

Supreme Court of India

K.R. Chikkarangaiah

Vs.

Kemparangaiah

C.A.No.8632 of 2014

(V. Gopala Gowda CJ, Adarsh Kumar Goel JJ.)

11.09.2014

JUDGMENT

V. Gopala Gowda, J

1. Leave granted in all the special leave petitions.

2. These appeals have been filed by the appellants against the common Judgment and order dated 06.11.2012 passed in Misc. Application Nos. 2575 of 2010, 2574 of 2010 and 2579 of 2010 by the High Court of Judicature of Madhya Pradesh, Principal Bench at Jabalpur, urging various grounds. Civil Appeals arising out of SLP(c) Nos. 21666 of 2013 and 21670 of 2013 have been filed by Kumari Kiran and Master Sachin respectively, through their father Harinarayan as they are minors, while Civil Appeal arising out of SLP(c) No. 21671 of 2013 has been filed by the appellant Harinarayan.

3. The necessary relevant facts are stated as under:

On 04.06.2009, Kumari Kiran and her brother Master Sachin (the pillion riders, hereinafter referred to as the appellant-minors) were going on a motor cycle to their village Shujalpur from Bhopal with their father Harinarayan, (rider of the motor cycle, hereinafter referred to as the appellant-father). While on their way, a tractor bearing No. MP13K1981 driven by Sajjan Singh (respondent No.1), collided with the motor cycle on which the appellants were riding. Due to the impact of this collision the appellants fell down and sustained grievous injuries. After medical examination, it was concluded that all the three appellants had fractured their femur, tibia and fibula bones on their right leg and had to undergo an operation at National Hospital Bhopal where a rod and a ring were implanted on each one of their right leg. Upon further medical examination, it was found that the right leg of all the three appellants had become one inch shorter due to the injuries caused to them in the accident. Therefore, the appellant-minor daughter and the appellant-father were determined

with 30% permanent disability and the appellant-minor-son was determined with 20% permanent disability by the doctor who had treated them.

4. A First Information Report was lodged in Mandi Shujalpur Police Station against the driver (respondent No.1) of the offending tractor under Sections 279, 337, and 338 of the Indian Penal Code (in short 'I.P.C.').

5. The appellants filed a claim petitions before the Motor Accident Claims Tribunal, Bhopal. The Tribunal after considering the facts, evidence produced on record and the circumstances of the case, apportioned contributory negligence at 50% on the part of the appellant-father who was riding the motorcycle on which the appellant-minors were the pillion riders and 50% on the driver of the offending tractor.

6. The Tribunal vide its award dated 19.03.2010 ascertained the compensation due to the appellants as per the calculations stated in the table below:

Particulars	Kumari Kiran	Master Sachin	Harinarayan
1. Notional income	Rs.15,000/- p.a.	Rs.15,000/- p.a.	Rs.18,000/- p.a.
2. Multiplier	15	15	15
3. Income for whole life	Rs.2,25,000/- (Rs.15,000/- X 15)	Rs.2,25,000/- (Rs.15,000/- X 15)	Rs.2,70,000/- (Rs.18,000/- X 15)
4. Future loss of income due to permanent disability	Rs.67,500/- (30% of Rs.2,25,000/-)	Rs.45,000/- (20% of Rs.2,25,000/-)	Rs.81,000/- (30% of Rs.2,70,000/-)
5. Agony	Rs.5,000/-	Rs.5,000/-	Rs.5,000/-
6. Diet expenses	Rs.3,000/-	Rs.3,000/-	Rs.3,000/-
7. Medical expenses	Rs.84,876/-	Rs.1,51,154/-	Rs.4,500/-
8. Loss of income			
9. Total compensation (Rounded off to under all heads)	Rs.1,45,344/-	Rs.1,37,876/-	Rs.2,44,654/-
10. 50% deduction towards contributory negligence			
11. TOTAL	Rs.68,938/-	Rs.1,22,250/-	Rs.72,672/-

The Tribunal awarded an interest at the rate of 6% p.a. on the total compensation.

