

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S). _____ of 2026
(@PETITION FOR SPECIAL LEAVE TO APPEAL (C) NO.22433/2024)

SUBHA & ORS.

...APPELLANT(S)

VERSUS

THE UNITED INDIA INSURANCE COMPANY LTD. & ORS.

...RESPONDENT(S)

O R D E R

1. Leave granted.

2. Present appeal has been filed challenging the final judgment and order dated 24th March 2023 passed by the Madurai Bench of the High Court of Madras in CMA(MD) No.288 of 2023 whereby the High Court has considered the net income of the deceased for determining the quantum of compensation under the head 'Loss of Income'.

3. Learned counsel for the Appellants submits that the High Court erred in holding that the net income of the deceased has to be considered for determining the quantum of compensation under the head 'Loss of Income'. According to him, this approach is in direct contravention of the well-established principle of law laid down by this Court which mandates consideration of gross income for such calculation. He submits that this deviation from the settled principle of law has resulted in reduction of the compensation amount due and payable to the Appellants from Rs.42,63,904/- to Rs.27,97,000/-.

4. Learned counsel for the Appellants further submits that the High Court erroneously placed reliance upon the judgment of this Court in *National Insurance Company Limited vs. Pranay Sethi & Ors.*, (2017) 16 SCC 680 to hold that net income ought to be considered for calculating the compensation payable under the head 'Loss of Income'.

5. *Per contra*, learned counsel for Respondent-Insurance company submits that the High Court has correctly calculated the compensation amount under the head 'Loss of Income' in accordance with judgment in *National Insurance Company Limited* (supra) on the basis of gross income of the deceased. He further submits that the Respondent-Insurance company has already complied with the impugned High Court judgment and has deposited the entire compensation amount with the Motor Accidents Claims Tribunal, Kuzhithurai.

6. Having heard learned counsel for the parties, this Court finds that the issue whether compensation under the head 'Loss of Income' is to be calculated on the basis of gross income or net income has been conclusively settled by this Court in *Kalpanaraj & Ors. vs. Tamil Nadu State Transport Corporation*, (2015) 2 SCC 764 wherein it has been held as under:-

"9. In the light of the principle of law laid down by this Court in the Indira Srivastava case [National Insurance Co. Ltd. v. Indira Srivastava, (2008) 2 SCC 763] mentioned supra, we are of the opinion that the High Court erred in making deductions under various heads to arrive at the net income instead of ascertaining the gross income of the deceased out of the annual income earned from his occupation mentioned in the income tax return submitted for the relevant Financial Year 1994-1995."

7. In view of the aforesaid categorical exposition of law, the impugned judgment of the High Court is set aside and the order dated 25th March, 2022 passed by the Motor Accidents Claims Tribunal, Kuzhithurai in MCOP No. 22 of 2016, is restored. The Respondent-Insurance Company is directed to pay the compensation amount in accordance with the order passed by the Motor Accidents Claims Tribunal, Kuzhithurai, to the Appellants within eight weeks from today.

8. Accordingly, present appeal is disposed of. There is no order as to costs.

9. Pending application(s), if any, shall stand disposed of.

..... J.
[R. MAHADEVAN]

..... J.
[MANMOHAN]

NEW DELHI;
JULY 27, 2026.

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

PETITION FOR SPECIAL LEAVE TO APPEAL (C) NO.22433/2024

[Arising out of impugned final judgment and order dated 24-03-2023 in CMAMD No.288/2023 passed by the High Court of Judicature at Madras at Madurai]

SUBHA & ORS.

PETITIONER(S)

VERSUS

THE UNITED INDIA INSURANCE COMPANY LTD. & ORS.

RESPONDENT(S)

IA No. 211341/2024 - EXEMPTION FROM FILING O.T.

Date : 27-07-2026 This matter was called for hearing today.

CORAM :

HON'BLE MR. JUSTICE R. MAHADEVAN
HON'BLE MR. JUSTICE MANMOHAN

For Petitioner(s) :Mr. A Velan, AoR
Ms. Navpreet Kaur, Adv.
Mr. Prince Singh, Adv.
Mr. Nilay, Adv.
Mr. Rashik Hameed Mukilan M, Adv.
Ms. Vanya Sharma, Adv.

For Respondent(s) :Mr. Vishal Bhatnagar, Adv.
Mr. Veer Pratap Singh, Adv.
Ms. Sanskriti Garg, Adv.
Mr. Anshay Dhatwalia, Adv.
Mr. Ashwani Kumar, AoR

O R D E R

Leave granted.

2. The appeal is disposed of in terms of the signed order, which is placed on the file.

(POOJA SHARMA)
AR-CUM-PS

(ANJALI PANWAR)
ASSISTANT REGISTRAR