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

FAO-5525-2022 (O&M)

Date of Decision : 13.08.2025

Asha Devi & Anr ... Appellant(s)

Versus

Harminder Pal & Ors ... Respondent(s)

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Vipul Sharma, Advocate and
Mr. Ashwani Arora, Advocate for the appellants.

Mr. R.C. Kapoor, Advocate for respondent No.3.

ALKA SARIN, J. (Oral)

1. The present appeal has been preferred by the claimant-appellants aggrieved by the quantum of compensation awarded vide the impugned award dated 28.04.2022 passed by the Motor Accident Claims Tribunal, Rupnagar, (hereinafter referred to as 'Tribunal').

2. Since the facts, as recorded in the impugned award passed by the Tribunal, are not in dispute, the same are not being reproduced herein for the sake of brevity.

3. The Tribunal in the present case had awarded the following compensation :

Sr. No.	Heads	Compensation Awarded
1	Monthly income	₹33,000/-
2	Annual income	[₹33,000 x 12] = ₹3,96,000/-
3	Future prospects 30%	[₹3,96,000 + 1,18,800] = ₹5,14,800/-
4	Deduction 1/3 rd	[₹5,14,800 – 1,71,600] = ₹3,43,200/-
5	Multiplier of '13'	[₹3,43,200 x 13] = ₹44,61,600/-

6	Funeral expenses	₹15,000/-
7	Loss of estate	₹15,000/-
8	Love of consortium	₹40,000/-
10	Total Compensation	₹45,31,600/- rounded off ₹45,32,000/-
11	Amount received on account of accidental death policy	₹30,00,000/-
12	Compensation payable	₹15,32,000/- [₹45,32,000-₹30,00,000]
	Interest	7% per annum

4. Learned counsel for the claimant-appellants would contend that he does not challenge the income of the deceased, deduction, future prospects and the multiplier as applied by the Tribunal, however, he contends that the Tribunal has wrongly deducted an amount of ₹30,00,000/- received by the claimant-appellants on account of the accident death policy from HDFC Bank which ought not to have been deducted. In this regard, he has relied upon the judgments of the Hon'ble Supreme Court in the cases of **Helen C. Rebello vs. Maharashtra State Road Transport Corporation [1998 (4) RCR (Civil) 177]** and **Vimal Kanwar & Ors. vs. Kishore Dan & Ors. [2013 (2) RCR (Civil) 945]**. It is further the contention of the learned counsel that the amounts awarded under the conventional heads as well as under the head 'loss of consortium' are not in accordance with the law laid down by the Hon'ble Supreme Court. In support of his contentions, he has relied upon the judgments of the Hon'ble Supreme Court in the cases of **National Insurance Company Ltd. vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]**, **Magma General Insurance Company Limited vs. Nanu Ram alias Chuhru Ram & Ors. [(2018) 18 SCC 130]** and **N. Jayasree & Ors. vs. Cholamandalam M.S General Insurance Company Ltd. [2021(4) RCR (Civil) 642]**.

5. Learned counsel for respondent No.3-Insurance Company has contended that the Tribunal has rightly deducted the amount received by the

claimant-appellants on account of the accidental death policy from HDFC Bank and that there is no scope for interference in the impugned award.

6. I have heard the learned counsel for the parties.

7. Admittedly, there is no appeal on behalf of the Insurance Company. Since no challenge has been laid by the learned counsel for the claimant-appellants to the income of the deceased, future prospects, deduction and multiplier as applied by the Tribunal, the same are accordingly maintained.

8. Vide the impugned award the Tribunal has deducted an amount of ₹30,00,000/- which was received by the claimant-appellants on account of the accidental death policy from HDFC Bank as the deceased was working as a Guard in the Home Guard Department. Hon'ble Supreme Court in the case of **Helen C. Rebello** (supra) has held as under :

“30. This is based on the principle that the claimant for the happening of the same incidence may not gain twice from two sources. This, it is excluded thus, either through the wisdom of legislature or through the principle of loss and gain through deduction not to give gain to the claimant twice arising from the same transaction, viz., same accident. It is significant to record herein both the sources, viz., either under the Motor Vehicles Act or from the employer, the compensation receivable by the claimant is either statutory or through the security of the employer securing for his employee but in both cases he receives the amount without his contribution. How thus an amount earned out of one's labour or contribution towards one's wealth, savings, etc. either for himself or for his family, which such person knows, under the law, has to go to his heirs after his death either by succession or under a will could be said to be the 'pecuniary gain' only on account of

one's accidental death. This, of course, is pecuniary gain but how this is equitable or could be balanced out of the amount to be received as compensation under the Motor Vehicle Act. There is no co-relation between the two amounts. Not even remotely. How can an amount of loss and gain of one contract could be made applicable to the loss and gain of another contract. Similarly, how an amount receivable under a statute has any co-relation with an amount earned by an individual. Principle of loss and gain has to be on the same place within the same sphere, of course, subject to the contract to the contrary or any provisions of law.”