7. Being aggrieved by the common award passed by the Tribunal, the appellants filed M.A. Nos. 2575 of 2010, 2574 of 2010 and 2579 of 2010 before the High Court of Madhya Pradesh at Jabalpur. After considering the facts, evidence on record and circumstances of the case, the High Court held that the appellant-minors who were the pillion riders cannot be held for contributory negligence as apportioned by the Tribunal even if their appellant-father who was the motorcyclist was at fault. Therefore, the High Court set aside the deduction arising out of the contributory negligence from the compensation determined towards the permanent disability for the appellant-minors. The High Court also reduced the contributory negligence on the part of appellant-father (motorcyclist) from 50% to 25%. Further, the High Court enhanced the compensation of the appellant-minor daughter by Rs. 30,000/-, the appellant-minor-son by Rs.25,000/- and the appellant-father by Rs.65,000/- (Rs.30,000/- lump sum and Rs.35,000/- towards medical expenses) to be paid with an interest @ Rs.7.5% per annum vide its impugned judgment and order dated 06.11.2012. Aggrieved by the impugned Judgment and order, the appellants filed these appeals.

8. It was contended by Mr. Awadesh Kumar Singh, the learned counsel for the appellants that:

The compensation awarded to the appellants under the heads of loss of future income was inadequate by taking notional income as only Rs.15,000/- per annum for the appellant-minors and Rs.18,000/- per annum for the appellant-father; No compensation has been awarded towards the medical attendants who attended the appellants to take care of them for a period of 3 months treatment after the accident; Compensation for permanent disability should have been awarded after considering the enormity of suffering, pain and agony loss of enjoyment of life of the appellants by relying on the principle laid down by this Court in Subulaxmi Vs. M.D., Tamil Nadu State Transport Corporation and Anr.[1] in which, this Court has held thus:-

“5. At the outset, it is requisite to be stated that the facts as have been adumbrated are not in dispute. Therefore, first we shall advert to the issue whether the High Court was justified in awarding compensation on a singular head relating to permanent disability and loss of future earning. In *K. Suresh v. New India Assurance Co. Limited and Anr.* 2012 (10) SCALE 516, after referring to *Ramesh Chandra v. Randhir Singh* (1990) 3 SCC 723 and *B. Kothandapani v. Tamil Nadu State Transport Corporation Limited* (2011) 6 SCC 420, this Court expressed the view that compensation can be granted towards permanent disability as well as loss of future earnings, for one head relates to the impairment of person's capacity and the other relates to the sphere of pain and suffering and loss of enjoyment of life by the person himself. The Bench also relied upon *Laxman v. Divisional Manager, Oriental Insurance Co. Limited and Anr.* 2012 ACJ 191, wherein it has been laid down thus:

The ratio of the above noted judgments is that if the victim of an accident suffers permanent or temporary disability, then efforts should always be made to award adequate compensation not only for the physical injury and treatment, but also for the pain, suffering and trauma caused due to accident, loss of earnings and victim's inability to lead a normal life and enjoy amenities, which he would have enjoyed but for the disability caused due to the accident. Thus, the view expressed by the High Court on this score is not sustainable.”

9. After considering the contentions of the learned counsel for both the parties, we are of the view that the courts below have failed to follow the principles as laid down by this Court in the case of *Subulaxmi* (supra) in awarding compensation under a singular head towards permanent disability and loss of future earning to the appellant-minors and appellant-father.

