

(2014) 07 P&H CK 0033

In the Punjab And Haryana At Chandigarh

Case No : FAO Nos. 6364 and 6365 of 2012 (O&M)

Bajaj Allianz General Insurance Company Limited

APPELLANT

Vs

Sucha Singh and Others

RESPONDENT

Date of Decision : 21-07-2014

Acts Referred:

Citation : (2015) ACJ 1875 : (2015) 177 PLR 213

Hon'ble Judges : K. Kannan, J

Bench : Single Bench

Advocate : Vishal Aggarwal, Advocates for the Appellant; Vipin Mahajan, Advocates for the Respondent

Judgement

K. Kannan, J.—The appeal by the insurance company is on a plea that the Tribunal, while assessing the compensation, took the income of the deceased who was a lineman at Rs. 20,843/- and applied a multiplier of 11 without minding the fact that the deceased would have retired at the age of 58 and the multiplier must have been taken only for the number of years of service and the salary earned by him and for post retirement age, a different multiplier must have taken with less amount taken as multiplicand. Further argument is that the deceased's son and daughter both of whom are major and the deduction taken as 1/3rd, if at all, be substituted as 1/2. I reject both these contentions as untenable. The choice of multiplier cannot be wrongly understood as equal to the number of years of service in employment. The multiplier is result of a certain averaging that is made, taking note of the WHO statistics relating to mortality rate in a given country and the number of years-purchase that has to be applied to yield a corpus that would result in giving a return equivalent to what he would have contributed to the family. Certain approximation is inevitable in the process and if in Smt. Sarla Verma and Others Vs. Delhi Transport Corporation and Another, , the suggestion for a multiplier between the age of 50 to 55 was 11, the Supreme Court must be taken as aware of the fact that in any government institution, age of superannuation is either 58 or 60. The choice of multiplier,

therefore, as 11 must be taken less duly factoring a prospect of superannuation of a period which is less than the number of units taken as multiplier. Sarla Verma (supra) dispensation freezes the income again at the age of 50, while in reality a person in government service could be performing and earning more. The choice of multiplier would, therefore, ought to be higher than the number of years of service that a person has served. Judging from any point of view, the choice of multiplier taken as 11 was perfectly in conformity with law.

2. There has also been a recent judgment of the Supreme Court in Puttamma and Others Vs. K.L. Narayana Reddy and Another, , where the Supreme Court has found fault with the approaches of some of the courts in adopting split multiplier. The court has laid down that for the sake of uniformity, the standard application of the multiplier shall be as suggested already in Sarla Verma's case (supra) and if at all there has been only a plea for further increase in Rajesh and Others Vs. Rajbir Singh and Others, that even advocated the prospect increase of 15% beyond the age of 50. This is subject to certain other assumption regarding the age of retirement and the issue of whether a further increase should be provided has been a subject of reference to a larger bench to the Supreme Court itself. As of now, certitude does exist as regards the choice of multiplier of the person aged 50-55 years who is a government servant and there shall be no deviation of the said rule.

3. Even in regards the contention that the claimants were major children and therefore, the deduction for personal expenses must be only 50% is on wrong assumption that if there are major children, the deceased must be spending on himself a larger sum for personal consumption. There is simply no scope for such a wrong reckoning. What obtains as a loss to estate, which is in the nature of a conventional head where a contribution is taken is a mere 1/3rd for personal expenses, is bound to grow several times fold, if a person spent on himself only a portion of the amount and make an accretion to his estate by way of saving. If there is less number of dependents and the deceased would have also spent the only usual amount of 1/3rd or even less for his personal consumption, what may not be available to a married daughter by way of contribution for monthly expenses, would obtain differently as an inheritor of his estate. The choice of contribution to 2/3rd must therefore be taken as available not necessarily for loss of dependence but must be understood as obtaining for a succession to the estate in a larger measure.

4. The assessment of compensation will thus easily survive the challenges made in the appeal. There is no ground for reduction of compensation. The amount which is deposited before this court is ordered to be transmitted to the Tribunal. Both the appeals are dismissed.