

# Karthik Subramanian vs B. Sarath Babu on 2 March, 2021

**Bench: Sanjay Kishan Kaul, Hemant Gupta**

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IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS.799-800 OF 2021  
[Arising out of SLP[C]Nos.11694-11695/2020]

KARTHIK SUBRAMANIAN

Appellant(s)

VERSUS

B. SARATH BABU & ANR.

Respondent(s)

## O R D E R

Leave granted.

The appellant suffered serious injuries in an accident resulting in 40% disability. The claim was preferred before the Motor Accident Claims Tribunal which assessed the amount of compensation at Rs.21,92,000/-. The Insurance Company, aggrieved by the same preferred an appeal before the High Court which in terms of the judgment dated 24.09.2019 has reduced the Reason: compensation to Rs.3,40,000/-.

Notice was issued in the Special leave petitions confined to the aspect of future earnings and that is the only aspect which has been urged before us apart from the fact that the interest should be 9 per cent per annum instead of 7.5% per annum on account of the judgment in National Insurance Company Ltd. v. Pranay Sethi & Ors. - (2017) 16 SCC 680.

Learned counsel for the appellant had relied upon the recent judgment of this Court in Erudhaya

Priya v. State Express Transport Corporation Ltd. - 2020 SCC OnLine SC 601. The judgment took into consideration the earlier judgments including in Pranay Sethi (supra) and Sandeep Khanduja v. Atul Dande – (2017) 3 SCC 351. The latter judgment had opined that multiplier method was logically sound and legally well established to quantify the loss of income as a result of death or permanent disability suffered in an accident. The present case being one of permanent disability of 40 per cent, it has been urged that the same principle should be applied in the present case while in fact nothing has been granted on account of future prospects.

In our view, this issue is no more res integra in view of Sandeep Khanduja's case (supra) and Erudhaya Priya's case (supra) opining that multiplier method has to be applied for future prospects and advancement in life and career.

Thus, the same principle would have to apply and learned counsel for insurance Company cannot seriously contend to the contrary.

We thus, adopt the same principle of loss of the earning power taking into consideration that the appellant has been able to establish through the documents of employment and the bank statement that he was getting a salary of Rs.37,500/-, albeit for a short period. Fifty per cent of that amount would have to be taken into account which is Rs.18,750/- per month and multiplied by 12 for the whole year. The multiplier would be 16 in the present case taking into consideration that the age of the appellant is 34 years. The disability is 40 per cent. The loss of the earning power would be thus, as under:

Heads	Amount
Loss of earning power $18750 \times 12 \times 16 \times 40 / 100$	Rs.14,40,000/-
Towards future prospects (50% Addition)	Rs.7,20,000/-
Total	Rs.21,60,000/-

The aforesaid is an addition to the amount award by the High Court of Rs.3,40,000/-.

Insofar as the interest is concerned, the interest payable throughout would be at 9 per cent per annum.

The appeals are accordingly allowed leaving parties to bear their own costs.

The balance amount be remitted by the Insurance Company to the appellant within a maximum period of eight weeks from today.

.....J. [SANJAY KISHAN KAUL] .....J.  
[HEMANT GUPTA] NEW DELHI;

MARCH 02, 2021.

ITEM NO.14 Court 9 (Video Conferencing) SECTION XII S U P R E M E C O U R T O F I N D I A  
RECORD OF PROCEEDINGS Petitions for Special Leave to Appeal (C) Nos.11694-11695/2020  
(Arising out of impugned final judgment and order dated 24-09- 2019 in CMA No. 3234/2017  
24-09-2019 in CMA No. 94/2018 passed by the High Court Of Judicature At Madras) KARTHIK  
SUBRAMANIAN Petitioner(s) VERSUS B. SARATH BABU & ANR. Respondent(s) Date :  
02-03-2021 These petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SANJAY KISHAN KAUL HON'BLE MR. JUSTICE  
HEMANT GUPTA For Petitioner(s) Ms. Garima Jain, Adv.

Mr. Balaji Srinivasan, AOR Ms. Pallavi Sengupta, Adv. Ms. Aakriti Priya, Adv.

Mr. Aishwarya Choudhary, Adv. Ms. Lakshmi Rao, Adv.

For Respondent(s) Ms. Amrreeta Swaarup, AOR UPON hearing the counsel the Court  
made the following O R D E R Leave granted.

The appeals are allowed in terms of the signed order.

Pending application, if any, stands disposed of.

(ASHA SUNDRIYAL)  
ASTT. REGISTRAR - cum - PS

(POONAM VAID)  
COURT MASTER (NSH)

[Signed order is placed on the file]