IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO No.6011 of 2013 (O&M)
Decided on: 06.12.2016

Raj Rani and others

....Appellants

Versus

Vijay Masih and others

....Respondents

CORAM: HON'BLE MRS JUSTICE REKHA MITTAL

Present : Mr. J.S. Cooner, Advocate
for the appellants.

Mr. M.B. Jain, Advocate
for respondent No.3.

REKHA MITTAL, J. (Oral)

The claimants are in appeal seeking enhancement of compensation in regard to death of Sukhdev Lal in a motor vehicular accident that took place on 18.04.2008.

The Tribunal assessed income of the deceased at Rs.14,608/- per month, allowed statutory deduction towards income-tax to the tune of Rs.5,529/- and thus computed annual income at Rs.1,75,296/-. After allowing deduction to the extent of 1/4th for personal and living expenses and multiplier of 14 computed loss of dependency to the tune of Rs.17,63,202/-. In addition, an amount of Rs.10,000/- for loss of consortium and Rs.5,000/- for funeral expenses was awarded making total compensation to Rs.17,78,202/- payable with interest @ 6% per annum from the date of petition till realization.

Counsel for the appellants has submitted that the Tribunal has not allowed benefit of increase in income for future prospects to the extent of 30% in the light of judgment of Hon'ble the Apex Court ***"Smt.***

Sarla Verma and others vs. Delhi Transport Corporation and another", **2009(3) R.C.R. (Civil) 77**. Compensation awarded under conventional heads needs enhancement.

Counsel for the insurance company, on the contrary, has submitted that liability to pay income-tax would increase by adding future prospects to the extent of 30%.

I have heard counsel for the parties, perused the paperbook and the records.

The deceased was 43 years old at the time of occurrence. In the light of judgment in ***Sarla Verma and other's case (supra)***, claimants are entitled to increase in income for future prospects to the extent of 30%. After extending benefit of increase, annual income of the deceased comes to Rs.2,27,880/-. Salary certificate Ex.PW4/A would prove that the deceased was investing an amount of Rs.1,000/- in GPF and Rs.1,150/- towards LIC and Rs.30/- in GIS. As annual income of the deceased was more than Rs.1,50,000/-, his liability to pay income tax at the rate of 10% for the assessment year 2009-10 shall be Rs.7,562/- (Rs.2,27,800/- – Rs.1,50,000/-) = Rs.77,800/- – (Rs.1,000/- + Rs.1,150/- + Rs.30/-) = Rs.75,620/- x 10%. After deducting liability *qua* income tax and 1/4th for personal expenses and applying a multiplier of 14, loss of dependency comes to ***Rs.23,12,506/-*** (Rs.2,20,238/- – Rs.55,059/-) = Rs.1,65,179/- x 14.

Under conventional heads, an amount of ***Rs.1,00,000/-*** for loss of consortium to the widow, ***Rs.2,25,000/-*** in equal share to the children for loss of love and affection and an amount of ***Rs.25,000/- each*** for expenses on funeral and loss of estate is awarded. The total compensation comes to Rs.26,87,506/- and the enhanced compensation is ***Rs.9,09,304/-*** (Rs.26,87,506/- – Rs.17,78,202/-) payable with interest @ 7.5 % per annum from the date of petition till realization.

The appeal is partly allowed in the aforesaid terms.

06.12.2016 **(REKHA MITTAL)**
yakub **JUDGE**

Whether speaking/reasoned Yes/No

Whether reportable: Yes/No