IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD
FIRST APPEAL NO.372 OF 2025

Reliance General Insurance Company Ltd.
Through Branch Manager
Reliance General Insurance Company Ltd.
Registered office: Walchand Hirachand Marg
Ballard Estate, Mumbai.
Insurer of Truck no.MH-25-U-2578
Validity 10.11.2017 to 09.11.2018
Policy no.140721723340011079
Reliance General Insurance Co. Ltd.
Through it's Branch Manager
2nd Floor, ABC Complex, C-9 & C-10
Adalat Road, Radha Mohan Colony,
Khokadpura, Aurangabad ..Appellant
(Orig. Res.no.2)

Versus

1. Kavita w/o Vinayak Kawade
Age - 45 years Occ. - Household

2. Bhairu s/o Vinayak Kawade
Age - 24 years Occ. - Education
Both R/o Sanja road, Osmanabad
Tq. & Dist. Osmanabad. ..Orig. Claimants

3. Mahesh s/o Gulab Bachate
Age - Major Occ. - Business
R/o. S.T. Colony Omerga
Dist. Osmanabad.
Owner of Truck no.MH-25-U-2578

4. Nagesh s/o Shrishail Inde
Age - Major Occ. - Business
R/o. Tandulwadi Tq. South Solapur
Dist. Solapur. ..Respondents
(Res. no.1 to 2 orig. claimants
Res.No.3 & 4 is orig Res.no.1 & 3)

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Mr. Aniruddha S. Usmanpurkar, Advocate for Appellant.
Mr. Sushant Choudhari, Advocate for Respondent No.1.
Mr. Santosh N. Patne, Advocate for Respondent No.3.

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WITH
CIVIL APPLICATION NO. 4171 OF 2025
IN FA/372/2025

CORAM : S. G. CHAPALGAONKAR, J.
DATED : 17th APRIL, 2025.

P.C.:-

1. Heard learned Advocates appearing for respective parties.

2. The appellant/original respondent no.2-Insurance Company impugns judgment and award dated 15.07.2024 passed by Motor Accident Claims Tribunal, Osmanabad in M.A.C.P. No.94/2018. (Hereinafter, parties are referred to by their original status for the sake of convenience and brevity).

3. The respondent nos.1 and 2/original claimants instituted M.A.C.P. No.94/2018 raising claim for compensation of Rs.20,00,000/- under Section 166 of Motor Vehicles Act towards accidental death of late Shantaram Vinayak Kawade. It is contention of claimants that on 12.12.2017, while late Shantaram was proceeding by Jeep, offending Truck gave dash to Jeep. In result, Shantaram suffered fatal injuries. According to claimants, he was aged about 20 years and dealing in vegetable business and earning Rs.12,000/- per month.

4. The claim was contested on behalf of respondent/Insurance Company by raising multiple defence.

5. The Tribunal after considering evidence on record concluded that in absence of income proof, notional income of deceased, which is quantified @ Rs.8000/- per month has to be taken into account.

The Tribunal deducted 1/3rd amount towards personal and living expenses and finally passed award for compensation of Rs.16,97,572/- against respondent nos.1 to 3.

6. Mr. Usmanpurkar, learned Advocate appearing for appellants submits that Tribunal passed award dehors settled position as per judgment of Supreme Court of India in cases of ***National Insurance Company Limited Vs. Pranay Sethi & Ors.***[1] and ***Sarla Verma and Ors. Vs. Delhi Transport Corporation and Ors.***[2]. He submits that deceased was bachelor. The claimant no.1 i.e. mother can only be said to be dependent. Therefore, Tribunal ought to have applied deduction of one half towards personal and living expenses. However, it is erroneously applied as 1/3rd. He also submits that this is a case of composite negligence of two vehicle drivers involved in accident. The claimants have merely raised compensation against owner, driver and insurer of Truck and, therefore, claim is bad for non-joinder of necessary parties. He would further submit that in absence of income proof and considering age of deceased his notional income could not have been considered more than Rs.6000/- per month. However, Tribunal exponentially considered it @ Rs.8000/- and passed excessive and exorbitant award.

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1 **(2017) 16 SCC 680.**
2 **AIR 2009 SC 3104.**

7. Per contra, learned Advocate appearing for respondents/claimants supports award. He contends that deceased was bread earner of family. His mother and brother were dependent on him. In his endeavour to maintain family, he was dealing in vegetable business. Therefore, quantification of his earning @ Rs.8000/- per month cannot be objected. He would further submit that since there are two claimants, 1/3rd deduction towards personal and living expenses is also justified.

8. Considering submissions advanced, it can be observed that deceased was bachelor. In such case, normally only parents are considered as dependents. In present case, claimant no.1 is mother of deceased. The claimant no.2 is brother. His age is shown as 24 years. In that view of matter, only claimant no.1 has to be considered as dependent. In this factual background, it was necessary to deduct one half of his earning towards personal and living expenses considering dependency of claimant no.1 for balance of amount. Therefore, deduction applied by Tribunal to that extent needs to be modified.