9. Further, in the case of **Vimal Kanwar** (supra) it has been held by the Hon’ble Supreme Court as under :

“19. The first issue is “whether Provident Fund, Pension and Insurance receivable by claimants come within the periphery of the Motor Vehicles Act to be termed as “Pecuniary Advantage” liable for deduction.” The aforesaid issue fell for consideration before this Court in Helen C. Rebello (Mrs) and others vs. Maharashtra State Road Transport Corporation & Anr. reported in (1999) 1 SCC 90. In the said case, this Court held that Provident Fund, Pension, Insurance and similarly any cash, bank balance, shares, fixed deposits, etc. are all a “pecuniary advantage” receivable by the heirs on account of one’s death but all these have no correlation with the amount receivable under a statute occasioned only on account of accidental death. Such an amount will not come within the periphery of the Motor Vehicles Act to be termed as “pecuniary advantage” liable for deduction. The following was the observation and finding of this Court:

“35. Broadly, we may examine the receipt of the provident fund which is a deferred payment out of

the contribution made by an employee during the tenure of his service. Such employee or his heirs are entitled to receive this amount irrespective of the accidental death. This amount is secured, is certain to be received, while the amount under the Motor Vehicles Act is uncertain and is receivable only on the happening of the event, viz., accident, which may not take place at all. Similarly, family pension is also earned by an employee for the benefit of his family in the form of his contribution in the service in terms of the service conditions receivable by the heirs after his death. The heirs receive family pension even otherwise than the accidental death. No correlation between the two. Similarly, life insurance policy is received either by the insured or the heirs of the insured on account of the contract with the insurer, for which the insured contributes in the form of premium. It is receivable even by the insured if he lives till maturity after paying all the premiums. In the case of death, the insurer indemnifies to pay the sum to the heirs, again in terms of the contract for the premium paid. Again, this amount is receivable by the claimant not on account of any accidental death but otherwise on the insured's death. Death is only a step or contingency in terms of the contract, to receive the amount. Similarly any cash, bank balance, shares, fixed deposits, etc. though are all a pecuniary advantage receivable by the heirs on account of one's death but all these have no correlation with the amount receivable under a statute occasioned only on account of accidental death. How could such an amount come within the periphery of the Motor Vehicles Act to be termed as "pecuniary

advantage” liable for deduction. When we seek the principle of loss and gain, it has to be on a similar and same plane having nexus, inter se, between them and not to which there is no semblance of any correlation. The insured (deceased) contributes his own money for which he receives the amount which has no correlation to the compensation computed as against the tortfeasor for his negligence on account of the accident. As aforesaid, the amount receivable as compensation under the Act is on account of the injury or death without making any contribution towards it, then how can the fruits of an amount received through contributions of the insured be deducted out of the amount receivable under the Motor Vehicles Act. The amount under this Act he receives without any contribution. As we have said, the compensation payable under the Motor Vehicles Act is statutory while the amount receivable under the life insurance policy is contractual.”

10. In view of the judgments of the Hon’ble Supreme Court in the cases of **Helen C. Rebello** (supra) and **Vimal Kanwar** (supra), the amount which was given to the claimant-appellants on account of the accidental death policy from HDFC Bank cannot be deducted from the amount which was to be awarded under the Motor Vehicles Act, 1988 as the said payment has no correlation to the amount receivable under the Act and did not fall under the category of “pecuniary advantage” which is liable for deduction. Accordingly, the argument of the learned counsel is accepted.

11. Further, the amounts awarded under the conventional heads and under the head ‘loss of consortium’ are not as per the law laid down by the Hon’ble Supreme Court in the cases of **Pranay Sethi** (supra), **Magma**

General Insurance Company Limited (supra) and **N. Jayasree** (supra) and hence the claimants would be entitled to ₹18,000/- (₹15,000+20% increase) towards loss of estate and ₹18,000/- (₹15,000+20% increase) towards funeral expenses and the claimants (wife and son of the deceased) would also be entitled to ₹48,000/- each (₹40,000+20% increase) towards loss of consortium. Accordingly, the reworked compensation is as under :

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹33,000/-
2	Annual Income	₹3,96,000/- [₹33,000 x 12]
3	Deduction 1/3rd	₹2,64,000/- [₹3,96,000 – 1,32,000]
4	Future Prospects - 30%	₹3,43,200/- [₹2,64,000 + 79,200]
5	Multiplier - 13	₹44,61,600/- [₹3,43,200 x 13]
6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	Loss of consortium (i) Parental (ii) Spousal's	₹48,000/- ₹48,000/- (Total ₹96,000/-)
9	Total Compensation	₹45,93,600/-

12. The amount in excess of and over and above the amount awarded by the Tribunal shall also attract interest @ 7% per annum from the date of filing of the claim petition till the realization of the entire amount.

13. In view of the decision by the Hon'ble Supreme Court in **Parminder Singh Vs. Honey Goyal & Ors. [AIR 2025 SC 1713]**, after calculation of the enhanced amount, the same be transferred by the Insurance Company in the bank account(s) of the claimants within six weeks from today and the apportionment thereof shall be as per the direction of the Tribunal. The particulars of the bank account(s) alongwith the requisite documents(s) in support thereof shall be furnished by the claimants to the Insurance

company within a period of two weeks from the date of this order and needful shall be done by the Insurance Company after verification thereof within four weeks thereafter alongwith up-to-date interest. The compliance shall be reported by the Bank to the Tribunal concerned.

14. In view of the above, the impugned award is modified and the present appeal stands allowed. Pending applications, if any, also stand disposed off.

13.08.2025
Yogesh Sharma

(ALKA SARIN)
JUDGE

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: YES/NO