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SUBE SINGH AND ANR.

v.

SHYAM SINGH (DEAD) AND ORS.

(Civil Appeal No. 7176 of 2015)

B

FEBRUARY 09, 2018

**[DIPAK MISRA, CJI, A. M. KHANWILKAR AND
DR. D. Y. CHANDRACHUD, JJ.]**

C *Motor Vehicles Act, 1988: s.166 – Multiplier – Fatal accident – Victim aged 23 years – High Court applied multiplier of 14 for determining compensation amount in reference to the age of parents of the deceased – Parents of the deceased seeking multiplier of 18 – Held: In Sarla Verma case, it was held that the multiplier should be chosen from the table with reference to the age of the deceased and not the age of the dependents – In view of the said decision, multiplier of 18 to be applied for paying compensation to the appellants-parents.*

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Allowing the appeal, the Court

HELD: The respondents are directed to pay compensation by applying 18 multiplier, instead of 14 applied by the High Court.

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Considering the amount of annual contribution to the deceased's family determined at Rs.37,800/- and applying multiplier 18, the compensation would work out to Rs.6,80,400/- determined by the High Court. [Para 5] [639-F-G]

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Sarla Verma (Smt.) and Others v. Delhi Transport Corporation And Anr. (2009) 6 SCC 121 : [2009] 5 SCR 1098; Munna Lal Jain and Anr. v. Vipin Kumar Sharma and Ors. (2015) 6 SCC 347 : [2015] 7 SCR 207 – relied on.

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Ashvinbhai Jayantilal Modi v. Ramkaran Ramchandra Sharma and Anr. (2015) 2 SCC 180 – referred to.

Case Law Reference

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(2015) 2 SCC 180	referred to	Para 1
[2009] 5 SCR 1098	relied on	Para 3
[2015] 7 SCR 207	relied on	Para 3

CIVIL APPELLATE JURISDICTION: Civil Appeal No. 7176 of 2015. A

From the Judgment and Order dated 02.12.2014 of the High Court of Punjab and Haryana at Chandigarh in F. A. O. No. 330 of 2012 (O&M).

Rakesh Kumar Yadav (For Dr. Kailash Chand), Advs. for the Appellants. B

Chander Shekhar Ashri, Adv. for the Respondents.

The Judgment of the Court was delivered by

A. M. KHANWILKAR, J. 1. The sole question to be answered in this appeal is: whether the High Court was right in applying multiplier 14 for determining compensation amount in a motor accident claim case in reference to the age of parents of the deceased whilst relying on the decision of this Court in *Ashvinbhai Jayantilal Modi Vs. Ramkaran Ramchandra Sharma and Anr.*¹? C D

2. Briefly stated, in a motor accident which occurred on 22.09.2009, Ajit Singh, who was at the relevant time 23 years of age died. His parents, who were in the age group of 40 to 45 years, filed a petition claiming compensation. The Motor Accident Claims Tribunal held that the established income of the deceased was around Rs.4,200/- per month and after deduction of 50% as the deceased was unmarried, calculated the same as Rs.2,100/- per month. Thereafter, it applied multiplier 15, taking the age of the “parents of the deceased” into consideration. This was challenged by the appellants by way of an appeal before the High Court of Punjab and Haryana at Chandigarh, being FAO No.330 of 2012 (O&M) which was partly allowed in relation to other heads of compensation. As regards multiplier applied for determination of loss of future income, the High Court held that multiplier 14 will be applicable. For that, the High Court relied on the decision of this Court of (Two Judge Bench) in *Ashvinbhai Jayantilal Modi* (supra). Resultantly, the appellants have filed the present appeal, questioning the correctness of the conclusion so reached by the High Court. E F G

3. According to the appellants, the correct multiplier to be applied in the facts of the present case is 18, as the deceased was only 23 years of age on the date of accident. To buttress this submission, reliance is

¹ 2015 (2) SCC 180

A placed on the decision in *Sarla Verma (Smt.) and Others Vs. Delhi Transport Corporation And Anr.*². Reliance is also placed on the recent judgment of this Court (Three Judge Bench) in the case of *Munna Lal Jain and Anr. Vs. Vipin Kumar Sharma and Ors.*³, which has restated the legal position that multiplier should depend on the age of the deceased and not on the age of the dependents.

