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

FAO-2919-2019 (O&M)
Date of decision : 25.03.2026

Mamta Singh and others

...Appellants

Versus

Hari Mohan Singh and others

...Respondents

CORAM: HON'BLE MS. JUSTICE HARPREET KAUR JEEWAN

Present: Ms. Bhumika Khatri, Advocate,
for Mr. Ram Darshan Yadav, Advocate,
for the appellants.

Mr. Nitin Gupta, Advocate,
and Ms. Jasleen Kaur Chhibber, Advocate,
for respondent No.3-Insurance Company.

HARPREET KAUR JEEWAN, J.

1. Appellants-claimants are seeking enhancement of the compensation amount awarded by the Motor Accident Claims Tribunal, Rewari (*hereinafter referred to as the "Tribunal"*), regarding the death of Hari Singh, in a roadside accident, which took place on 03.06.2016.

2. The Tribunal vide Award dated 22.02.2019, awarded compensation of Rs.41,20,000/- to the claimants, holding that Hari Singh died due to the road-side accident which was a result of rash and negligent driving of the truck bearing registration No.HR-47C-1606, by respondent No.1.

2.2 The Tribunal considered the age of the deceased as 35 years and 03 months; assessed the income of the deceased as Rs.30,000/- per



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month, and the Insurance Company of the truck was ordered to pay a sum of Rs.41,20,000/- as compensation to the appellant-claimants as per the following calculations:-

Sr. No.	Heads	Compensation Awarded
1.	Annual income	Rs. 3,60,000/- (30,000 X 12)
2.	Deduction towards personal expenses (1/4)	Rs.2,70,000/- (3,60,000 - 90,000)
3.	Multiplier	15
4.	Loss of dependency	Rs.40,50,000/- (2,70,000 X 15)
5.	Funeral expenses	Rs.15,000/-
6.	Loss of consortium	Rs.40,000/-
7.	Loss of estate	Rs.15,000/-
8.	Total :	Rs.41,20,000/-

2.3 The present appeal, filed by the claimants seeking enhancement, has been contested by the Insurance Company.

3. Learned counsel for the appellants contends that despite there being an evidence on record that the deceased was earning a salary of Rs.44,034/- per month, the Tribunal has wrongly considered the monthly income as Rs.30,000/- per month, while calculating the dependency; future prospects have not been taken into consideration; and even the compensation towards conventional heads has not been awarded appropriately. Cites Sarla Verma & Ors. vs. Delhi Transport Corporation & Ors., (2009) 6 SCC 121, National Insurance Company Ltd. vs. Pranay Sethi & Ors., (2017) 16 SCC 680 and Magma General Insurance Company Limited vs. Nanu Ramalias Chuhru Ram & Ors., (2018) 18 SCC 130.



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4. *Per contra*, Mr. Nitin Gupta, Advocate, representing the respondent-Insurance Company, contends that appropriate compensation has already been awarded on the basis of the evidence on record and there is no scope for enhancement.

5. I have heard learned counsel for the parties and perused the paper book.

6. As per the evidence on record, gross income of the deceased has been proved as Rs.44,034/- per month. PW-1, Dr. Sanjay Chauhan, has proved the salary certificate (Ex.PW1/A) and provided bifurcation of the income. The Tribunal has observed that House Rent Allowance (Rs.10,000/-), Conveyance Allowance (Rs.1600/-) and Bonus (Rs.2434/-) cannot be taken into consideration for the purpose of calculating the salary.

