IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

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FAO-5058-2018
Date of decision : 29.05.2026

Parmod Kumar **...... Appellant**

versus

Balraj and another **...... Respondents**

CORAM : HON'BLE MR. JUSTICE PANKAJ JAIN

Present: Mr. Shakti Singh, Advocate
for the appellant.

Mr. Paul S. Saini, Advocate
for respondent No.2-Insurance Company.

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PANKAJ JAIN, J. (Oral)

1. Claimant is in appeal seeking enhancement of compensation awarded by MACT, Kurukshetra in a claim petition filed in MACP Case No.494 of 2016 filed under Section 166 read with Sections 140 and 141 of the Motor Vehicles Act, 1988.

2. The claim petition relates to death of Amit Chauhan who lost his life in a motor vehicular accident dated 13.09.2016 at the age of 25 years. At the time of death, he was serving as Captain in Indian Army. Tribunal awarded compensation as under:-

> "33. Since, deceased Amit Chauhan was in permanent job being Captain in Indian Army and the age of deceased has been held to be around 25 years, 50% of actual income of the deceased shall be added towards future prospectus and after addition of 50% the monthly income of deceased comes out to be 1,08,765/- i.e. ₹13,05,180/- per annum, rounded as ₹13,05,000/-.
>
> 34. Before applying deduction towards personal expenses or multiplier on the income of the deceased, the income tax

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prescribed under the law is to be deducted from the income of the deceased. Amit Chauhan had died in the year 2016 and in that year income up to ₹2,50,000/- per annum was exempted from the income tax. Hence, for proper adjudication of the income of the deceased, the income tax during the year 2016 on the salary of the deceased is calculated as under:-

1.	Gross Income	₹13,05,000/-
2.	Income tax upto ₹2,50,000/-	Nil.
3.	Income tax @ 10% up to ₹5,00,000/- i.e. on 2,50,000/-	₹25,000/-
4.	Income Tax @ 20% upto ₹10,00,000/- i.e. on ₹25,00,000/-	₹1,00,000/-
5.	Income Tax @ 30% upto 13,05,000/- i.e. on ₹3,05,000/-	₹91,500/-
6.	Total Tax	₹2,16,500/-
7.	Income after deduction of tax (1-6)	₹10,88,500/-

35. Thus, the total income of the deceased for purpose of assessing the compensation comes out to be 10,88,500/-.

36. As far as deduction towards personal expenses is concerned, in view of law laid down by Hon'ble Supreme Court in the case of **Sarla Verma and others Versus Delhi Transport Corporation and another 2009 (3) Recent Civil Reports 77** 50% of the income of deceased is to be deducted towards his personal and living expenses. After deducting 50% of the total income, the annual dependency of the petitioner comes out to be 5,44,250/- (10,88,500/2).

37. As observed in the earlier paragraph of this judgment the age of the deceased was 25 years on the date of accident. Thus, keeping in view the said age of the deceased proper multiplier in this case is held to be '18' by taking cue from the judgment of Hon'ble Supreme Court rendered in **Sarla Verma's case (supra).**

38. In view of the aforesaid discussion, compensation payable to the petitioners works out to 5,44,250 x 18=97,96,500 (Ninety Seven lakhs ninety six thousand five hundred only).

39. Apart from that, petitioner has also placed on record medical bills Ex.P6 & Ex.P8, vide which, petitioner had spent a sum of 31,795/-say 31,800/- for the treatment his deceased son and the petition shall also be entitled to the said amount of 31,800/- and 15,000/- are also awarded to the petitioner towards funeral expenses.

40. On account of above discussion, total compensation

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> payable to the petitioner comes out to 98,43,300/- (Ninety eight lakhs forty three thousand three hundred only)."

3. Counsel for the claimant submits that the Tribunal erred in deducting Rs.60 lakhs received by the claimant on account of group insurance by making following observations:-

> "45. In view of the above discussed facts and circumstances, since the amount of ₹60 lakhs was paid to the petitioner towards groups insurance scheme by the employer of his son, therefore, the said amount is deductible from the amount of compensation, which has been awarded in this case.
> 46. Therefore, after deducting the amount of ₹60,00,000/-, the amount payable to the petitioner in the present case comes out to be ₹38,43,300/- (₹98,43,300-60,00,000/-) Thus, the petitioner is held entitled to total sum of₹ 38,43,300/- (₹ Thirty eight lakhs forty three thousand three hundred only). The liability to pay the compensation shall be decided under issue No.4. Issue No.2 is decided accordingly in favour of the petitioner Parmod Kumar."

4. The issue with respect to deduction qua the financial assistance received by the claimants under 2006 Rules came up for consideration before Supreme Court in ***Reliance General Insurance Co. Ltd. vs. Shashi Sharma and others 2016(9) SCC 627.*** The Tribunal erred in relying upon the same to deduct amount of Rs.60 lakhs received by the claimant under Group Insurance Scheme. The Group Insurance Scheme cannot be related to financial assistance given by the State under Service Rules, wherein the compensation is paid by the insurer after receiving premium.

5. In view thereof, this Court finds that the Tribunal erred in deducing amount of Rs.60 lakhs from the compensation awarded. Accordingly, the award to that effect is set aside.

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6. That apart nothing has been paid on account of loss of consortium and loss of estate, claimant is held entitled for amount of Rs.48,400/- for loss of consortium and Rs.18,000/- for loss of estate.

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

(PANKAJ JAIN)
JUDGE

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Whether speaking/reasoned : Yes

Whether Reportable : No

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