

(2025) 03 SC CK 0220

In the Supreme Court Of India

Case No : Special Leave Petition (Civil) No. 1114 Of 2019]

Sunita & Ors

APPELLANT

Vs

Vinod Singh & Ors

RESPONDENT

Date of Decision : 19-03-2025

Acts Referred:

Citation : (2025) 03 SC CK 0220

Hon'ble Judges : Sudhanshu Dhulia, J;Ahsanuddin Amanullah, J

Bench : Division Bench

Advocate : Bharat Bhushan, Keshav Bansal, Ranjan Kumar Pandey, K. K. Bhat

Final Decision : Allowed

Judgement

Ahsanuddin Amanullah, J

1. Leave granted.

2. The present appeal mounts a challenge to the Final Judgment and Order dated 24.05.2018 in FAO No.3026/2016 (O&M) (hereinafter referred to as the 'Impugned Order') passed by a learned Single Bench of the High Court of Punjab & Haryana at Chandigarh (hereinafter referred to as the 'High Court'), whereby the appeal filed by the appellants was partly allowed and the compensation awarded by the learned Motor Accident Claims Tribunal, Bhiwani (hereinafter referred to as the 'MACT') was enhanced from Rs.4,31,680/- (Rupees Four Lakhs Thirty-One Thousand Six Hundred Eighty) to Rs.5,96,761/- (Rupees Five Lakhs Ninety-Six Thousand Seven Hundred Sixty One) and interest was enhanced from 7% per annum to 7.5% per annum. After the matter traversed to this Court, it was referred to the Special Lok Adalat held in this Court on 31.07.2024, but the parties concerned could not reach an agreement.

FACTUAL PREMISE:

3. Briefly stated, the case set up by the appellants is that on 07.02.2003 at around 07:00 a.m., Smt. Tarawati, was going on foot to the bus stand of Village

Sanjarwas Phogat, when the offending truck bearing Registration No.HR-46A-1118 being driven by the respondent no.1 came in a rash and negligent manner and crushed her to death. It was averred that the deceased was aged about 45 years at the time of her death and was earning a monthly income of Rs.10,000/- (Rupees Ten Thousand), inclusive of income from agriculture and family pension. The appellants filed a claim petition bearing MVA Petition No.30 of 2003 claiming a total of Rs.15,00,000/- (Rupees Fifteen Lakhs). The MACT vide Award/Order dated 31.08.2015 awarded a compensation of Rs.4,31,680/- (Rupees Four Lakhs Thirty-One Thousand Six Hundred Eighty) along with interest at the rate of 7% per annum in the following manner:

S. No.

Head of Compensation

Amount

1

Monthly Income

Rs.5,100/-

2

Multiplier

8

3

Deduction for personal expenses

1/5th

4

Loss of dependency

Rs.3,91,680/-

5

Expenses for funeral and transportation

Rs.10,000/-

6

Loss of love and affection

Rs.20,000/-

7

Loss of care and guidance of minors

Rs.10,000/-

8

Total

Rs.4,31,680/-

4. Aggrieved by the MACT's Award, the appellants approached the High Court by filing First Appeal from Order No.3026 of 2016 (O&M). The High Court, vide the Impugned Order, partly allowed the appeal and enhanced the compensation by Rs.1,65,081/- (Rupees One Lakh Sixty-Five Thousand Eighty-One). The High Court computed and granted compensation under various heads as under:

S. No.

Head of Compensation

Amount

1

Monthly Income

Rs.5,819/-

2

Multiplier

9

3

Deduction for personal expenses

1/5th

(only on family pension)

4

Loss of dependency

Rs.5,56,761/-

5

Expenses for funeral and transportation

Rs.10,000/-

6

Loss of love and affection

Rs.20,000/-

7

Loss of care and guidance of minors

Rs.10,000/-

8

Total

Rs.5,96,761/-

SUBMISSIONS BY THE APPELLANTS:

5. Learned counsel for the appellants argued that the compensation awarded by the High Court is inadequate and ought to be modified. It was put forth that the age of the deceased has been taken as 60 years purely on conjecture, presuming that as per societal norms, the wife would be two years younger to her husband. This flawed reasoning has been upheld by the High Court in the Impugned Order, inter alia, assuming the age of claimant no.1 as 42 years. It was argued that the aforesaid reasoning is incorrect inasmuch as the age of claimant no.1 was recorded as 30 years in the claim petition and the Post-Mortem Report dated 07.02.2003 clearly records the age of the deceased as being 45 years.

6. It was further contended that the High Court erred in computing the income of the deceased. The total family pension of the deceased was Rs.5,137/- (Rupees Five Thousand One Hundred Thirty-Seven) which includes family pension of Rs.3,319/- (Rupees Three Thousand Three Hundred Nineteen), Dearness Allowance of Rs.1,693/- (Rupees One Thousand Six Hundred and Ninety-Three) and medical allowance of Rs.125/- (Rupees One Hundred and Twenty-Five), which is substantiated by the bank account statement(s) of the deceased. Learned counsel relied upon *Rajendra Singh v National Insurance Company Ltd.*, (2020) 7 SCC 256 and argued that the notional income alone of the deceased housewife ought to have been taken as Rs.5,000/- (Rupees Five Thousand).

