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

Date of decision : 19.02.2026

FAO-3893-2017 (O&M)

New India Assurance Co. Limited ....Appellant

Versus

Seema Devi and others ...Respondents

FAO-4130-2017 (O&M)

Seema Devi and others ....Appellants

Versus

Tinku and others ...Respondents

FAO-4150-2017 (O&M)

Seema Devi ....Appellants

Versus

Tinku and others ...Respondents

CORAM: HON'BLE MR. JUSTICE PANKAJ JAIN

Present : Mr. Chandeep Singh, Advocate and
Ms. Simranjeet Kaur, Advocate
for the appellant in FAO-3893-2017 and
for respondent No.3 i FAO-4130-2017 and FAO-4150-2017.

Mr. Maneet Kaushik, Advocate
for the appellant(s) in FAO-4130-2017 and FAO-4150-2017 &
for the respondents in FAO-3893-2017.

PANKAJ JAIN, J. (ORAL)

These three appeals relate to a motor-vehicular accident dated 01.02.2016 in which life of Ramesh Kumar was lost and his wife Seema Devi was injured and rendered disabled to the extent of 24%.

2. Two different claim petitions were filed under Section 166 of the Motor Vehicles Act, 1988. MACP No.20 of 2016 was instituted by LRs of deceased Ramesh Kumar. MACP No.21 of 2016 was instituted by injured/claimant Seema Devi.

3. Tribunal vide impugned award dated 23.02.2017 allowed both claim petitions. LRs of deceased Ramesh Kumar were awarded compensation of Rs.43,70,000/-. In the second claim petition preferred by Seema Devi, she was awarded compensation of Rs.1,20,000/-. Compensation was awarded along with interest @ 9% per annum from the date of filing of the claim petition(s) till the date of actual realization.

4. FAO No.3893 of 2017 is at the behest of the Insurance Company. The Insurance Company is aggrieved of the quantum of compensation awarded to LRs of deceased Ramesh Kumar. The primary ground raised is *qua* income of the deceased. As per appellant/insurer, the income tax on the income of the deceased ought to have been deducted while considering his monthly income.

5. FAO No.4130 of 2017 is at the behest of the legal representatives of Ramesh Kumar seeking enhancement of compensation.

6. FAO No.4150 of 2017 is at the behest of the injured/claimant Seema Devi seeking enhancement of compensation.

7. The issue w.r.t. deduction of income tax while computing compensation in the claim petitions arising out of Motor Vehicles Act, is no more *res integra*. The same has been answered by 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. xxxxx

8. In the present case, monthly salary of Ramesh Kumar has been proved to be Rs.24,050/-. The annual salary will thus be Rs.24050/- X 12 = Rs.2,88,600/-. As per the Income Tax slab for the relevant year, annual income of Rs.2,50,000/- was exempted. Thus, the taxable income shall be Rs.2,88,600 – Rs.2,50,000/- = Rs.38,600/-. Tax liability of Ramesh Kumar thus is 10% of taxable income i.e., 10% of Rs.38,600/- = Rs.3,860/-. Thus, monthly income of Ramesh Kumar after deducting tax will be Rs.23,728/- per month. He was in government service. 50% of future prospects need to be added. Keeping in view the number of dependents 1/4 deduction needs to be applied. Ramesh Kumar was 37 years of age. Multiplier of 15 has been aptly applied by the Tribunal. Each of the 4 claimants is entitled for Rs.48,400/- for loss of consortium. Rs.18,000/- is awarded for funeral expenses. Rs.18,000/- is awarded for loss of estate. The claimants are also entitled for interest @ 7% per annum for the period commencing from the date of filing of the claim petition till the date of actual realization.

9. With the aforesaid modification, FAO No.3893 of 2017 and FAO No.4130 of 2017 are hereby disposed off.

FAO No.4150 of 2017.

10. It stands proved that Seema Devi suffered permanent disability to the extent of 24%. As per disability certificate, she cannot walk properly. She has difficulty in sitting and squatting. She walks with a limp owing to the accident. In view thereof, considering that Seema Devi is a home-maker Tribunal ought to have taken her functional disability as 33% and awarded compensation accordingly. Claimant remained hospitalized from 01.02.2016 till 12.02.2016. During this period, she had to undergo surgery for hip joint. She claims to be under the treatment. She must have remained bed ridden for two months.

11. Thus, compensation payable to Seema Devi is re-worked as under:

Her notional income is taken to be Rs.10,000/-. Keeping in view the age of deceased/injured at the time of accident i.e., 32 years, multiplier of 16 will be applicable. Thus, the loss of income comes to **Rs.6,33,600**/- (Rs.10,000/- X 12 X 16 X 33/100).

She is further awarded :

Medical expenses	Rs.1,20,000/- (as awarded by Tribunal)
Loss of Income while she was bed ridden	Rs.20,000/- (for two months)
Future medical expenditure	Rs.1,00,000/-
Transportation charges	Rs.25,000/-
Pain and sufferings	Rs.2,00,000/-
Loss of amenities of life	Rs.1,00,000/-
Special diet	Rs.50,000/-
Attendant charges	Rs.50,000/-

12. Claimant shall also be entitled for interest @ 7.5% per annum on the enhanced compensation from the date of filing of the petition before MACT till the date of actual realization.

13. With the aforesaid modification in the impugned award, FAO No.4150 of 2017 is disposed off.

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

15. A copy of this order be kept on the files of other connected cases.

February 19, 2026 **(Pankaj Jain)**
Dpr **Judge**

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No