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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-7659-2016 (O&M)
Date of Decision : 06.03.2026

Ranju and Others ... Appellants

Versus

Upender Singh and Others ... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. M.S. Randhawa, Advocate for the appellants.

Mr. Punit Jain, Advocate for respondent No.3.

<u>ALKA SARIN, J.</u> (Oral)

1. The present appeal has been preferred by the claimant-appellants aggrieved by the quantum of compensation awarded by the Motor Accident Claims Tribunal, Narnaul (hereinafter referred to as 'Tribunal') vide the impugned award dated 30.09.2015 on account of death of Rakesh Kumar (hereinafter referred to as the 'deceased') in a motor vehicle accident which occurred on 16.02.2015.

2. Since the factum of the accident is not in dispute, the facts are not being adverted to 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	₹22,837/-
2	Deduction - 1/3rd	₹15,225/- [₹22,837 - ₹7,612]
3	Annual Income	₹1,82,700/- [₹15,225 x 12]
4	Multiplier - 15	₹27,40,500/- [₹1,82,700 x 15]

5	Funeral expenses	₹15,000/-
6	Loss of consortium	₹25,000/-
	Total Compensation	**₹27,80,500/-**
	Interest	**9% per annum**

4. Learned counsel for the claimant-appellants would contend that though he does not challenge the deduction as applied by the Tribunal, however, he has contended that the income of the deceased has wrongly been assessed on the lower side as ₹22,837/- per month inasmuch as the deceased was getting a salary of ₹27,104/- per month and a salary certificate to this effect was produced on the record as Ex.PW1/B. It has further been contended that the Tribunal has not made any addition towards loss of future prospects, which ought to have been 50% as the deceased was in Government Service. It is further the contention that the age of the deceased was 35 years 01 month and 15 days i.e. below the age of 36 years, therefore, a multiplier of '16' ought to have been applied instead of '15'. Further, the compensation awarded under the conventional heads as well as under the head 'loss of consortium' is not in accordance with the law laid down by the Hon'ble Supreme Court. In support of his contention, he has relied upon the 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]**, **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 vehemently argued that sufficient amount has already been awarded as compensation in the present case and that there is no scope of any enhancement.

6. Heard.

7. Admittedly, no appeal has been preferred by the Insurance Company. In the present case, since no challenge has been laid by the learned counsel for the claimant-appellants to the deduction as applied by the Tribunal, the same is maintained accordingly.

8. In the present case, admittedly, the deceased was in a permanent job with the CRPF. The claimants have examined ASI/JD Jaswant Singh, CRPF, GC, Gurugram as PW-1. This witness brought the original record pertaining to the deceased and produced on record attested copy of service certificate as Ex.PW1/A and attested copy of pay slip as Ex.PW1/B. This witness deposed that the deceased was drawing a net salary of ₹27,104/- per month. The Tribunal has assessed the income of the deceased as ₹22,837/- per month after deducting an amount of ₹4,267/- towards personal allowances, which in the opinion of this Court is erroneous. PW-1 ASI/JD Jaswant Singh has proved on record the salary certificate of the deceased as Ex.PW1/B, which reveals the gross salary of the deceased as ₹27,104/- per month. In view of the judgment in the case of **National Insurance Company Ltd. vs. Nalini & Ors. [2024 SCC OnLine SC 2252]**, gross salary/income of the deceased is to be taken into consideration and not the net salary. Accordingly, gross salary of the deceased in the sum of ₹27,104/- is assessed as his monthly income and his annual income comes out to ₹3,25,248/- minus income tax at the relevant point of time. The accident in the present case had taken place on 16.02.2015 and the Income Tax Slab for the Assessment Year 2016-17 reads as under :

INCOME SLABS	INCOME TAX RATES
Upto ₹2,50,000	NIL
₹2,50,000 to ₹5,00,000	10% of the amount exceeding ₹2,50,000

Accordingly, the income tax payable by the deceased was ₹7,525/- per annum (i.e. 10% of ₹75,248/-). Thus, the annual income of the deceased comes out to be ₹3,17,723/- [₹3,25,248 – ₹7,525 (income tax)]. Hence, the annual income of the deceased is assessed as ₹3,17,723/-.

9. The Tribunal has not made any addition towards loss of future prospects. The deceased was admittedly 35 years of age and was in Government job, hence, as per the law laid down by the Hon'ble Supreme Court in the case of **Pranay Sethi** (supra), 50% addition is made towards loss of future prospects.

10. In the present case, the Tribunal has wrongly applied a multiplier of '15'. The deceased was admittedly 35 years 01 month and 15 days of age i.e. below the age of 36 years, hence, as per the law laid down by the Hon'ble Supreme Court in the case of **Sarla Verma** (supra), a multiplier of '16' would be applicable.

11. Further, the compensation awarded under the conventional heads and under the head 'loss of consortium' is 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), 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 as also 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	Annual Income	₹3,17,723/-
3	Deduction - 1/3rd	₹2,11,815/- [₹3,17,723 - ₹1,05,908]
4	Future Prospects - 50%	₹3,17,722/- [₹2,11,815 + ₹1,05,907]
5	Multiplier - 16	₹50,83,552/- [₹3,17,722 x 16]
6	Loss of estate	₹18,000/-
7	Funeral expenses	₹18,000/-
8	Loss of consortium (i) Parental [₹48,000/- x 1] (ii) Filial [₹48,000/- x 1]	 ₹48,000/- ₹48,000/-

	(iii) Spousal	₹48,000/-
		(Total ₹1,44,000/-)
	Total Compensation	**₹52,63,552/-**

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.

13. In view of the decision by the Hon'ble Supreme Court in **Parminder Singh vs. Honey Goyal & Ors. [AIR 2025 SC 1713 = 2025 SCC OnLine SC 567]**, 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.

14. 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.

06.03.2026 **(ALKA SARIN)**
jk **JUDGE**

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