10. It is stated that the appellant-minors were just 10 and 15 years old at the time of the accident. They have undergone immense physical pain and suffering as well as mental shock and trauma at a very tender age. The trauma undergone by the appellant-minors due to the motor accident could have a severe and long-lasting effect. The appellant-minors and their parents will have to make arrangements to support their disability in the future. No amount of monetary benefit will compensate for the suffering and pain that the appellant-minors have to endure to overcome the probable shackles of their disability in the future. The appellant-father suffers from 30% permanent disability due to the shortening of his right leg

by one inch after injuries sustained by them in the motor vehicle accident. Both the children are suffering from permanent disability due to this motor vehicle accident. The appellant-father has and continues to undergo loss, pain and suffering in many ways due to this accident. Therefore, when the question of compensation arises in the case of permanent disablement suffered by the appellants due to a motor accident, we refer to the principles laid down by this Court in the case of R.D. Hattangadi vs Pest Control (India) Pvt. Ltd[2], wherein it was held as under:- “9. Broadly speaking while fixing an amount of compensation payable to a victim of an accident, the damages have to be assessed separately as pecuniary damages and special damages. Pecuniary damages are those which the victim has actually incurred and which are capable of being calculated in terms of money; whereas non-pecuniary damages are those which are incapable of being assessed by arithmetical calculations. In order to appreciate two concepts pecuniary damages may include expenses incurred by the claimant: (i) medical attendance; (ii) loss of earning of profit up to the date of trial; (iii) other material loss. So far non-pecuniary damages are concerned, they may include (i) damages for mental and physical shock, pain and suffering, already suffered or likely to be suffered in future; (ii) damages to compensate for the loss of amenities of life which may include a variety of matters i.e. on account of injury the claimant may not be able to walk, run or sit; (iii) damages for the loss of expectation of life, i.e., on account of injury the normal longevity of the person concerned is shortened; (iv) inconvenience, hardship, discomfort, disappointment, frustration and mental stress in life.” Therefore, quantification of damages divided under different heads as mentioned in the above case must be very carefully observed by the courts while awarding compensation to the victims of motor-vehicle accidents. It is extremely essential for the courts to consider the two main components of damages i.e. both pecuniary and non-pecuniary damages as per the guidelines laid down by this Court in the above case so that the just and reasonable compensation is awarded to the injured.

11. Further, with respect to just compensation to be awarded to the victims of motor-vehicle accidents, we refer to the decision of this Court in the case of Raj Kumar vs Ajay Kumar & Anr. [3], wherein it was held as under:- “5. The provision of the Motor Vehicles Act, 1988 ('Act' for short) makes it clear that the award must be just, which means that compensation should, to the extent possible, fully and adequately restore the claimant to the position prior to the accident. The object of awarding damages is to make good the loss suffered as a result of wrong done as far as money can do so, in a fair, reasonable and equitable manner. The court or tribunal shall have to assess the damages objectively and exclude from consideration any speculation or fancy, though some conjecture with reference to the nature of disability and its consequences, is inevitable. A person is not only to be compensated for the physical injury, but also for the loss which he suffered as a result of such injury. This means that he is to be compensated for his inability to lead a full life, his inability to enjoy those normal amenities which he would have enjoyed but for the injuries, and his inability to earn as much as he used to earn or could have earned.” Thus, the compensation should be reasonably sufficient so that it equips the victim to return to their normal life to the maximum possible extent. The Tribunal and the High Court have failed to show compassion to the appellant-minors and appellant-father by not examining the above relevant aspect of the case

on hand and not following the guidelines as laid down by this Court to determine just and reasonable compensation in the cases referred to supra.

With regard to the appellant-minors

12. With respect to compensation towards future loss of income due to permanent disability for appellant-minors, we refer to the case of Master Mallikarjun v. Divisional Manager, the National Insurance Company Limited & Anr.[4], wherein this Court held as under:-

