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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-3269-2023 (O&M)
Date of Decision : 09.02.2026

RAMESH CHANDER & ANR .... Appellants

VERSUS

SHANKAR LAL SAINI & ORS .... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Piyush Aggarwal, Advocate for the appellants.

Mr. Vinod Gupta, Advocate for respondent No.3.

ALKA SARIN, J. (ORAL)

CM-11194-CII-2023

1. This is an application for condonation of delay of 49 days in filing the appeal.

2. For the reasons stated in the application, the same is allowed and the delay of 49 days in filing the appeal is condoned.

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3. The present appeal has been preferred by the claimant-appellants aggrieved by the quantum of compensation awarded by the Motor Accident Claims Tribunal, Jhajjar (hereinafter referred to as the 'Tribunal') vide award dated 27.09.2022.

4. Since the factum of the accident is not in dispute, the facts, as recorded in the impugned award passed by the Tribunal, are not being adverted to herein for the sake of brevity.

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

Sr. No.	Heads	Compensation Awarded
1.	Monthly income	₹18,588
2.	Annual income	[₹18,588 x 12] = ₹2,23,056
3.	Deduction @ 50%	[₹2,23,056 - ₹1,11,528] = ₹1,11,528
4.	Future prospects @ 50%	[₹1,11,528 + ₹55,764] = ₹1,67,292
5.	Multiplier of '18'	[₹1,67,292 x 18] = ₹30,11,256
6.	Funeral expenses	₹15,000
7.	Loss of estate	₹15,000
8.	Loss of consortium	₹40,000
	Total Compensation	**₹30,81,256**
	Interest	**@ 9% per annum**

6. Learned counsel for the claimant-appellants would contend that the gross monthly income of the deceased though was proved on the record to be ₹34,129 per month, however, the Tribunal has erroneously taken the same to be ₹18,588 per month being the net salary. Learned counsel has relied upon the judgment in the case of **National Insurance Company Ltd. vs. Nalini & Ors. [2024 SCC OnLine SC 2252]** to contend that the gross income of the deceased is to be taken into consideration and not the net salary. It is further the contention of the learned counsel that though the claimant-appellants do not dispute the deduction, the addition made towards future prospects and the multiplier applied however the amounts awarded under the conventional heads i.e. loss of estate and funeral expenses as well as under the head 'loss of consortium' are not in consonance with the law laid down by 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]**.

7. *Per contra*, learned counsel for respondent No.3-Insurance Company would contend that the income of the deceased has rightly been assessed as ₹18,588 per month and that sufficient amount has already been awarded as compensation in the present case and hence there is no scope of enhancement. It is further the contention of the learned counsel that income tax of ₹1,671 per month ought to have been deducted while calculating the income of the deceased.

8. Heard.

9. In the present case the Tribunal while assessing the income of the deceased has assessed it to be ₹18,588 per month taking it to be the net salary after deduction. In the case of **Nalini** (supra) it has been held that the allowances under the heads of transport allowance, house rent allowance, provident fund loan, provident fund and special allowance ought to be added while considering the basic salary of the victim/deceased to arrive at the dependency factor. In view of the above, the gross salary of the deceased has to be considered and not the net salary. The argument of the learned counsel for respondent No.3 that income tax per month ought to have been deducted deserves to be accepted. The income tax slab prevailing at the relevant time was as under :

Sr. No.	*Income Slabs*	*Tax Rates*
i.	*Where the taxable income does not exceed ₹2,50,000*	*Nil*
ii.	*Where the taxable income exceeds ₹2,50,000 but does not exceed ₹5,00,000*	*5% of amount by which the taxable income exceeds ₹2,50,000*
	XXXXXX	

Accordingly, the income of the deceased is assessed as ₹34,129 per month which comes to ₹4,09,548 per annum less income tax which comes to ₹7,977 per annum i.e. ₹4,01,570 per annum (rounded off to ₹4,02,000). Since there is no challenge to the deduction, the addition made towards future prospects and the multiplier applied, the same are maintained.

10. Further, the amounts awarded under the conventional heads i.e. loss of estate and funeral expenses and under the head loss of consortium are not in consonance with the law laid down by the Hon'ble Supreme Court and the argument 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. The claimant-appellants, being the parents of the deceased, would also be entitled to ₹48,000 each (₹40,000 + 20% increase) towards loss of consortium.

11. Accordingly, the reworked compensation to which the claimant-appellants are entitled is as under :

Sr. No.	Heads	Compensation Awarded
1.	Annual income	₹4,02,000
2.	Deduction @ 50%	[₹4,02,000 - ₹2,01,000] = ₹2,01,000
3.	Future prospects @ 50%	[₹2,01,000 + ₹1,00,500] = ₹3,01,500
4.	Multiplier of '18'	[₹3,01,500 x 18] = ₹54,27,000
5.	Funeral expenses	₹18,000
6.	Loss of estate	₹18,000
7.	Loss of consortium Filial	[₹48,000 x 2]= ₹96,000
	Total Compensation	**₹55,59,000**

12. 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. The amount shall be apportioned between the claimant-appellants as directed by the Tribunal.

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 respondent No.3-Insurance Company in the bank accounts of the claimant-appellants within a period of six weeks from today. The particulars of the bank accounts along with the requisite documents in support thereof shall be furnished by the claimant-appellants to respondent No.3-Insurance company within a period of two weeks from today and needful shall be done by respondent No.3-Insurance Company after verification thereof within a period of four weeks thereafter along with up-to-date interest. The compliance shall be reported by the Bank to the Tribunal concerned.

14. In view of the above discussion, the present appeal is allowed

and the award passed by the Tribunal is modified accordingly. Pending applications, if any, also stand disposed off.

09.02.2026 **(ALKA SARIN)**
Aman Jain **JUDGE**

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: Yes/No