IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-2408-2016 (O&M)
Date of decision: 08.08.2018

UNITED INDIA INSURANCE COMPANY LTD. ... Appellant

Versus

LAKHVIR KAUR & ORS ... Respondents

CORAM: HON'BLE MRS. JUSTICE REKHA MITTAL

Present : Mr. Man Mohan, Advocate for the appellant.

Mr. B.S. Toor, Advocate for
Mr. J.S. Bhinder, Advocate for respondents No.1 and 2.

Mr. A.K. Walia, Advocate for respondent No.3.

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REKHA MITTAL, J. (Oral)

The present appeal directs challenge against award dated 24.12.2015 passed by the Motor Accidents Claims Tribunal, Sangrur whereby compensation has been assessed on account of death of Pardeep Singh in a motor vehicular accident that took place on 14.09.2014.

Counsel for the insurance company would inform that the appeal has been preferred only to assail quantum of compensation assessed by the Tribunal.

The Tribunal has awarded compensation of Rs.15,21,000/-, detailed hereunder:-

1. Monthly income of the deceased	Rs.8000/-
2. Addition in income for future prospects	50%
3. Multiplier	18

4. Deduction for personal expenses	50%
5. Loss of dependency	Rs.12,96,000/-
6. Expenses on funeral	Rs.25,000/-
7. Loss of love and affection	Rs.2,00,000/-

Counsel for the appellant would urge that income of the deceased assessed by the Tribunal is on higher side and needs reduction. Future prospects @ 50% are liable to be reduced to 40% in the light of judgment of Hon'ble the Supreme Court **National Insurance Company Limited Vs. Pranay Sethi and Ors., 2017 SCC 1270**. Compensation under conventional heads is liable to be restricted to Rs.30,000/- in the light of aforesaid judgment.

Counsel representing the claimants, on the contrary, would argue that the deceased was a student of 4th semester of BBA in Kings Group of Institutes, Barnala, proved by Rajesh Kumar CW3. It is further argued that Rajesh Kumar CW3 has produced on record documents Exs.C3 to C11 with regard to various payments made by Pardeep Singh to the college in respect of his BBA course. It is further argued that even the minimum wage available to highly skilled person at the relevant time was approximately Rs.9000/- and income of the deceased may be assessed accordingly.

The contention raised by the insurance company with regard to benefit of future prospects and compensation under conventional heads is meritorious and deserves acceptance when examined in the light of judgment in **Pranay Sethi and others's case (supra)**.

The Tribunal has assessed income of the deceased @ Rs.8000/- per month. Perusal of the notification issued by the State of Punjab in the Department of Labour makes it evident that minimum wage of a highly skilled worker in February, 2014 was approximately Rs.9000/- per month. Taking a clue from the minimum wage available to a highly skilled labour coupled with that the deceased was a student of 4th semester of BBA course, income of the deceased is assessed at Rs.10,000/- per month. By applying multiplier of 18, deduction for personal expenses to the extent of 50% and addition in income for future prospects to the tune of 40%, loss of dependency is calculated at Rs.15,12,000/- [(Rs.10,000 x 12 x 18) + (40% future prospects) – (50% deduction for personal expenses)].

Under conventional heads, compensation allowed by the Tribunal is modified to the effect that claimants shall be entitled to Rs.30,000/-, i.e. Rs.15,000/- for funeral expenses and Rs.15,000/- for loss of estate.

Total compensation is Rs.15,42,000/- and the additional amount is Rs.21,000/- (15,42,000 - 15,21,000), payable with interest @7.5% per annum from the date of petition till realization, to mother of the deceased.

Disposed of accordingly.

08.08.2018 **(REKHA MITTAL)**
ashok **JUDGE**

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