7. The aforesaid findings of the Tribunal are liable to be set aside being contrary to the settled principles of law for determining 'Income' of a person. Reliance in this regard can be placed on a recent judgment by the Hon'ble Apex Court in *Manorma Sinha and another Vs. The Divisional Manager Oriental Insurance Company Limited and another*, *Neutral Citation: 2025 INSC 1237*, wherein it has been held as under:-

“12. Now, the next question is whether allowances are to be added to the salary for determining the multiplicand. In National Insurance Co. Ltd. v. Indira Srivastava & Ors. it was held that “the term income has different connotations for different purposes. A court of law, having regard to the change in societal conditions consider the question not only



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having regard to pay packet the employee carries home at the end of the month but also other perks which are beneficial to the members of the entire family”. In Vijay Kumar Rastogi v. Uttar Pradesh State Roadways Transport Corporation⁷ a three-Judge Bench of this court noticing earlier decisions on the point observed that “the income should include those benefits, either in terms of money or otherwise, which are taken into consideration for the purpose of payment of income tax or professional tax, although some elements thereof may not be taxable due to exemption conferred thereupon under the statute.” Following the decision in Vijay Kumar Rastogi (supra) in National Insurance Company Ltd. v. Nalini & Ors. it was held by this Court that the emoluments and the benefits accruing to the deceased under various heads for the purposes of computation of loss of income, ought to be included irrespective of whether they are taxable or not. Thus, in our view, the High Court erred in excluding the allowances from the computation to arrive at the multiplicand. Hence, the total monthly income was rightly computed by the Tribunal at Rs.53,367.”

8. In view of the ratio of the aforesaid decision, it is apparently clear that deduction on account of the House Rent Allowance, Bonus and Conveyance Allowance cannot be made from the salary of the deceased while calculating the monthly income. As such, the monthly income of the deceased is treated as Rs.44,034/-.

9. The Tribunal has also not considered the ‘future prospects’ while computing compensation on account of loss of dependency. As such, keeping in view the law laid down in Sarla Verma’s case (supra),

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addition of 40% on account of future prospects is admissible while calculating monthly income of the deceased. Further, in view of the age of the deceased, i.e. 35 years, multiplier of 16 instead of 15 (as determined by the Tribunal) would be applicable.

10. It is also noticed that there are 05 claimants in this case, i.e. the widow, 02 minor sons and parents of the deceased. However, the Tribunal has only awarded a lump sum amount of Rs.40,000/- towards 'loss of consortium'. Keeping in view the law laid down by the Hon'ble Apex Court in *Magma's case (supra)*, the consortium is required to be allowed to all the claimants. Similarly, compensation under the other conventional heads is also on the lower side and needs to be enhanced.

11. In view of the facts and circumstances of this case and the decisions referred to hereinabove, the compensation is re-worked as under:-

Sr. No.	Heads	Compensation Awarded
1.	Monthly income	Rs.44,034/-
2.	Annual income	Rs.5,28,408/- [Rs.44,034 x 12]
3.	Deduction 1/4 th	Rs.3,96,306/- [Rs. 5,28,408 – Rs.1,32,102]
4.	Future prospects @ 40%	Rs.5,54,828/- [Rs.3,96,306+ Rs.1,58,522]
5.	Multiplier of '16'	Rs.88,77,248/- [Rs. 5,54,828 x 16]
6.	Loss of dependency	Rs.88,77,248/-
7.	Funeral expenses	Rs.18,000/-
8.	Loss of estate	Rs.18,000/-
9.	Loss of consortium (spousal, filial and parental)	Rs.2,40,000/- [Rs.48,000/- x 5]
	Total Compensation	Rs.91,53,248/-



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	Interest @ 7.5% per annum	On excess amount
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12. In view of the decision by the Hon’ble Supreme Court in *Parminder Singh vs. Honey Goyal & Ors., 2025 INSC 361*, after calculation of the enhanced amount, the same shall be transferred by respondent No.3-Insurance Company in the Bank Accounts of the claimant-appellants within a period of 06 weeks from today. The particulars of the bank account(s) 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.

13. In view of the above discussion, the present appeal is partly allowed and the Award of the Tribunal is modified accordingly.

14. Pending Miscellaneous Application(s), if any, shall also stand disposed of.

25.03.2026
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[HARPREET KAUR JEEWAN]
JUDGE

Whether speaking / reasoned :	Yes	No
Whether Reportable :	Yes	No