**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**FAO No.3508 of 2017 (O&M)
Date of decision: 12.09.2022**

The Oriental Insurance Company Limited

..... Appellant

versus

Rajni and others

..... Respondents

CORAM: HON'BLE MR. JUSTICE TRIBHUVAN DAHIYA

Present: Mr. Ram Avtar, Advocate
for the appellant.

Mr. Anil Kumar Spehia, Advocate
for respondents No.1 to 4.

Mr. D. K. Prajapati, Advocate
for respondent No.5.

Mr. Yadwinder Singh, AAG, Punjab.

TRIBHUVAN DAHIYA J.

This appeal has been filed by the Insurance Company assailing the award, dated 10.01.2017, passed by the Motor Accident Claims Tribunal, Jalandhar, only on the ground that amount of compensation awarded to respondents No.1 to 4-claimants on account of death of Chand @ Sunny, was not as per law laid down by the Supreme Court in ***National Insurance Company Limited v. Pranay Sethi and others*****; 2017 (4) RCR (Civil) 1009**, therefore, needs correction.

2. In the facts of the case, the Tribunal awarded compensation to respondents No.1 to 4-claimants, being legal heirs of deceased, on account of death of Chand @ Sunny in a motor accident on

20.08.2015. He was held to be 26 years of age, earning Rs.9000/- per month. The following compensation was awarded by the Tribunal:

Date of Accident		**20.08.2015**
Age of the deceased Chand @ Sunny		**26 years**
Claimants Rajni and others (4)		
Sr. No.	**Heads of Claim**	**Tribunal Amount**
1.	Annual Income	Rs.9,000 X 12 = 1,08,000/-
2.	50% Future Prospect	Rs.54,000/-
3.	Total income of deceased	Rs.1,62,000/-
4.	Personal and living expenses (1/4)	Rs.40,500/-
5.	Income after deduction of personal and living expenses	Rs.1,21,500/-
6.	Multiplier	17 (Seventeen)
7.	Amount of compensation	Rs.1,21,500/- X 17 = Rs.20,65,500/-
8.	Loss of consortium	Rs.1,00,000/-
9.	Loss of care and guidance for minor children	Rs.1,00,000/-
10.	Funeral expenses	Rs.25,000/-
11	**Grand Total**	**Rs.22,90,500/-**

3. It has been argued by learned counsel for the appellant-Insurance Company that claimants have been wrongly awarded compensation under the heads, future prospects at the rate of 50%, loss of care and guidance of minor children and funeral expenses. The amount under these heads needs to be decreased as per law laid down in ***Pranay Sethi's case (supra)***.

4. Per contra, learned counsel for the respondents argues that the amount paid to the claimants on account of loss of consortium needs to be enhanced as per law, and compensation under other conventional heads also needs to be paid to the claimants as per law laid down in ***Pranay Sethi's case (supra)***.

5. There is no dispute that the compensation payable has to be assessed in terms of the law laid down by the Supreme Court in ***Pranay Sethi's case (supra)***, which the Tribunal has failed to do. Therefore, the award needs to be modified by awarding compensation as per law. The Supreme Court has held that reasonable figures under the conventional heads, namely, loss of estate, loss of consortium and funeral expenses should be Rs.15,000/-, Rs.40,000/- and Rs.15,000/- respectively. The aforesaid amounts should be enhanced at the rate of 10% every three years. Accordingly, the respondents No.1 to 4/claimants would be entitled to 10% enhancement with respect to compensation under the conventional heads; with 10% increase the amount under the conventional heads comes to Rs.16,500/-, Rs.44,000/- and Rs.16,500/- respectively.

6. Besides, the respondents/claimants are also entitled to enhancement of compensation on account of future prospects as laid down by the Supreme Court in ***Pranay Sethi*** case *(supra)*. It has been held by the Tribunal that the deceased was 26 years of age at the time of accident and was self-employed/skilled labourer. In terms of the law laid down, they are entitled to an addition of 40% of the established income on account of future prospects instead of 50%, as the deceased was not in any permanent employment. The amount of compensation is to be assessed by applying the admissible multiplier of 17, and deducting 1/4th of the income towards personal expenses as there are four dependants.

7. In view of the aforesaid analysis, respondents No.1 to 4/claimants are held to the following revised amount of compensation:

Sr. No.	**Head**	**Amount (Rs.)**
1.	Monthly Income	9000

2.	Annual Income	9000 X 12 = 1,08,000
3.	Future Prospects @ 40%	43,200
4.	Total income including future prospects	1,51,200
5.	Deduction towards personal expenses @ 1/4th	37,800 (1,51,200-37,800 = 1,13,400)
6.	Multiplier '17'	(1,13,400 X 17) 19,27,800
7.	Loss of consortium	44,000 X 4 = 1,76,000
8.	Loss of Funeral Expenses	16,500
9.	Loss of Estate	16,500
10	**Total compensation**	**21,36,800**

8. The award passed by the Tribunal dated 10.01.2017, therefore, stands modified and respondents no.1 to 4/claimants are held entitled to an amount of compensation to the tune of **Rs.21,36,800/-** with interest at the rate of 9% from the date of filing the claim petition till its actual realization, which shall be jointly and severally paid in the same ratio as directed by the Tribunal.

9. Resultantly, appeal filed by the appellant/Insurance company is hereby allowed in the terms aforesaid.

(TRIBHUVAN DAHIYA)
JUDGE

12.09.2022
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Whether speaking/reasoned: Yes/No
Whether reportable: Yes/No