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

FAO No.3318 of 2009
Date of decision : 05.03.2026

Anil Kumar and others ....Appellants

Versus

Shamsher Singh and others ...Respondents

CORAM: HON'BLE MR. JUSTICE PANKAJ JAIN

Present : Mr. R.S. Longia, Advocate and
Mr. Subhash Saini, Advocate
for the appellants.

Mr. Rajneesh Malhotra, Advocate and
Ms. Manvi Verma, Advocate
for respondent No.3.

PANKAJ JAIN, J. (ORAL)

Claimant is in appeal seeking enhancement of compensation awarded by MACT, Ambala, vide impugned award dated 13.03.2009.

2. Six different claim petitions were filed under Section 166 of the Motor Vehicles Act, 1988 (hereinafter referred to as '1988 Act') seeking compensation on account of injuries/loss of life suffered during a motor-vehicular accident, dated 06.07.2006.

3. The present appeal has arisen out of MACT Petition No.32 instituted by the legal representatives of deceased Sangeet Bala, who lost her life in the aforesaid motor-vehicular accident, at the age of 33 years. It has come on record that she was working as a Lecturer in Government Senior Secondary School, Mullana. Tribunal vide impugned award awarded

compensation of Rs.12,76,000/- to the claimants, observing as under:

> "21. PW2 Kaka Singh, Clerk, Govt.Senior Secondary School, Mullana had brought the summoned record and stated that Smt.Sangeeta Bala (now deceased) was working as English Lecturer in the said school and her carry-home salary was Rs.12,269/- per month. He has further stated that Rs.3,000/- and Rs.60/- were being deducted towards provident fund and under Group Insurance Scheme per month respectively from her salary. Photocopy of salary register was Ex.PD.
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> 22. Admittedly, the retirement age of deceased Smt.Sangeeta Bala was 58 years and she had still 25 years of service left. As per salary certificate Ex.P37, the salary details of Smt.Sangeeta Bala are as under:-
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> | | | |
> |---|---|---|
> | Basic Pay | = | 7900/- |
> | D.P. | = | 3950/- |
> | D.A. | = | 2844/- |
> | H.R.A. | = | 385/- |
> | M.A. | = | 250/- |
>
> 23. The amount of HRA and medical allowance is liable to be deducted from the salary of the deceased. As per Ex.PX, the pay scale of the deceased has been revised w.r.t. 1.7.2006. However, this Tribunal can take judicial notice of the fact that in case of revised pay, there would be soe deduction towards the Income tax, as the salary of the deceased will exceed the permissible limits. Considering all the relevant factors, the income of the deceased Smt. Sangeeta Bala is taken as Rs.9900/- per month and after deducting personal expenses of the deceased to the extent of 1/3rd, the annual dependency of the claimants comes out to (Rs.9900-Rs.3300 = Rs.6600) i.e. 6600 X 12 = Rs.79,200/-. As per school certificate Ex.P38, the date of birth of deceased Sangeeta Bala was 04.05.1973. Keeping in view all the facts, the age and dependency of the claimants and length of service of deceased, I am inclined to apply the multiplier of '16'. The total amount of compensation thus payable comes out to be Rs.79,200/- x 16 = Rs.12,67,200/- (Rs. Twelve Lacs Sixty Seven Thousand & Two Hundred only).

> Besides this, I am also inclined to award a sum of Rs.4,400/- to the husband towards of consortium and a sum of Rs.4,400/- is awarded to the claimants towards funeral expenses. Thus, I hereby award a total sum of **Rs.12,76,000/-(Rs.Twelve Lacs Seventy Six Thousand only)** to the claimants on account of the death of Smt. Sangeeta Bala, which to my mind, is quite just and reasonable. The said amount of compensation would be shared equally by all the claimants."

4. Ld. Counsel for the appellants assails the award passed by the Tribunal referring to Exhibit PX. He submits that w.e.f. 01.07.2006 salary of the deceased was revised to Rs.19,710/- per month. The document Exhibit PX was tendered in evidence along with document Exhibit PY whereby the pay of the government officials was revised by the State Government w.e.f. 01.07.2006. The Tribunal while awarding compensation has completely ignored the aforesaid documentary evidence.

5. Per contra, Mr. Malhotra submits that the Tribunal has rightly awarded compensation relying upon the last wages drawn by the deceased and income tax has been rightly deducted.

6. I have heard counsel for the parties and have gone through records of the case.

7. The deceased died on 06.07.2006. Thus, the compensation needs to be calculated as per the revised pay-scale as became payable to her w.e.f. 01.07.2006 i.e., Rs.19,710/- per month.

8. So far as the issue w.r.t. deduction towards Income Tax is concerned, the same has been laid to rest by the Supreme Court in the case

of '**Manorma Sinha and another vs. The Divisional Manager Oriental Insurance Company Limited and another, 2025(4) RCR(Civil) 752**, observing as under:

> "13. As regards deduction towards income tax is concerned, same is permissible in view of the decision of this Court in Ranjana Prakash (supra). However, in our view, deduction towards income tax should be at such rate which the annual income may be subjected to in the relevant year. It is not demonstrate that the allowances received were exempt from income tax. Even the nature of allowances has not been disclosed to enable us to determine whether they are exempt from tax. Therefore, we include them in the annual income and compute the annual income as Rs.6,40,400 (approximately) for the purpose of tax. xxx"

9. For the relevant year, Income Tax Slab applicable to a woman assessee below 65 years, reads as under:

For Woman Assesses below 65 years

Income	Tax Rate
Upto 135,000	Nil
135,000 to 150,000	10% of the amount exceeding 135,000
150,000 to 250,000	Rs.1,500 + 20% of the amount exceeding 150,000/-
250,000 & above	Rs.21,500 + 30% of the amount exceeding 250,000/-

10. Accordingly, the annual income of the deceased for the purpose of calculating compensation under Section 166 of the 1988 Act, would be Rs.19,710/- x 12 = **Rs.2,36,520/-**. Income tax shall be Rs.1,500/- + Rs.17,304/- (20% of Rs.86,520/-) = **Rs.18,804/-**. The annual income would

be thus Rs.2,36,520 – Rs.18,804/- = **Rs.2,17,716**/-

11. Future prospects of 50% need to be added. Multiplier of 16 needs to be applied. Deduction of 1/4 would be applicable in view of ratio of law laid down in the case of **Smt. Sarla Verma and others vs. Delhi Transport Corporation and another, (2009) 6 SCC 121.** Each of the claimants would be entitled to Rs.48,400/- for loss of consortium. Claimants are also held entitled to Rs.18,000/- for loss of estate. Rs.18,000/- is awarded for funeral expenses.

12. Needless to say, the interest as well as apportionment amongst the claimants shall abide by the award.

13. Anything already paid to the claimants shall be set off and adjusted.

14. With the aforesaid modification in the impugned award, the present appeal is disposed off.

15. Pending application, if any, shall also stand disposed off.

March 05, 2026 **(Pankaj Jain)**
Dpr **Judge**

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No