IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-1497-2018 (O&M)
Date of decision: - 29.01.2021

Shilpa and others

....Appellants

Versus

Jai Ram and others

.....Respondents

CORAM : HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present:- Mr. Abhimanyu Batra, Advocate,
for the appellants.

Mr. D.K. Prajapati, Advocate
for respondent No.3-Insurance Company.

(Through Video Conferencing)

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HARSIMRAN SINGH SETHI, J. (ORAL)

Present appeal has been preferred by the appellants-claimants (hereinafter referred as 'appellants') for enhancement of the compensation as awarded by the learned Motor Accident Claims Tribunal, Hisar, vide award dated 04.09.2017. By the said award, a sum of ₹58,23,672/- has been awarded as compensation to the appellants.

Not feeling satisfied with the said amount, the appellants have approached this Court for enhancement of the compensation.

Learned counsel for the appellants argues that while computing the compensation, as detailed in paragraph 20 of the Award, the aspect of future prospects has been ignored and the appellants have not been granted any compensation on the said account.

Learned counsel for the appellants submits that as per the settled principle of law settled by the Hon'ble Supreme Court of India in **National Insurance Company Limited** Vs. **Praney Sethi and others**, **(2017) 16 Supreme Court Cases 680,** 50% of the actual salary is to be granted as future prospects while computing compensation.

Learned counsel appearing on behalf of respondent No.3-Insurance Company submits that though, the appellants are entitled for 50% of the actual salary under the heading of future prospects, but certain deductions are also to be made while calculating the income of the deceased for the reason that income tax needs to be deducted while arriving at the compensation for which the appellants are entitled and further the amount of ₹1,00,000/-, which has been granted on account of love and affection needs to be reduced from ₹1,00,000/- to ₹17,000/-.

Learned counsel for the appellants submits that keeping in view the judgment in **Praney Sethi's case (supra)**, the appellants are entitled for the compensation, computation of which is as under: -

Income of the deceased	₹38,463/- per month
Annual Income	₹38,463/- x 12 = ₹4,61,556/-
Final income after deduction of income tax	₹4,40,400/-
Addition as per judgment in **Praney Sethi's** case for future prospects @ 50% i.e. ₹2,20,200/-	₹4,40,000/- + ₹2,20,200/- = ₹6,60,600/-
Less deduction @ 1/3rd	₹6,60,600 - ₹2,20,200- = ₹4,40,400/-
After applying multiplier '17'	₹4,40,400/- x 17 =₹74,86,800/-
Non-pecuniary heads	₹70,000
Total compensation	₹74,86,800/- + ₹70,000/- = ₹75,56,800/- (along with interest)

Learned counsel for the appellants submits while calculating the compensation, the objection of respondent No.3-Insurance Company has been taken into care and ₹2,50,000/- have been deducted on account of income tax and compensation awarded for love and affection by the learned Tribunal has been suitably amended keeping in view the settled principle of law.

Learned counsel appearing on behalf of respondent No.3-Insurance Company does not dispute the calculation, which has been noticed hereinbefore are in consonance with law laid down by the Hon'ble Supreme Court of India in **Praney Sethi (supra)**, according to which, the appellants are entitled for compensation of ₹75,56,800/-.

That being so, once the calculation, which has been reproduced hereinbefore, are not being disputed by learned counsel for respondent No.3-Insurance Company and concedes that as per the settled principle of law laid down by the Hon'ble Supreme Court in **Praney Sethi's (supra)**, appellants are entitled for an amount of ₹75,56,800/- as compensation, hence, the award passed by the learned Motor Accident Claims Tribunal, Hisar is modified to the extent that the appellants are entitled for the compensation of ₹75,56,800/-, the details of which have been recorded in preceding paragraph.

Learned counsel for the appellants prays that the amount which has been calculated now, the appellants are entitled for interest @ 7.5% per annum as per the settled principle of law in **Praney Sethi's (supra)** from the date of the filing of the petition before Motor Accident Claims Tribunal, Hisar.

Learned counsel appearing on behalf of respondent No.3-Insurance Company does not dispute the said claim as well and concedes that the appellants are entitled for interest @ 7.5% per annum keeping in view the judgment in **Praney Sethi's (supra)**.

Accordingly, the appellants are also held entitled for interest @ 7.5.% per annum on the enhanced amount from the date of filing of the petition i.e. 27.04.2016 onwards till the amount is released to the appellants.

Present appeal is allowed in the above terms.

January 29, 2021 **(HARSIMRAN SINGH SETHI)**
naresh.k **JUDGE**

Whether reasoned/speaking? Yes/No
Whether reportable? Yes/No