9. Although Mr. Usmanpurkar, learned Advocate heavily objects for fixing notional income of deceased @ Rs.8000/- per month, in facts of present case when deceased was bread earner for his mother in absence of father and he was young man of 20 years of age, quantification of his earning @ Rs.8000/- per month need

not be disturbed. The Tribunal rightly granted compensation towards loss of estate, funeral expenses and loss of consortium, which need not be disturbed.

10. It appears from observations of Tribunal that relying upon judgment of this Court in case of ***Smt. Kalpana Madhu Gavali and Ors. Vs. MSRTC Swargate Pune*** in ***First Appeal No.1579 of 2006*** dated ***21.09.2023***, Tribunal declined to grant interest on compensation towards future prospects.

11. At this stage it is worthwhile to mention that under Section 168 of Motor Vehicles Act, Tribunal is under obligation to fix just compensation. It is well settled that multiplier method is sound and well accepted worldwide for fixing just compensation. It has two components, one is multiplicand and second is multiplier. The multiplier has to be determined on the basis of age of victim, whereas multiplicand has to be determined on the basis of his actual or notional income. Irrespective of life expectancy, maximum multiplier accepted for application by Indian Courts is 18 for age group of 21 to 25. It is reduced on advancement of age by every five years. For fixing appropriate multiplicand, income of deceased at the time of his death is relevant. However, in case of death at young age, future prospects become relevant consideration. The young man at the entry in service may have limited perks from his employer, however, gradually it gets

increased. Even young man with expansion of his family exerts more to add his income. The addition of future prospects is applicable in similar manner even for self-employed or professional or businessman.

12. The determination of multiplicand would be combination of current income plus future prospects. Since multiplier method balances growing age and provides maximum multiplier for youngest age which gets reduced with advancement of age, the balance is sought to be achieved by adding appropriate amount towards future prospects. In fact, determination of compensation itself is exercised to find out future loss to victim or his dependent. Addition of amount towards future prospects will have to be considered as integrated part of multiplicand and cannot be separated from actual income of victim. In this background, there is no rational behind denying interest on the amount added by way of future prospects. The careful analysis of evolution of multiplier method would show that multiplicand has to be decided and lastly it is stabilized with addition of particular percentage based on age group of victim towards future prospects in actual income of victim. The two judgments of this Court, by giving reference to exposition of law by Supreme Court of India taken view that amount added by way of future prospects would also attract award of interest. At this stage, reference can be given to the judgments of this Court in

cases of ***Kiran wd/o Bhaskar Shinganjude and Ors. Vs. Saleem Khan s/o. Chhajua Khan*** (***First Appeal No.315 of 2020*** dated ***12.02.2025***) and ***M/s. IFFCO-TOKIA General Insurance Co. Ltd. Vs. Smt. Suvarna w/o. Rajbhau Ghodke*** (***First Appeal No.401 of 2014*** dated ***01.10.2025***).

13. I am in full agreement with view expressed in both aforesaid judgments. In that view of the matter, claimants are certainly entitled for interest on entire compensation amount including added amount towards future prospects. In that view of the matter, compensation needs to be worked out as shown in following table.

Sr. No.	**Heads**	**Amount (Rs.)**
1	Annual Income (Rs.8000 x 12)	Rs.96,000/-
2	Addition of 40% towards future prospects (Rs.96,000/- + Rs.38,400/-) =	Rs.1,34,400/-
3	One half deduction towards personal and living expenses. Rs.1,34,400 / 2 = Rs.67,200/-	Rs.67,200/-
4	Apply multiplier of '18' (Rs.67,200 x 18)	**Rs.12,09,600/-**
5	Rs.48,400/- towards loss of consortium to mother	**Rs.48,400/-**
6	Rs.18,150/- towards funeral expenses	**Rs.18,150/-**
7	Rs.18,150 /- towards loss of estate	**Rs.18,150/-**
TOTAL		**Rs.12,94,300/-**

14. In that view of the matter, following order is passed: -

ORDER

i. First Appeal is partly allowed.

ii. The judgment and award dated 15.07.2024 passed by Motor Accident Claims Tribunal, Osmanabad in M.A.C.P. No.94/2018 is modified.

iii. The appellant/original respondent no.2, respondent nos.3 and 4 do pay jointly and severally amount of Rs.12,94,300/- (Rs. Twelve Lakhs Ninety Four Thousand Three Hundred only) with interest @ 6% per annum from the date of filing claim petition till realization of amount to respondent no.1/original claimant no.1 (inclusive of amount of 'no fault liability').

iv. Rest of terms of award as passed by Tribunal shall *mutatis mutandis* be applied to the modified award.

v. The respondent no.1/original claimant no.1 is permitted to withdraw aforesaid awarded amount.

vi. Balance of the amount deposited be refunded to Appellant/Insurance Company.

vii. In view of above observations, Civil Application does not survive and stands disposed of accordingly.

(S. G. CHAPALGAONKAR)
JUDGE

Devendra/April-2025