IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

FAO No.2147 of 2012
Date of Decision: 18.09.2018

Teja Ram and others

...Appellants

Versus

Naim Singh and others

....Respondents

CORAM : HON'BLE MR. JUSTICE B.S.WALIA

Present: Mr. S.K. Tripathi, Advocate
for the appellants.

Mr. J.P. Sharma, Advocate
for respondent Nos.1 and 2.

Mr. Arvind Sharma, Advocate
for respondent No.3.

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B.S.WALIA, J (Oral).

1. Appeal has been filed seeking enhancement of compensation of ₹3,88,000/- awarded by the learned Motor Accidents Claims Tribunal, Rewari (hereinafter referred to as 'the Tribunal') on account of death of Maru Ram, son of appellant Nos.1 and 2 and brother of appellant Nos.3 and 4, in a motor vehicular accident which took place on 28.01.2011.

2. The Tribunal by taking into account the age of the deceased as 25 years, income as Halwai as ₹4500/- per month, by applying multiplier of '14' and making deduction @ 50% of the income of the deceased towards his personal expenses besides awarding a sum of ₹5,000/- each on account of loss of estate and funeral expenses, awarded a total compensation of ₹3,88,000/- along with interest @ 6% per annum.

3. Learned counsel for the appellants contended that the amount payable was liable to be enhanced as the multiplier had been wrongly applied as '14' instead of '18' besides no amount had been awarded on account of future prospects. Moreover, compensation payable on account of funeral expenses and loss of estate was on the lower side. Lastly, interest had been awarded by the Tribunal @ 6% per annum, whereas as per interest rates applicable during the relevant period, interest @ 7.5% per annum ought to have been awarded.

4. Learned counsel for the respondents fairly did not oppose the claim of the appellants for enhancement on the aforementioned aspects.

5. I have considered the submissions of learned counsel for the parties.

6. Admittedly the deceased was 25 years of age. His income was assessed as ₹4500/- per month. In terms of paragraph No.21 of the decision in Sarla Verma Vs. Delhi Transport Co-op. and another, 2009 (3) RCR (Civil) 77, in case of age of the deceased between 21 to 25, multiplier of '18' is applicable. Relevant extract of decision in Sarla Verma's case (supra) is reproduced as under:-

> "21. We therefore hold that the multiplier to be used should be as mentioned in Column (4) of the table above (prepared by applying Susamma Thomas, Trilok Chandra and Charlie), which starts with an operative multiplier of 18 (for the age groups of 15 to 20 and 21 to 25 years), reduced by one unit for every five years, that is M-17 for 26 to 30 years, M- 16 for 31 to 35 years, M-15 for 36 to 40

> years, M-14 for 41 to 45 years, and M-13 for 46 to 50 years, then reduced by two units for every five years, that is, M-11 for 51 to 55 years, M-9 for 56 to 60 years, M-7 for 61 to 65 years and M-5 for 66 to 70 years."

7. Accordingly, in view of decision in Sarla Verma's case (supra) as also of deceased being 25 years of age, multiplier of '18' is held to be applicable for computing the compensation payable.

8. Secondly, in terms of paragraph No.61 (iv) of the decision in National Insurance Company Ltd. versus Pranay Sethi and others, 2017(4) RCR (Civil) 2009, where the deceased was on a fixed salary and below the age of 40 years, addition of 40% of the established income minus tax component is to be taken into account for computing the future prospects**.** Relevant extract of the decision in Pranay Sethi's case (supra) is reproduced as under:-

> 61 (iv) In case the deceased was self-employed or on a fixed salary, an addition of 40% of the established income should be the warrant where the deceased was below the age of 40 years. An addition of 25% where the deceased was between the age of 40 to 50 years and 10% where the deceased was between the age of 50 to 60 years should be regarded as the necessary method of computation. The established income means the income minus the tax component.

9. Since in the instant case, deceased, aged 25 years was working as Halwai on fixed salary of ₹4500/- per month, therefore, 40% of the

established income of the deceased less tax component shall be taken into account for working out future prospects.

10. The appellants were awarded ₹5,000/- towards loss of estate and ₹5,000/- for funeral expenses. However, as per paragraph No.61 (viii) of the decision in Pranay Sethi's case (Supra), compensation of ₹15,000/- is payable on account of loss of estate and funeral expenses respectively. Relevant extract of the decision of Hon'ble the Supreme Court in Pranay Sethi's case (supra) is reproduced as under:-

> 61(viii) Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses should be ₹15,000/-, ₹40,000/- and ₹15,000/- respectively. The aforesaid amounts should be enhanced at the rate of 10% in every three years."

11. Accordingly, in terms of decision in Pranay Sethi's case (supra), the appellants are held entitled to award of ₹15,000/- on account of loss of estate and ₹15,000/- towards funeral expenses respectively.

12. Likewise, in Sube Singh and another vs. Shyam Singh (dead) and others 2018 (2) RCR (Civil) 131, rate of interest was enhanced from 6% per annum to 9% per annum in respect of accident of the year 2009. Since the accident in the instant case is of the year 2011, therefore, as against award of interest @ 6% per annum, the appellants are also held entitled to interest @ 9% per annum.

13. In the circumstances, compensation payable to the appellants/claimants works out as under:

Sr. No.	Head	Amount assessed by the Tribunal	Amount assessed by this Court
1	Income	₹4500/-	₹4500/-
2	Future Prospects	Nil	₹1800(40% of ₹4500)
3	Total Income assessed	₹4500/-	(₹4500+ ₹1800) = ₹6300/-
4	Multiplier applied	'14'	'18'
5	Deduction (towards personal)	50% ₹4500-₹2250=₹2250	50% ₹6300-₹3150=₹3150/-
6	Annual dependency	₹2250x12x14=₹3,78,000/-	₹3150x12x18=₹6,80,400/-
7.	Loss of Estate	₹5000/-	₹15,000 /-
8.	Funeral expenses	₹5000/-	₹15,000 /-
9.	Interest	6% per annum	9% per annum
	Total	₹3,88,000/-	₹7,10,400/-

14. Accordingly, as against the compensation of ₹3,88,000/- awarded by the Tribunal, the appellants/claimants are held entitled to award of compensation of ₹7,10,400/- along with interest @ 9% per annum w.e.f. the date of filing of the claim petition till date of payment, less amount, if any, already paid. Needless to mention, the Insurance Company shall make the payment to the appellants after making deduction of the tax liability, if any, qua future prospects, in accordance with the decision of Hon'ble the Supreme Court in Pranay Sethi's case (supra).

15. Accordingly, appeal is allowed and award is modified to the extent as noted above.

(B.S.WALIA)
JUDGE

18.09.2018.
rajesh.k.khurana

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No