



FAO-95-2003(O&amp;M)

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IN THE HIGH COURT OF PUNJAB AND HARYANA  
AT CHANDIGARH

(229)

FAO-95-2003(O&M)  
Reserved on: 11.11.2025  
Pronounced on: 13.11.2025

SHASHI SAPRA AND OTHERS

... APPELLANTS

VERSUS

NAFE SINGH AND OTHERS

... RESPONDENTS

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present: Mr. Naveen Daryal, Advocate  
for the appellants.

None for the respondents

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**VIRINDER AGGARWAL, J.**

1. This appeal has been preferred by the claimants seeking enhancement of compensation awarded vide award dated 20.08.2002 passed by the Motor Accident Claims Tribunal, Panipat, whereby the compensation of ₹13,72,000/- along with interest at 9% per annum was granted on account of death of Surender Kumar Sapra in a motor vehicular accident that took place on 21.05.1998.

**BACKGROUND FACTS**

2. The brief facts of the matter are that on 21.05.1998, Surender Kumar Sapra, employed as a Senior Store Keeper and, along with other colleagues, having completed his duties at Engineers India Limited (a Government of India undertaking) in connection with the Panipat Refinery Project, was returning to his residence in a Trax Jeep bearing registration No. HR-07B-4504, driven by Karan Singh. Upon reaching near Baburpur Mandi, close to the Ganda Nala



bridge, a tractor bearing registration No. (HTC/6156) approached from the opposite direction. It is alleged that the Trax Jeep was being driven in a rash and negligent manner and collided head-on with the tractor, causing the jeep to overturn, as a result of which Surender Kumar Sapra sustained grievous injuries and succumbed to the same the following day, i.e., 22.05.1998. The claimants thereafter instituted the present petition seeking compensation of ₹60,00,000/- on account of death of Surender Kumar Sapra.

3. Upon an appraisal of the oral and documentary evidence on record, the learned Tribunal concluded that the accident had occurred due to the rash and negligent driving of both the vehicles involved. It held that the drivers of the Trax Jeep and the tractor were equally at fault, a conclusion drawn primarily from the ocular testimonies of Ravinder @ Billu (PW-1) and Jasbir Singh (PW-4), as well as from the FIR (Ex. RA) lodged promptly after the occurrence. For the purpose of assessing compensation, the Tribunal took the monthly income of the deceased to be ₹15,000/-, deducted one-third towards his personal and living expenses, applied the multiplier of 15, and computed the loss of dependency at ₹18,00,000/-. From this amount, a sum of ₹4,37,167/- (rounded to ₹4,38,000/-), received by the widow of deceased under the Group Personal Accident Scheme of the Department, was deducted, bringing the figure to ₹13,62,000/-. Under the conventional heads, the Tribunal further awarded ₹2,500/- towards loss of estate, ₹2,000/- towards funeral expenses, and ₹5,000/- towards loss of consortium, totalling ₹10,000/-. Accordingly, the overall compensation assessed and awarded to the claimants came to ₹13,72,000/-.

### **CONTENTIONS**

4. Learned counsel for the appellants contends that the compensation assessed by the learned Tribunal is wholly inadequate. It is urged that the



learned Tribunal failed to correctly assess the income of the deceased, despite cogent evidence establishing that he was drawing a substantially higher salary as a Senior Store Keeper in a Government of India undertaking. Learned counsel for appellant submits that the appellants were entitled to addition towards future prospects and that the appropriate multiplier, corresponding to the age of the deceased, ought to have been applied. It is further argued that the Tribunal erred in deducting one-third towards personal and living expenses when the deceased had four dependents, and that the correct deduction should have been one-fourth. Additionally, it is submitted that the amount received under the Group Personal Accident Scheme was wrongly deducted, as such benefits cannot be set off against the statutory compensation payable under the Motor Vehicles Act. The sums awarded under the conventional heads are also asserted to be inadequate. On all these grounds, the appellants seek enhancement of the compensation.

### **OBSERVATIONS AND FINDINGS**

6. I have carefully heard the arguments advanced by the learned counsel representing the appellants and have thoroughly examined the entire paper book.

7. At the outset, it is observed that the finding of the learned Tribunal regarding negligence is well reasoned and supported by the ocular and documentary evidence, particularly the testimonies of Ravinder @ Billu (PW-1) and Jasbir Singh (PW-4), as well as from the FIR (Ex. RA). This Court finds no perversity or infirmity in such conclusion and, therefore, upholds the finding that the drivers of both vehicles were negligent in equal proportion. However, its approach in awarding a sum of ₹13,72,000/- is legally



unsustainable, as the learned Tribunal failed to properly assess the actual income of the deceased, to make the requisite addition towards future prospects, further to apply the correct multiplier, and to award appropriate amounts under the conventional heads. The further deduction of the amount received under the Group Personal Accident Scheme is also erroneous, such receipt being wholly independent of the compensation payable under the Motor Vehicles Act. The Hon'ble Supreme Court has consistently underscored the necessity of a structured and uniform methodology in the determination of compensation in motor accident fatality claims so as to ensure the grant of "just compensation" within the meaning of Section 166 of the Act.

8. The salary certificate (Ex. P-2) on record establishes that the deceased was drawing a gross monthly salary of ₹17,237/-. The learned Tribunal, however, reduced this figure to ₹15,000/- while accounting for income tax liability. This finding was based on the calculation sheet of salary (Ex. R-1) produced by S.S. Fonia (RW-2), which showed that the deceased had paid an amount of ₹11,239/- as income tax during the financial year 1997-1998. Although no income-tax return or other documentary evidence was placed on record to prove the exact taxable income or the quantum of tax deducted at source, the learned Tribunal was justified in making a notional deduction towards income tax, having regard to the clear indication in "Ex. R-1" that such payment had been made. In these circumstances, the learned Tribunal rightly took into consideration the statutory liability of the deceased and reasonably assessed his monthly income at ₹15,000/- after deducting the notional amount of tax.

