IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

220 Date of decision: 30.04.2019

XOBJC-187-CII of 2016 (O&M) in/and
FAO No.1911 of 2016 (O&M)

United India Insurance Company Ltd. ... Appellant

Versus

Manjit Kaur and ors. ... Respondents

CORAM: HON'BLE MRS. JUSTICE REKHA MITTAL

Present : Mr. Ram Avtar, Advocate for the appellant.
Ms. Ekta Thakur, Advocate for the cross objectors/claimants.

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REKHA MITTAL, J. (Oral)

This order will dispose of FAO No.1911 of 2016 and cross objections No.187-CII of 2016 as these have emerged out of the same award dated 21.11.2015 passed by the Motor Accidents Claims Tribunal, Chandigarh whereby compensation has been assessed on account of death of Paramjit Singh in a motor vehicular accident that took place on 21.04.2015.

Counsel for the insurance company would inform that the appeal has been preferred to assail only quantum of compensation assessed by the Tribunal whereas the cross objections have been preferred by the claimants seeking enhancement of compensation.

The Tribunal awarded Rs.64,23,384/-, detailed hereunder:-

1. Monthly income of the deceased	Rs.37,188/-
2. Annual income of the deceased	Rs.4,46,256/-
3. Deduction towards income tax	Rs.78,360/-
4. Net annual income	Rs.3,51,106/-
5. Addition in income for future prospects	30%
6. Multiplier	16
7. Deduction for personal expenses	$1/4^{th}$
8. Loss of dependency	Rs.58,98,384/-
9. Expenses on transportation and last rites	Rs.25,000/-
10. Loss of consortium to the widow	Rs.1,00,000/-
11. Loss of love and affection to claimants No.1 to 4	Rs.4,00,000/- (Rs.1 lakh each)

Counsel for the insurance company would argue that multiplier applied by the Tribunal needs modification. Compensation allowed under conventional heads should be restricted to Rs.70,000/- in the light of judgments of Hon'ble the Supreme Court **National Insurance Company Limited Vs. Pranay Sethi and Ors., 2017 SCC 1270** and **Sebastiani Lakra and others vs. National Insurance Company Limited and another AIR 2018 SC 5034**. The deceased was born on 14.07.1974 and died on 21.04.2015 and as such, he was less than 41 years of age and accordingly, the multiplier admissible in the case is 15.

The annual income of the deceased was Rs.4,46,256/-. After deducting liability to pay income tax Rs.19,626/-, net annual income of the deceased is Rs.4,26,630/-. Addition in income for future prospects and deduction for personal and living expenses applied by the Tribunal are correct and affirmed. In this manner, loss of dependency is calculated at Rs.62,39,463/- [(4,26,630 x 15) + (30% future prospects) – (1/4th deduction for personal expenses)].

Under conventional heads, compensation allowed by the Tribunal is modified to the effect that claimants shall be entitle to Rs.70,000/- in the light of judgments of Hon'ble the Supreme Court **Pranay Sethi and others's case (supra)** and **Sebastiani Lakra and others's case (supra)**, detailed hereunder:-

1. Loss of consortium	Rs.40,000/-
2. Loss of estate	Rs.15,000/-
3. Funeral expenses	Rs.15,000/-

Total compensation is Rs.63,09,463/- and compensation awarded by the Tribunal is reduced to the extent of Rs.1,13,921/- (64,23,384 - 63,09,463). The insurance company shall be entitle to recover the excess amount, if already paid, by filing an appropriate application before the Tribunal.

For the foregoing reasons, the appeal filed by the insurance company is partly allowed in the aforesaid terms. As a natural corollary, cross objections filed by the claimants are dismissed, leaving the parties to bear their own costs.

30.04.2019 **(REKHA MITTAL)**
ashok **JUDGE**

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