7. It was further argued that High Court did not award the compensation under the various heads in terms of the decision in *National Insurance Company Limited v Pranay Sethi*, (2017) 16 SCC 680. As per learned counsel, a total of Rs.18,74,630/- (Rupees Eighteen Lakhs Seventy-Four Thousand Six Hundred and Thirty) ought to be granted in compensation. Hence, prayer was made to allow the appeal and enhance the compensation.

SUBMISSIONS BY THE RESPONDENT NO.3/INSURANCE COMPANY:

8. Per contra, learned counsel for the respondent no.3-Insurance Company argued that the High Court applied its mind judiciously and thoughtfully to every aspect of the case and every observation in the Impugned Order is based on evidence. The High Court has come to an inescapable conclusion that the appellants are entitled to compensation of Rs.5,96,761/- (Rupees Five Lakhs Ninety-Six Thousand Seven Hundred Sixty-One) only and nothing more than

that. This indeed is based on the guidelines of the Courts, as laid down from time to time, and there is no justification for claiming more compensation under such circumstances. It was argued that sympathies cannot override the applicable law and the compensation awarded is fair and reasonable overall. Prayer was made to dismiss the appeal.

ANALYSIS, REASONING & CONCLUSION:

9. Heard the learned counsel for the parties and perused the evidence on record. At the outset, we note that service to respondents no.1 and 2 was dispensed with by the Order dated 21.10.2019 by the Judge-in-Chambers in view of the position that the said two respondents had not appeared either before the MACT or the High Court.

10. The issue, in our opinion, has to be seen in a narrow compass related to the monthly income and multiplier within the parameters of the formula fixed in *Sarla Verma v Delhi Transport Corporation*, (2009) 6 SCC 121 as also with regard to the loss of love and affection, loss of care and guidance to minor and deduction for personal expenses.

11. The amount arrived at by the High Court of the monthly income being Rs.5,819/- (Rupees Five Thousand Eight Hundred and Nineteen) as against the claim of Rs.10,000/- (Rupees Ten Thousand) appears to be on the lower side as the total earning of the deceased from family pension itself ought to have been considered which itself would come to Rs.5,137/- (Rupees Five Thousand One Hundred and Thirty-Seven) to which the notional wages as a home maker had to be added, which we find is reasonable as has been taken by the High Court at Rs.2,500/- (Rupees Two Thousand Five Hundred). Thus, the monthly income would come to Rs.7,637/- (Rupees Seven Thousand Six Hundred and Thirty-Seven), which we are inclined to round off at Rs.7,000/- (Rupees Seven Thousand). Coming to the multiplier factor which is dependent on the age, there is sufficient indication that the deceased was aged about 45 years as per the Post-Mortem Report which is a scientific assessment of the age of the deceased. The purported discrepancy in the age with regard to that of the claimant and the deceased is erroneous for the reason that when the claim was filed, appellant no.1 was aged about 30 years and a difference of 15 years between the daughter-in-law and the mother-in-law cannot be said to be totally devoid of reality given the contextual and prevalent societal norms in vogue at the time of marriage of the deceased which could have been at least 25 to 30 years prior to her death i.e., in or about the 1970s. Moreover, in the absence of material indicating to the contrary, there is no inhibition to accept the age of the deceased as per the Post-Mortem Report. Thus, we are inclined to grant her the benefit of multiplier of 14 taking her age as 45 years. With regard to the loss of love and affection, *Pranay Sethi (supra)* grants Rs.40,000/- (Rupees Forty Thousand) per head with escalation of 10% every three years for loss of consortium which has been interpreted in *Magma General Insurance Co. Ltd. v Nanu Ram*, (2018) 18 SCC 130 to include spousal, parental, and filial consortium. Thus, there being

five claimants the amount shall be [Rs.48,000/- x 5] which comes to Rs.2,40,000/-(Rupees Two Lakhs and Forty Thousand) payable under the head of loss of love and affection.

12. We have taken the afore-view based on the material before the Court and what has come during trial as also the formula approved and invoked as per the earlier precedents of this Court, including those referred to hereinbefore. Under the head of funeral expenses and transportation also, the amount is increased from Rs.10,000/- (Rupees Ten Thousand) to Rs.20,000/- (Rupees Twenty Thousand). No payment shall be made under the head of loss of care and guidance of minors as we factored in the same under the head of loss of love and affection with regard to all claimants. The MACT and so also the High Court, however, have not borne in mind the aspect qua loss of future prospects.