9. The contention of learned counsel for the appellants that an additional sum of ₹2,500/- ought to be included towards "other benefits" so as to enhance



the monthly income to ₹19,737/- is devoid of merit. The said submission is misconceived, as it neither specifies any distinct recurring benefit nor establishes that any further monetary advantage was payable to the dependants beyond what has already been received, such as leave encashment (₹49,600/-), gratuity (₹1,03,032/-), the contributory provident fund (₹2,68,592/-) and Compensation in lieu of employment (₹1,00,000/-). Such benefits were in Group Accident Personal; accident amount (₹4,37,167/-) fact duly disbursed to the widow of the deceased after his death, and cannot be treated as a component of monthly income for the computation of loss of dependency. Therefore, the vague and unspecified contention regarding “other benefits” was, therefore, correctly rejected by the learned Tribunal as well as no material was produced to demonstrate that any further other benefits accrued to the family beyond the amounts already received by the widow of deceased.

10. Further, the deduction of ₹4,37,167/- (rounded off ₹4,38,000) received under the *Group Personal Accident Insurance Scheme* (GPA) from the amount of compensation by the learned Tribunal is contrary to law. The settled position, as laid down in ***Helen C. Rebello and Others v. Maharashtra SRTC, 1999 (1) SCC 90; Vimal Kanwar (supra); and Sebastiani Lakra v. National Insurance Co. Ltd., (2019) (17) SCC 465***, in the said cases, the Hon’ble Supreme 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. Therefore, in the present case such receipts cannot be brought within the ambit



of “pecuniary advantage” deductible from compensation under Section 168 of the Act. The benefit received by widow/appellant under the GPA Scheme being a service-related entitlement, independent of the cause of accidental death, cannot be adjusted against the statutory compensation payable to the dependants. The deduction made by the learned Tribunal is thus unsustainable in law and the said amount is liable to be restored to the claimants. Thus, while affirming the finding on negligence, the computation of compensation made by the learned Tribunal requires modification to the extent of the deduction made towards the Group Personal Accident Insurance Scheme (GPA). The said deduction being contrary to law, as discussed hereinabove, is wrongly made.

11. As it is noted that the computation of compensation is not in conformity with the settled principles of law governing assessment of just compensation. The learned Tribunal has failed to make additions towards future prospects, which is now mandatory in the case of Government employees, as held by the Constitution Bench of the Hon’ble Supreme Court in **National Insurance Co. Ltd. v. Pranay Sethi, (2017) 16 SCC 680**. Further, the deduction of one-third towards personal expenses is not correct to the standard laid down in **Sarla Verma v. DTC, (2009) 6 SCC 121**, wherein it has been held that where the dependents are 4 to 6 in number, the appropriate deduction should be one-fourth. Therefore the correct deduction applicable in the present case is one-fourth and not one-third as the deceased is survived by four dependants; his widow, two children, and his mother. Additionally, the learned Tribunal has not awarded amount under the conventional heads such as loss of consortium, loss of estate and funeral expenses, which have been recognised as integral components of just compensation by the Hon’ble Supreme Court in **Pranay Sethi (supra)** and later affirmed in **Magma General Insurance Co. Ltd. v.**



*Nanu Ram alias Chuhru Ram*, (2018) 18 SCC 130. Accordingly, the compensation is required to be reassessed by applying the above judgments and considering the age of the deceased as **41 years (as per the salary certificate Ex. P2)**. The reassessment is structured as under:

**REASSESSED COMPUTATION**

Particulars	Tribunal Award (₹)	Reassessed Award (₹)
Monthly Income	15,000/-	15000/-
Annual Income	1,80,000/-	<b>1,80,000/-</b>
Income With Future Prospects (30%)	x	<b>2,34,000/- (1,80,000 + 54000)</b>
Deduction	60,000/- (4 dependents) (1/3rd For Personal Expenses)	<b>58500/- (4 Dependents) (1/4th For Personal Expenses)</b>
Annual Contribution To Family	1,20,000/-	<b>1,75,500/-</b>
Multiplier ( <b>age 41 yrs</b> )	15	<b>14</b>
Loss Of Dependency	<b>18,00,000/- (1,20,000 × 15)</b>	<b>24,57,000/- (1,75,500 × 14)</b>
Spousal Consortium	5000/-	40,000/-
Parental Consortium	x	80,000/- <b>(40000 × 2)</b>
Filial Consortium	x	<b>40,000/-</b>
Loss Of Estate	2,500/-	15,000/-
Funeral Expenses	2,000/-	15,000/-
Total	₹18,10,.000/- (Rounded Off)  ₹13,72,000/- ( <b>Payable</b> ) (After deduction of GPA)	<b>₹26,47,000/-</b>



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15. Resultantly, the compensation awarded by the learned Tribunal is enhanced from ₹13,72,000/- to **₹26,47,000/-**. The enhanced amount shall carry the same interest at rate of 7% per annum from the date of filing of the claim petition till realization. Respondent no.1 & 2 and 3 & 4 being liable in equal proportion on account of composite negligence, are liable to pay compensation in proportion of 50:50. The liability of all the respondents shall remain joint and several as held by the learned Tribunal.

16. Accordingly, the appeal is **allowed** with modification of the award to the above extent only.

17. Since the main case has been decided, pending miscellaneous application(s), if any, stands also disposed of.

13.11.2025

Saurav Pathania

(VIRINDER AGGARWAL)  
JUDGE

(i)	Whether speaking/reasoned :	Yes/No
(ii)	Whether reportable :	Yes/No