarded vide award dated 25.11.2004 passed by the Motor Accident Claims Tribunal, Karnal, whereby the compensation of ₹6,61,720/- along with interest at 9% per annum was granted on account of death of Narain Dass in a motor vehicular accident that took place on 15.11.2003.

BACKGROUND FACTS

2. The brief facts of the case are that on 15.11.2003 at about 1:30 p.m., Narain Dass, aged 44 years, was proceeding from Karnal to Ambala on his motorcycle bearing registration No. HR-05M-4095, with Vinod Kumar as pillion rider. At about 3:00 p.m., when they reached near Shahabad Markanda Bridge near Saha, truck bearing registration No. HR-38J-3999, driven by respondent No.1 Prem Singh in a rash and negligent manner at a high speed, came from the side of Saha and violently struck the motorcycle. Due to the

forceful impact, Narain Dass was crushed under the wheels of the truck and died on the spot, whereas Vinod Kumar sustained injuries. FIR No. 368 dated 15.11.2003 under Sections 279/304-A/337 IPC was registered at Police Station Shahabad. Thereafter, the claimants filed a claim petition under Section 166 of the Motor Vehicles Act, 1988, seeking compensation on account of the death of Narain dass.

3. Upon a comprehensive appreciation of the oral and documentary evidence on record, the learned Tribunal returned a categorical finding that the accident resulting in the death of Narain Dass was duly proved and had occurred due to the rash and negligent driving of respondent No. 1, Prem Singh, while driving truck No. HR-38J-3999. The finding of negligence was primarily based on the ocular testimony of Vinod Kumar (PW1), an injured eye-witness who was travelling as pillion rider on the motorcycle at the time of the occurrence, as well as on the fact that respondent No. 1 is facing criminal trial in connection with the accident. The said evidence stood duly corroborated by the contemporaneous record, including the FIR (Ex.PD), copy of challan (Ex.PE) and the Post-Mortem Report (Ex.PF), which consistently recorded the details of the occurrence. While assessing the quantum of compensation, the learned Tribunal determined the age of the deceased to be 44 years. The claim of the appellants that the deceased was a sweeper in FCI earning gross salary of ₹12,648/- per month (as per pay-slip Ex.PC) was not accepted in full. The learned Tribunal assessed the net carry-home salary of the deceased at ₹5,873/- per month after deductions. After deducting 1/3rd towards personal expenses of the deceased, the annual dependency was assessed at ₹56,980/-. Since the age of the deceased was 44 years, the learned Tribunal applied a multiplier of 14 and awarded ₹6,57,720/- towards loss of dependency. In addition, ₹2,000/- was

awarded towards funeral and transportation expenses and ₹2,000/- as loss of consortium to the widow. Consequently, a total compensation of ₹6,61,720/- was awarded along with interest at the rate of 9% per annum from the date of filing of the petition till realization, with joint and several liability fastened upon respondents Nos. 1 to 3.

CONTENTIONS

4. Learned counsel for the appellants contended that the compensation awarded by the learned Tribunal is manifestly inadequate and contrary to the settled principles governing the determination of just compensation under the Motor Vehicles Act. It was submitted that the learned Tribunal has erred in assessing the income of the deceased. It was further argued that the multiplier applied by the learned Tribunal is erroneous and not in consonance with the age of the deceased, thereby resulting in substantial diminution of the compensation. Learned counsel also submitted that no addition towards future prospects was made, which is required in view of the settled legal position. Additionally, the amounts awarded towards funeral expenses and other conventional heads are wholly inadequate, and no compensation has been granted under certain mandatory conventional heads. On these grounds, it was urged that the impugned award warrants enhancement so as to award just, fair and reasonable compensation to the claimants.

5. Learned counsel for the respondent No.3 supported the award of the learned Tribunal, contended that the award had been passed after a proper and thorough appreciation of the evidence on record and therefore, did not warrant any interference by this Court.

OBSERVATIONS AND FINDINGS

6. I have heard learned counsel for the parties and perused the complete

records. On due consideration of the findings recorded by the learned Tribunal, particularly on the issue of negligence and fastening of liability, I find no reason to take a different view. The findings on those aspects are accordingly affirmed. However, the core issue arising in the appeal pertains to the reassessment of the quantum of compensation.

7. Firstly, with regard to the income of the deceased stands duly proved on record by way of pay-slip (Ex.PC) issued by the Food Corporation of India, Karnal. The said document reflects that the deceased was drawing a gross monthly salary of ₹12,648/-. The learned Tribunal, however, erred in taking into consideration only the net carry-home salary of ₹5,873/- for the purpose of computation of compensation after deducting various amounts from the gross salary. The deductions reflected in the pay-slip are towards provident fund, LIC, and other recoveries which are either savings or deferred benefits payable to the employee or his legal heirs. Such amounts cannot be excluded while assessing the income of the deceased for determining just compensation. It is well settled that only statutory deductions such as income tax, if applicable, can be excluded, and in the absence of any material showing liability towards income tax, the gross monthly income is liable to be taken into consideration. Accordingly, the gross salary of ₹12,648/- per month is held to be the proper income for computing compensation.

8. Further, compensation requires reassessment strictly in terms of the principles laid down by Hon'ble the Supreme Court in ***National Insurance Co. Ltd. v. Pranay Sethi, (2017) 16 SCC 680, Magma General Insurance Co. Ltd. v. Nanu Ram alias Chuhru Ram, 2018 (18) SCC 130 and Sarla Verma v. DTC, (2009) 6 SCC 121,*** wherein the framework for computation of "loss of dependency" by addition towards future prospects as per the nature of

employment, deducting personal expenses of deceased, and applying appropriate multiplier on the basis of age of the deceased, and standardized amounts for conventional heads such as loss of estate, funeral expenses and loss of consortium, has been settled. The present matter, therefore, call for recalculation of the amount under each of these heads by applying the correct basis of loss of dependency and correct multiplier relatable to the age of the deceased and by granting the admissible sum towards loss of consortium and other conventional heads as mandated in the aforesaid decisions. The reassessment is structured as under:

REASSESSED COMPUTATION

Particulars	Reassessed Award (₹)
Monthly Income	**12648/-**
Income With Future Prospects (30%)	**16,443/-** **(12648 + 3795)**
After Deduction (6 Dependents)	**12,333/-** **(1/4th for personal expense)**
Annual Contribution To Family	**1,47,996/-** **(12,333 x12)**
Multiplier **(age 44 yrs)**	**14**
Loss Of Dependency	**20,71,944/-** **(1,47,996× 14)**
Spousal Consortium	**40,000/-**
Parental Consortium	**1,20,000/-**
Filial Consortium	**80,000/-**
Funeral Expenses	**15,000/-**
Loss Of Estate	**15,000/-**
Total	**₹23,41,944/-** **(rounded off to ₹23,41,900/-)**

11. Resultantly, the compensation awarded by the learned Tribunal is enhanced from ₹6,61,720/- to **₹23,41,900/-**. The enhanced amount shall carry

the interest at rate of 7% per annum from the date of filing of the claim petition till realization. The liability and apportionment of the compensation shall remain the same as determined by the learned Tribunal

12. The appeal is accordingly partly **allowed** with modification of the award to the above extent. All other conditions of the award, not inconsistent with this judgment, shall remain unaltered.

13. Since the main case has been decided, pending miscellaneous application(s), if any, stands also disposed of.

(VIRINDER AGGARWAL)
JUDGE

26.02.2026
Saurav Pathania

(i) Whether speaking/reasoned : Yes/No
(ii) Whether reportable : Yes/No