

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

**FAO No.5696 of 2015 (O&M)
Date of Decision: October 31, 2015.**

Reliance General Insurance Company Limited

.....APPELLANT(s).

VERSUS

Sita Devi and others

.....RESPONDENT(s).

CORAM:- HON'BLE MR. JUSTICE SURINDER GUPTA

Present: Mr. Subhash Goyal, Advocate
for the appellant (s).

SURINDER GUPTA, J.

This is appeal by Reliance General Insurance Company Limited against the award dated 01.05.2015 passed by Motor Accident Claims Tribunal, Chandigarh (later referred to as the Tribunal) allowing a compensation of ₹10,36,200/- to the claimants-respondents No.1 and 2 for the death of Manan Singh @ Mann Singh (later referred to as the deceased) in a motor accident with jeep bearing registration No.PIX-65(later referred to as the offending vehicle).

2. As per the case of the claimants, on 05.04.2014 at about 09.10 p.m. the deceased along with his wife and brother was going on foot from plot No.83 Industrial Area Phase-IX, Mohali to factory No.516, Industrial Area Phase-IX, Mohali, when the offending vehicle hit the deceased from behind, as a result of which he fell on the road and sustained injuries on vital organs of his body. He was immediately shifted to Government Medical College and Hospital, Sector-32, Chandigarh where he succumbed to the

injuries suffered in the accident.

3. As the challenge by the appellant is only to the quantum of compensation, detailed facts of the case are not being discussed.

4. Learned counsel for the appellant has assailed the findings of the Tribunal on two counts. Firstly, the Tribunal has taken the income of the deceased as ₹6,000/- per month, which is on higher side and secondly, the Tribunal has allowed compensation towards future prospects despite the fact that the matter is still under consideration before the larger Bench of Hon'ble Supreme Courts in the reference made in case of ***National Insurance Company Limited Vs. Pushpa and others Appeal (C) No.8058 of 2014 decided on 02.07.2014(MANU/SC/1246/2014)***.

5. As per the claimants, the deceased was working in a factory but they could not produce any documentary evidence to this effect. The Tribunal took his wages as an unskilled labourer and quantified the same to be ₹6,000/- per month. The accident had taken place in the year 2014 and it is a well known fact that an unskilled labourer even if works 25 days in a month, earns more than ₹6,000/- per month in the year 2014. Even a daily wage labourer was earning ₹250/- or more per day during that period, as such, the Tribunal has committed no error while assessing income of the deceased as ₹6,000/- per month.

6. So far as the second argument of learned counsel for the appellant is concerned, Hon'ble Apex Court in case of ***National Insurance Company Limited Vs. Pushpa and others (supra)***, while differing with the view taken in case of ***Sarla Verma and others Vs. Delhi Transport***

Corporation and Anr. (2009)6 SCC 121, observed as follows:-

“18. Therefore, we do not think that while making the observations in the last three lines of para 24 of **Sarla Verma** judgment, the Court had intended to lay down an absolute rule that there will be no addition in the income of a person who is self-employed or who is paid fixed wages. Rather, it would be reasonable to say that a person who is self-employed or is engaged on fixed wages will also get 30% increase in his total income over a period of time and if he/she becomes the victim of an accident then the same formula deserves to be applied for calculating the amount of compensation.”

7. In case of **Rajesh and others Vs. Rajbir and others (2013)9 SCC 54**, a three Judges Bench of Hon'ble Apex Court has observed in para 11 and 12 as follows:-

“11. Since, the Court in **Santosh Devi's case** (supra) actually intended to follow the principle in the case of salaried persons as laid in **Sarla Verma's case** (supra) and to make it applicable also to the self-employed and persons on fixed wages, it is clarified that the increase in the case of those groups is not 30% always; it will also have a reference to the age. In other words, in the case of self-employed or persons with fixed wages, in case, the deceased victim was below 40 years, there must be an addition of 50% to the actual income of the deceased while computing future prospects. Needless to say that the actual income should be income after paying the tax, if any. Addition should be 30% in case the deceased was in the age group of 40 to 50 years.

12. In **Sarla Verma's case** (supra), it has been stated that in the case of those above 50 years, there shall

be no addition. Having regard to the fact that in the case of those self-employed or on fixed wages, where there is normally no age of superannuation, we are of the view that it will only be just and equitable to provide an addition of 15% in the case where the victim is between the age group of 50 to 60 years so as to make the compensation just, equitable, fair and reasonable. There shall normally be no addition thereafter.”

8. Reference was made to a larger Bench of Hon'ble Apex Court in case of *National Insurance Company Limited Vs. Pushpa and others (supra)*, on 02.07.2014. In the recent judgment dated May 15, 2015 in case titled *Munna Lal Jain and others Vs. Vipin Kumar Sharma and others 2015(3)RCR (Civil) 447*, a three Judges Bench of Hon'ble Apex Court allowed future prospects in the case of self-employed persons following the observations made in case of *Rajesh and others Vs. Rajbir and others (supra)*.

9. The concept of future prospects envisages chances or opportunities for success and further progress in life which is a normal course of event for every human being involved in any avocation. Even if, keeping in view his ability, capacity etc., one may not be in a position to rise in life, there is another aspect that justifies the grant of addition in the income of the deceased, which is the 'inflationary trend' in which we all are living. For instance, I take instance of an unskilled labourer. It is a matter of common knowledge that daily wage of an unskilled labourer, about a decade ago, was around ₹120 to ₹160 but today the same are around ₹200 to ₹300 per day, depending upon city, location etc. This is because of high increase

in the cost of living. The dependants have also to face the same situation. The amount of compensation is required to be just and reasonable keeping the inflationary trend in view, where the prices of the basic amenities of life are likely to increase further.

10. As the view taken in case of *Rajesh and others Vs. Rajbir and others (supra)* has been followed by the Hon'ble Apex Court in *Munna Lal Jain and others Vs. Vipin Kumar Sharma and others (supra)*, the Tribunal committed no error by allowing 30% addition of the income towards future prospects while calculating the amount of compensation awarded to the claimants.

11. No interference on this score is called for.

12. No other point has been argued by learned counsel for the appellant.

13. This appeal has no merits. Dismissed.

October 31, 2015.
Sachin M.

(SURINDER GUPTA)
JUDGE