13. In Rajendra Singh (supra), the Court held:

'9. The first deceased was a housewife aged about 30 years. In *Lata Wadhwa v. State of Bihar* [*Lata Wadhwa v. State of Bihar*, (2001) 8 SCC 197], this Court had observed that considering the multifarious services rendered by housewives, even on a modest estimation, the income of a housewife between the age group of 34 to 59 years who were active in life should be assessed at Rs 36,000 p.a. A distinction was also drawn with regard to elderly ladies in the age group of 62 to 72 who would be more adept in discharge of housewife duties by age and experience, and the value of services rendered by them has been taken at Rs 20,000 p.a.

10. In *Arun Kumar Agrawal v. National Insurance Co. Ltd.* [*Arun Kumar Agrawal v. National Insurance Co. Ltd.*, (2010) 9 SCC 218: (2010) 3 SCC (Civ) 664: (2010) 3 SCC (Cri) 1313], the Tribunal assessed the notional income of the housewife at Rs 5000 per month, but without any rationale or reasoning concluded that she was a non-earning member and reduced the same to Rs 2500, which was affirmed [*Arun Kumar Agrawal v. National Insurance Co. Ltd.*, FAFO No. 2408 of 2003, order dated 30-4-2004 (All)] by the High Court. Disapproving the same and restoring the assessed income, this Court observed at paras 26 and 27 as follows : (SCC pp. 237-38)

"26. In India the courts have recognised that the contribution made by the wife to the house is invaluable and cannot be computed in terms of money. The gratuitous services rendered by the wife with true love and affection to the children and her husband and managing the household affairs cannot be equated with the services rendered by others. A wife/mother does not work by the clock. She is in the constant attendance of the family throughout the day and night unless she is employed and is required to attend the employer's work for particular hours. She takes care of all the requirements of the husband and children including cooking of food, washing of clothes, etc. She teaches small children and provides invaluable guidance to them for their future life. A housekeeper or maidservant can do the household work, such as cooking food,

washing clothes and utensils, keeping the house clean, etc., but she can never be a substitute for a wife/mother who renders selfless service to her husband and children.

27. It is not possible to quantify any amount in lieu of the services rendered by the wife/mother to the family i.e. the husband and children. However, for the purpose of award of compensation to the dependants, some pecuniary estimate has to be made of the services of the housewife/mother. In that context, the term "services" is required to be given a broad meaning and must be construed by taking into account the loss of personal care and attention given by the deceased to her children as a mother and to her husband as a wife. They are entitled to adequate compensation in lieu of the loss of gratuitous services rendered by the deceased. The amount payable to the dependants cannot be diminished on the ground that some close relation like a grandmother may volunteer to render some of the services to the family which the deceased was giving earlier."

11. The notional income of the first deceased is therefore held to be Rs 5000 per month at the time of death. The compensation on that basis with a deduction of 1/4th i.e. Rs 15,000 towards personal expenses with a multiplier of 17 is assessed at Rs 7,65,000. If the deceased had survived, in view of observations in Lata Wadhwa [Lata Wadhwa v. State of Bihar, (2001) 8 SCC 197], her skills as a matured and skilled housewife in contributing to the welfare and care of the family and in the upbringing of the children would have only been enhanced by time and for which reason we hold that the appellants shall be entitled to future prospects @ 40% in addition to the loss of consortium and future expenses already granted. We therefore assess the total compensation payable to the appellants in the first appeal at Rs 11,96,000.'

(emphasis supplied)

14. We express our respectful agreement with Rajendra Singh (supra) and, accordingly, assess loss of future prospects at 25%, bearing in mind the dicta in Pranay Sethi (supra). In undertaking the exercise of computation of compensation, we have verily reminded ourselves that the Motor Vehicles Act, 1988 is a beneficial and welfare legislation and it is our duty to award 'just compensation' [refer Ningamma v United India Insurance Company Limited, (2009) 13 SCC 710].

15. We maintain the interest granted by the High Court at 7.5% per annum from the date of the petition as the incident is of the year 2003. Though, the Courts below have taken the deduction for personal expenses to be 1/5th, however, having regard to the law laid down in Sarla Verma (supra) we take the same to be 1/4th and quantify the compensation as per the chart below:

S. No.

Head of Compensation

Amount

1

Monthly Income

Rs.7,000/-

2

Future Prospects @ 25%

Rs.1,750/-

3

Deduction for Personal Expenses

1/4th

4

Multiplier

14

5

Loss of dependency

Rs.11,02,500/-

6

Expenses for funeral and transportation

Rs.20,000/-

7

Loss of love and affection

Rs.2,40,000/-

8

Loss of estate

Rs.20,000/-

9

Total

Rs.13,82,500/-

16. Accordingly, the amount be paid with 7.5% interest per annum from the date of filing of the claim till date of realization within 2 months from today, if already

not paid. We further clarify that the rate of interest would be pro rata if any amount has been paid for the period for which such interest is to be paid, taking into consideration the date on which such interim or part-payment has been made by the respondent no.3 earlier to the claimants concerned.

17. Accordingly, the appeal is allowed in the above-mentioned terms. The Impugned Order is set aside.

18. No order as to costs.