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D 4. On the basis of the finding recorded by the Tribunal and affirmed by the High Court, it is evident that the deceased was 23 years of age on the date of accident i.e. 22.09.2009. He was unmarried and his parents who filed the petition for compensation were in the age group of 40 to 45 years. The High Court, relying on the decision in the case of *Ashvinbhai Jayantilal Modi* (supra), held that multiplier 14 will be applicable in the present case, keeping in mind the age of the parents of the deceased. The legal position, however, is no more *res integra*. In the case of *Munna Lal Jain* (supra) decided by a three Judge Bench of this Court, it is held that multiplier should depend on the age of the deceased and not on the age of the dependants. We may usefully refer to the exposition in paragraph Nos. 11 and 12 of the reported decision, which read thus:

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F “11. The remaining question is only on multiplier. The High Court following *Santosh Devi* (supra), has taken 13 as the multiplier. Whether the multiplier should depend on the age of the dependents or that of the deceased, has been hanging fire for sometime; but that has been given a quietus by another three Judge Bench decision in *Reshma Kumar* (supra). It was held that the multiplier is to be used with reference to the age of the deceased. One reason appears to be that there is certainty with regard to the age of the deceased but as far as that of dependents is concerned, there will always be room for dispute as to whether the age of the eldest or youngest or even the average etc. is to be taken. To quote

G “36. In *Sarla Verma*, this Court has endeavoured to simplify the otherwise complex exercise of assessment of loss of dependency and determination of compensation in a claim made under Section 166. It has been rightly stated in *Sarla Verma* that the claimants in case of death claim for the purposes of compensation must establish (a) age of the

² 2009 (6) SCC 121

³ 2015 (6) SCC 347

deceased. (b) income of the deceased; and (c) the number of dependents. To arrive at the loss of dependency, the Tribunal must consider (i) additions/deductions to be made for arriving at the income; (ii) the deductions to be made towards the personal living expenses of the deceased; and (iii) the multiplier to be applied with reference to the age of the deceased. We do not think it is necessary for us to revisit the law on the point as we are in full agreement with the view in *Sarla Verma*.”

12. In *Sarla Verma* (supra), at paragraph-19 a two-Judge Bench dealt with this aspect in Step 2. To quote:

“19.xxxx xxxxxx xxxx

Step 2 (ascertaining the multiplier)

Having regard to the age of the deceased and period of active career, the appropriate multiplier should be selected. This does not mean ascertaining the number of years he would have lived or worked out for the accident having regard to several imponderables in life and economic factors, a table of multipliers with reference to age has been identified by this Court. The multiplier should be chosen from the said table with reference to the age of the deceased.”

Considering the aforementioned principle expounded in *Sarla Verma* (supra), which has been affirmed by the Constitution Bench of this Court in *National Insurance Company Ltd. Vs. Pranay Sethi and Ors.*⁴, the appellants are justified in insisting for applying multiplier 18.

5. A priori, we direct the respondents to pay compensation by applying 18 multiplier, instead of 14 applied by the High Court. In other words, considering the amount of annual contribution to the deceased’s family determined at Rs.37,800/- and applying multiplier 18, the compensation would work out to Rs.6,80,400/- (Rupees six lakh eighty thousand four hundred only), instead of Rs. 5,29,200/- determined by the High Court. The amount of compensation under other heads determined by the High Court in paragraph 5 of the impugned judgment would remain

⁴ AIR 2017 SC 5157

A undisturbed. The rate of interest is, however, modified to 9% (nine percent) per annum instead of 6% per annum granted by the Tribunal and High Court. The order passed by the High Court stands modified to the aforementioned extent.

6. Accordingly, the appeal is allowed in the aforementioned terms
B with no order as to costs.

Devika Gujral

Appeal allowed.