IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 6480 OF 2011
(Arising out of SLP(C) No. 951 of 2010)

Urmila and others … Appellants

Versus

Rashpal Kaur and others … Respondents

J U D G M E N T

G.S. Singhvi, J.

1. Leave granted.

2. Feeling dissatisfied with the enhancement granted by the Division Bench of the Chhattisgarh High Court in the amount of compensation awarded by Second Additional Motor Accident Claims Tribunal, Jagdalpur (for short, "the Tribunal"), the appellants have filed this appeal.

3. Shri Shivlal Verma (husband of appellant No.1, father of appellant Nos. 2 and 3 and son of Shri Swaminath and Smt. Tulsi Devi) died in an

accident, which occurred on 23.4.1999 when he was hit by the truck belonging to respondent No.1. The appellants and the parents of the deceased (both of them died during the pendency of the case before the Tribunal) filed a petition under Section 166 of the Motor Vehicles Act, 1988 (for short, `the Act') for award of compensation of Rs.28,45,000/- by asserting that the accident was caused due to rash and negligent driving of the truck by its driver-Shri Ashok Kumar Dass (respondent No.2). They claimed that at the time of death, Shri Shivlal Verma was 28 years old and was earning Rs.60,000/- per annum by doing agriculture.

4. Respondent No.1 contested the claim by asserting that the accident was caused due to negligence and carelessness of the deceased. She also pleaded that the claim made by the appellants and the parents of the deceased was highly exaggerated.

5. After considering the pleadings of the parties and evidence produced by them, the Tribunal held that the accident was caused due to rash and negligent driving of the truck by respondent No.2. The Tribunal then considered the issue relating to quantum of compensation, referred to the statements of appellant No.1-Smt. Urmila (P.W.1) and Swaminath Verma

(P.W.3), both of whom deposed that the deceased was earning Rs.60,000/- per annum from agriculture, but assessed his income at Rs.50,000/- per annum. The Tribunal noted that family of the deceased consisted of six members and in terms of the judgment of this Court in **U.P. State Road Transport Corporation v. Trilok Chandra** (1996) 4 SCC 362, the total number of units would be 9. The Tribunal then proceeded to make a deduction of Rs.1,500/- (Rs.911/- for 2 units of the deceased and Rs.589/- towards his personal expenses) and concluded that dependency of the claimants would be Rs.2,600/- per month. Finally, the Tribunal applied the multiplier of 8 and held that the claimants are entitled to compensation of Rs.2,59,000/- with interest at the rate of 12% per annum with a stipulation that if the amount is not paid within two months, then they would be entitled to receive interest at the rate of 18% per annum.

6. The appellants challenged the award of the Tribunal by filing an appeal under Section 173 of the Act. They pleaded that the Tribunal had committed an error by applying the multiplier of 8 and that keeping in view the age of the deceased the multiplier of 17 should have been applied.

7. The Division Bench of the High Court did not accept the plea of the appellants but applied the multiplier of 13 and held that the appellants are entitled to total compensation of Rs.4,20,600/-. The reasons assigned by the High Court for doing so are contained in paragraph 7 of the impugned judgment, which is extracted below:

> "So far as the multiplier is concerned, admittedly the deceased was aged about 28 years and, in our opinion, the Tribunal erred in selecting the multiplier of 8. The Tribunal has selected the multiplier of 8 on the basis of age of the father of the deceased, 60 years. The Tribunal completely lost sight of the fact that the Claim Petition was also filed by the widow and 2 minor children of the deceased who were aged about 25 years, 2 years and 15 days, respectively, on the date of the accident. In the facts and circumstances of the case, the Tribunal ought to have applied a higher multiplier than 8. Looking to the age of the deceased, his widow and minor children, we deem it appropriate to apply the multiplier of 13 in place of 8 applied by the Claims Tribunal."

8. We have heard learned counsel for the parties and perused the record. In **Sarla Verma v. Delhi Transport Corporation** (2009) 6 SCC 121, a two-Judge Bench of this Court considered various issues relevant for determination of compensation payable in motor accident cases, noticed the judgments in **G.M., Kerala SRTC v. Susamma Thomas** (1994) 2 SCC 176, **U.P. State Road Transport Corporation v. Trilok Chandra** (supra), **T.N. State Transport Corporation Limited v. S. Rajapriya** (2005) 6 SCC 236, **New India Assurance Company Limited v. Charlie** (2005) 10 SCC

720, **Oriental Insurance Company Limited v. Meena Variyal** (2007) 5 SCC 428 and held:

> "We therefore hold that the multiplier to be used should be as mentioned in Column (4) of the table above (prepared by applying Susamma Thomas, Trilok Chandra and Charlie), which starts with an operative multiplier of 18 (for the age groups of 15 to 20 and 21 to 25 years), reduced by one unit for every five years, that is M-17 for 26 to 30 years, M-16 for 31 to 35 years, M-15 for 36 to 40 years, M-14 for 41 to 45 years, and M-13 for 46 to 50 years, then reduced by two units for every five years, that is, M-11 for 51 to 55 years, M-9 for 56 to 60 years, M-7 for 61 to 65 years and M-5 for 66 to 70 years."

9. Admittedly, at the time of accident the age of the deceased was 28 years. Therefore, in terms of the ratio of the judgment in **Sarla Verma's** case, the amount of compensation payable to the appellants is required to be determined by applying the multiplier of 17. By doing so, the appellants would become entitle to get compensation of Rs.5,30,400/-. If Rs.15,000/- is added to this amount under other permissible heads, as was done by the High Court, the total amount payable to the appellants would be Rs.5,45,400/-.

10. The appeal is accordingly allowed, the impugned judgment is modified and it is declared that the appellants are entitled to total compensation of Rs.5,45,400/-. Respondent No.1 shall, within a period of

three months from the receipt/production of copy of this judgment to pay to the appellants the total amount of compensation, after deducting the amount already paid in terms of the award of the Tribunal and the judgment of the High Court. Within that period, respondent No.1 shall also pay interest to the appellants at the rate of 6% per annum on the enhanced amount of Rs.1,24,800/- from the date of filing the claim petition. The balance amount shall be paid to the appellants within a period of three months from the date of receipt/production of certified copy of this judgment.

…………………………………….. J.
[G.S. Singhvi]

…………………………………….. J.
[H.L. Dattu]

New Delhi
August 09, 2011.