



IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-5659-2017 (O&M)

Date of Decision : 09.09.2025

Gordhan and Another ... Appellants

Versus

Ramesh and Others ... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Ms. Jasleen Kaur, Advocate for
Mr. Manoj Kumar, Advocate for the appellants.

Mr. Paul S. Saini, Advocate for respondent No.3.

ALKA SARIN, J. (Oral)

1. Present appeal has been preferred by the claimant-appellants aggrieved by the quantum of compensation awarded by the Motor Accident Claims Tribunal, Karnal (hereinafter referred to as the 'Tribunal') vide award dated 07.04.2017 on account of death of Sunil (hereinafter referred to as the 'deceased').

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	₹6,000/-
2	Future prospects – 50%	[₹6,000 + 3,000] = ₹9,000/-
3	Deduction – 50%	[₹9,000 - 4,500] = ₹4,500/-

4	Annual income	[₹4,500 x 12] = ₹54,000/-
5	Standard deduction of 10% on account income tax	[₹54,000 – 5,400] ₹48,600/-
6	Multiplier – 13	[₹48,600 x 13] = ₹6,31,800/-
7	Loss of funeral and transportation charges	₹25,000/-
8	Loss of love and affection	₹2,00,000/-
	Total Compensation	₹8,56,800/-
	Interest	9% per annum

4. Learned counsel for the claimant-appellants states that though she does not challenge the deduction as applied by the Tribunal however she has contended that the income of the deceased has been assessed on the lower side and that the Tribunal has wrongly applied a multiplier of ‘13’ instead of ‘18’. It is further the contention that the compensation awarded under the conventional heads is also not in consonance with the law laid down by the Hon’ble Supreme Court. In support of her arguments, she has relied upon judgments of the Hon’ble Supreme Court in the cases of **Sarla Verma & Ors. vs. Delhi Transport Corporation & Anr. [(2009) 6 SCC 121]**, **National Insurance Company Ltd. vs. Pranay Sethi & Ors. [(2017) 16 SCC 680]**, **N. Jayasree & Ors. vs. Cholamandalam M.S General Insurance Company Ltd. [2021(4) RCR (Civil) 642]** and **Magma General Insurance Company Limited vs. Nanu Ram alias Chuhru Ram & Ors. [(2018) 18 SCC 130]**. Learned counsel for the claimant-appellants has contended that the Tribunal has wrongly applied a deduction of 10% towards income tax however she has fairly conceded that the Tribunal has applied an addition of 50% towards loss of future prospects which ought to have been 40% as per the law laid down by Hon’ble Supreme Court in the case of **Pranay Sethi (supra)**.

5. Learned counsel for respondent No.3 has vehemently contended that the income of the deceased has rightly been assessed as ₹6,000/- per month in the absence of any evidence. The minimum wage for an unskilled worker has been taken as the yardstick. It is further the contention that the addition towards loss of future prospects ought to have been 40% instead of 50% and that the sufficient amount has already been granted to the claimants and there is no scope of any further enhancement.

6. Heard.

7. Admittedly, the Insurance Company has not filed any appeal in the present case. Since there is no challenge to the deduction as assessed by the Tribunal, the same is maintained. In the present case, the Tribunal has assessed the monthly income of the deceased as ₹6,000/-. In the absence of any evidence as to the educational qualification of the deceased or his vocation, the income has been assessed as per the minimum wage. Hence, no fault can be found with the same and the income of the deceased as assessed by the Tribunal is accordingly maintained. The Tribunal has applied an addition of 50% towards loss of future prospects which as per the law laid down by the Hon'ble Supreme Court in the case of **Pranay Sethi** (supra) would be 40%. The Tribunal has erroneously made a deduction of 10% towards income tax. The income was not taxable hence the said finding cannot be sustained and the same is accordingly set aside. The deceased in the present case was 18 years of age. The Tribunal has applied a multiplier of '13' which as per the law laid down in the case of **Sarla Verma** (supra) ought to have been '18'. Since there is no challenge to the compensation awarded by the Tribunal towards loss of love and affection, the same is accordingly maintained. The argument of learned counsel for the claimant-appellants that

the compensation awarded under the conventional heads is not in consonance with the law laid down by Hon'ble Supreme Court deserves to be accepted. Hence, 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), the claimant-appellants would be entitled to ₹18,000/- (₹15,000+20% increase) towards loss of estate and ₹18,000/- (₹15,000+20% increase) towards funeral expenses.

8. Accordingly, the reworked compensation is as under :

Sr. No.	Heads	Compensation Awarded
1	Monthly Income	₹6,000/-
2	Annual Income	₹72,000/- [₹6,000 x 12]
3	Deduction - 50%	₹36,000/- [₹72,000 - ₹36,000]
4	Future Prospects - 40%	₹50,400/- [₹36,000 + ₹14,400]
5	Multiplier - 18	₹9,07,200/- [₹50,400 x 18]
6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	Loss of love and affection as awarded by the Tribunal	₹2,00,000/-
	Total Compensation	₹11,43,200/-

9. The amount in excess of and over and above the amount awarded by the Tribunal shall also attract interest @ 7.5% per annum from the date of filing of the claim petition till the realization of the entire amount.

10. 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 percentage directed by the Tribunal. The particulars of the bank account(s) alongwith the requisite

documents(s) in support thereof shall be furnished by the claimant-appellants 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.

11. In view of the above discussion, the award passed by the Tribunal is modified and the present appeal stands allowed accordingly. Pending applications, if any, also stand disposed off.

09.09.2025
jk

(ALKA SARIN)
JUDGE

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