“8. It is unfortunate that both the Tribunal and the High Court have not properly appreciated the medical evidence available in the case. The age of the child and deformities on his body resulting in disability, have not been duly taken note of. As held by this Court in R.D. Hattangadi v. Pest Control (India) Pvt. Ltd. and Ors. [(1995) 1 SCC 551], while assessing the non-pecuniary damages, the damages for mental and physical shock, pain and suffering already suffered and that are likely to be suffered, any future damages for the loss of amenities in life like difficulty in running, participation in active sports, etc., damages on account of inconvenience, hardship, discomfort, disappointment, frustration, etc., have to be addressed especially in the case of a child victim. For a child, the best part of his life is yet to come. While considering the claim by a victim child, it would be unfair and improper to follow the structured formula as per the Second Schedule to the Motor Vehicles Act for reasons more than one. The main stress in the formula is on pecuniary damages. For children there is no income. The only indication in the Second Schedule for non-earning persons is to take the notional income as Rs. 15,000/- per year. A child cannot be equated to such a non-earning person. Therefore, the compensation is to be worked out under the non-pecuniary heads in addition to the actual amounts incurred for treatment done and/or to be done, transportation, assistance of attendant, etc. The main elements of damage in the case of child victims are the pain, shock, frustration, deprivation of ordinary pleasures and enjoyment associated with healthy and mobile limbs. The compensation awarded should enable the child to acquire something or to develop a lifestyle which will offset to some extent the inconvenience or discomfort arising out of the disability. Appropriate compensation for disability should take care of all the non-pecuniary damages. In other words, apart from this head, there shall only be the claim for the actual expenditure for treatment, attendant, transportation, etc.

(Emphasis laid by this Court) The Tribunal has calculated the future loss of income by taking the notional income of each the appellant-minor as Rs.15,000/- per annum. We are of the considered view that a child's notional income cannot be ascertained as per the figure given for a non-earning individuals in the second schedule of the Motor Vehicles Act, 1988. As the Tribunal and the High Court have not followed the principles laid down by this Court in the above case by awarding loss of future income due to permanent disability, therefore, we set aside the same. Further, reiterating the same principles as held in Master Mallikarjun's case (supra), we award Rs.1,00,000/- each towards shock, pain and suffering (non-pecuniary head) in place of loss of future income due to permanent disability. Further, in Master Mallikarjun case (supra) with respect to compensation for permanent disability this Court held thus:-

“12. Though, it is difficult to have an accurate assessment of the compensation in the case of children suffering disability on account of a motor vehicle accident, having regard to the relevant factors, precedents and the approach of various High Courts, we are of the view that the appropriate compensation on all other heads in addition to the actual expenditure for treatment, attendant, etc., should be, if the disability is above 10% and upto 30% to the whole body, Rs.3 lakhs; upto 60%, Rs.4 lakhs; upto 90%, Rs.5 lakhs and above 90%, it should be Rs.6 lakhs. For permanent disability upto 10%, it should be Rs.1 lakh, unless there are exceptional circumstances to take different yardstick...” Hence, this Court in accordance with the principles laid down by this Court in the above case (supra), and after examining the facts, evidence on record and circumstances of the case on hand, we deem it fit and proper to award Rs.3,00,000/- towards permanent disability of the appellant-minors viz. Kumari Kiran and Master Sachin, since they have suffered 30% and 20% permanent disability respectively, due to the shortening of their right leg by one inch after the injuries sustained in the motor accident. Further, upon considering the age of appellant-minors, they have a long journey ahead of them in their lives, during which they along with their parents will have to endure an immeasurable amount of agony and uncertain medical expenses due to this motor-vehicle accident. Thus, based on the principles laid down in the above case, we award Rs.25,000/- each towards agony to parents and Rs.25,000/- each towards future medical expenses. With regard to the appellant-father

13. With regard to the apportionment of contributory negligence at 25% on the part of the appellant-father and 75% on the driver of the offending tractor as determined by the High Court, we refer to the judgment of this Court in *Juju Kuruvila & Ors. v. Kunjuamma Mohan & Ors.*[5] as it is applicable to facts of the case on hand. In the above case, Joy Kuruvila (the deceased) had a head-on collision with a bus approaching from the opposite side. Joy Kuruvila sustained serious injuries and died on the way to the hospital. The Tribunal found that the accident occurred due to the rash and negligent driving of the bus driver. It apportioned the contributory negligence between the driver and the deceased in the ratio of 75:25%. On the basis of the pleadings & evidence on record, in the above said case, this Court has held thus on the negligence of the driver of the bus:-

