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

FAO-4843-2018 (O&M)

Date of Decision : 17.02.2026

SAVITA AND ORS

.... Appellants

VERSUS

SHAMSHAD AND ORS

.... Respondents

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Atul Yadav, Advocate for the appellants.

None for respondents No.1 and 2.

Mr. Neeraj Khanna, Advocate for respondent No.3.

ALKA SARIN, J. (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, Gurugram (hereinafter referred to as the 'Tribunal') vide award dated 14.02.2018.

2. 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.

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

Sr. No.	Heads	Compensation Awarded
1.	Monthly income	₹20,000
2.	Annual income	[₹20,000 x 12] = ₹2,40,000
3.	Deduction 1/4 th	[₹2,40,000 - ₹60,000] = ₹1,80,000
4.	Future prospects @40%	[₹1,80,000 + ₹72,000] = ₹2,52,000
5.	Multiplier of 15	[₹2,52,000 x 15] = ₹37,80,000
6.	Funeral expenses	₹15,000
7.	Loss of estate	₹15,000
8.	Loss of consortium	₹40,000
9.	Transportation charges	₹5,000
	Total Compensation	₹38,55,000
	Interest	@ 7% per annum

4. Learned counsel for the claimant-appellants would contend that the gross monthly income of the deceased though was proved on the record to be ₹23,644 per month (₹2,83,728 per annum), however, the Tribunal has erroneously taken the same to be ₹20,000 per month being the net salary (rounded off). Learned counsel has relied upon the judgment in the case of **National Insurance Company Ltd. vs. Nalini & Ors. [2024 (2) PLT 671 = 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 made towards personal expenses, 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. Chola mandalam M.S General Insurance Company Ltd. [2021(4) RCR (Civil) 642].

5. *Per contra*, learned counsel for respondent No.3-Insurance Company would contend that the income of the deceased has rightly been assessed as ₹20,000 per month and that sufficient amount has already been awarded as compensation in the present case hence there is no scope of enhancement.

6. Heard.

7. Admittedly no appeal has been preferred by respondent No.3-Insurance Company. In the present case the Tribunal while assessing the income of the deceased has assessed it to be ₹20,000 per month taking it to be the net salary (rounded off). 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. Accordingly, the income of the deceased is assessed as ₹23,644 per month which comes to ₹2,83,728 per annum. Since there is no challenge to the deduction made towards personal expenses, the addition made towards future prospects and the multiplier applied, the same are maintained.

8. 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 widow, the minor children and the parents of the deceased, would also be entitled to ₹48,000/- each (₹40,000 + 20% increase) towards loss of consortium.

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

Sr. No.	Heads	Compensation Awarded
1.	Monthly income	₹23,644
2.	Annual income	[₹23,644 x 12] = ₹2,83,728
3.	Deduction 1/4 th	[₹2,83,728 - ₹70,932] = ₹2,12,796
4.	Future prospects @40%	[₹2,12,796 + ₹85,119] = ₹2,97,915
5.	Multiplier of 15	[₹2,97,915 x 15] = ₹44,68,725
6.	Funeral expenses	₹18,000
7.	Loss of estate	₹18,000
8.	Loss of consortium i. Spousal ii. Parental iii. Filial	₹48,000 [₹48,000 x 2]= ₹96,000 [₹48,000 x 2]= ₹96,000 Total = ₹2,40,000
	Total Compensation	₹47,44,725

10. 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.

11. 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 share of the minor claimant-appellants shall be kept in an FDR with a nationalized bank fetching maximum rate of interest. 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.

12. 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.

17.02.2026
Aman Jain

(ALKA SARIN)
JUDGE

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