

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

**FAO NO. 2778 OF 2001 (O&M)
DECIDED ON : 05.05.2015**

Gurnam Kaur and others

...Appellants

versus

Satpal Singh and others

...Respondents

CORAM : HON'BLE MR. JUSTICE K. C. PURI

Present : Mr. Ramneek Vasudeva, Advocate,
for the appellants.

Mr. Vinod Gupta, Advocate,
for respondent-Insurance company.

K. C. PURI, J. (ORAL)

This is an appeal directed by the widow, four minor children and one married daughter claiming compensation on account of death of Harbans Singh in a motor vehicular accident.

The deceased was an employee of Punjab State Electricity Board, Mohali. The Tribunal has partly accepted the claim petition and has allowed a sum of Rs.1,80,000/-. Now, the present appeal is for enhancement of compensation.

Learned counsel for the appellant has submitted that Tribunal has wrongly deducted the amount in respect of GPF,

pension etc. which is against the Division Bench authority of this court reported as "**Reliance General Insurance Co. Ltd vs. Purnima**" (P&H) (DB) 2013 (2) RCR (Civil) 42.

On the other hand, learned counsel for the respondent-Insurance company is fair enough to concede that no deduction in respect of service benefits can be made. Otherwise also in **Reliance General Insurance Co. Ltd.'s case (supra)**, it has been held that pension, gratuity etc is not to be deducted while computing the income of deceased, for the purpose of granting compensation to the family.

Learned counsel for the appellants has submitted that the deceased was 44 years of age and in view of authority "**Sarla Verma and others vs. Delhi Transport Corporation and Another**" 2009 (3) RCR (Civil) 77, the multiplier applicable at the age of 42 is 14. It is further contended that future prospects have not been taken into account while computing the amount of compensation. It is also submitted that no amount in respect of loss of consortium, love and affection and last rites has been granted.

On the other hand, learned counsel for respondent-Insurance company has submitted that income tax has to be deducted from net income of the deceased.

In this case, as per salary certificate Exhibit P-3, gross income of the deceased has been shown as ₹8611/- including basic pay ₹6100/-, risk allowance ₹100/-, medical allowance

₹200/-, D.A ₹976/-, HRA ₹950/-, misc. expenses ₹150/-.

However, income tax has not been shown in the salary certificate. The net income of the deceased is taken as Rs.8611/- per month. The Hon'ble Apex Court in **"Rajesh and others v. Rajbir Singh and others"** 2012 (2) Apex Court Judgments 245 (SC), has observed that where a person is government employee and is in the age group of 40-50, in that case, 30% should be added in respect of future prospects. So, the gross salary of the deceased is taken as ₹8611/- per month and by adding 30%, the amount comes to ₹11,194.31. After deducting the income tax, the income for the purpose of calculation of compensation is taken as ₹10,000/- per month. Since the claimants are six in number, 1/4th amount has to be deducted in respect of personal expenses. So, by deducting 1/4th in respect of personal expenses, the amount comes to Rs.7500/- per month. The yearly dependency comes to ₹90,000/- (7500 x 12). The deceased was aged about 44-45 years of age at the time of accident. So in view of **Sarla Verma and others' case (supra)** the multiplier applicable is 14. So by applying the multiplier of 14, the amount comes to ₹12,60,000/- (90000 x 14). Another sum of ₹15,000/- stands allowed in respect of funeral expenses and transportation. The claimants are also held entitled to claim ₹50000/- in respect of loss of consortium and ₹50,000/- in respect of loss of love and affection. In this manner, the amount of compensation comes to ₹13,75,000/-. The enhanced amount

shall carry interest @ 7.5% per annum from the date of application till its payment. The liability to pay the amount shall remain the same as ordered by the Tribunal. Out of the enhanced amount, a sum of ₹5 lacs shall be paid to the widow and the remaining amount shall be shared equally by the other claimants.

MAY 05, 2015
shalini

(K. C. PURI)
JUDGE