“20.5. The mere position of the vehicles after accident, as shown in a scene mahazar, cannot give a substantial proof as to the rash and negligent driving on the part of one or the other. When two vehicles coming from opposite directions collide, the position of the vehicles and its direction, etc. depends on a number of factors like the speed of vehicles, intensity of collision, reason for collision, place at which one vehicle hit the other, etc. From the scene of the accident, one may suggest or presume the manner in which the accident was caused, but in the absence of any direct or corroborative evidence, no conclusion can be drawn as to whether there was negligence on the part of the driver. In absence of such direct or corroborative evidence, the Court cannot give any specific finding about negligence on the part of any individual.

20.6. The post mortem report, Ext. A-5 shows the condition of the deceased at the time of death. The said report reflects that the deceased had already taken meal and his stomach was half-full and contained rice, vegetables and meat pieces in a fluid with strong smell of spirit. The aforesaid evidence, Ext.A-5 clearly suggests that the deceased had taken liquor but on

the basis of the same, no definite finding can be given that the deceased was driving the car rashly and negligently at the time of the accident. The mere suspicion based on Ext. B-2 "scene mahazar" and Ext. A-5 post-mortem report cannot take the place of evidence, particularly, when the direct evidence like PW3 (independent eyewitness), Ext. B-1 (FI statement) are on record." The observations made by this Court in the case of Juju Kuruvila (supra) surely apply to the fact situation on hand. Upon thorough examination of the facts and legal evidence on record in the present case, it cannot be said that the appellant-father was rash and negligent just on the assumption made by the Tribunal that the collision occurred in the middle of the road since the two vehicles were approaching from opposite directions of the road. However, the only aspect of the case on hand that we can reasonably assume is that the appellant-father would have taken sufficient caution while riding the motorcycle since he was travelling with his two minor children (appellant-minors). Further, upon examining the evidence produced on record, there is no proof showing negligence on the part of the appellant-father. Thus in our view, the contributory negligence apportioned by the High Court at 25% on the appellant-father and 75% on the driver of the offending tractor is erroneous keeping in view the legal principles laid down by this Court on this aspect in the above referred case. Thus, we are of the firm conclusion that the negligence is wholly on the part of the driver of the offending tractor since he was driving the heavier vehicle. Therefore, we set aside the 25% contributory negligence on the part of the appellant-father as apportioned by the High Court.

14. Further, the courts below have erred in ascertaining the notional income of appellant-father at Rs.1,500/- per month i.e. Rs.18,000/- per annum. On examining the facts, evidence produced on record and circumstances of the case on hand, the appellant-father owns 30 bighas of irrigated land in which he was doing agricultural work as per Exhibit-79 Kishtban Khtoni. Keeping in mind the same, the notional income ascertained by the courts below is too less. In our opinion, the appellant-father's notional income must be at least Rs.5,000/- per month i.e. Rs.60,000/- per annum. Thus, his loss of future income due to 30% permanent disability suffered by him due to the injuries sustained in this accident, taking the appropriate multiplier of 15 (as per Sarla Verma & Ors. v. Delhi Transport Corporation & Anr.[6]), would be Rs.2,70,000/- (15 X [30% of 60,000/-]).

15. The courts below have erred in awarding an amount of Rs. 5000/- only towards pain and suffering caused to the appellant-father due to the motor- vehicle accident. The award towards non-pecuniary heads must be ascertained after careful reflection upon the facts and circumstances of the case on hand as opined by this Court in this aspect in R.D. Hattangadi's case(supra). Therefore, keeping in mind the loss suffered by the appellant- father due to 30% permanent disability and circumstances of the case on hand and principles laid down by this Court in the above case, we award Rs.50,000/- towards pain and suffering of the appellant-father. We further award Rs.50,000/- towards loss of amenities undergone by the appellant- father as per the principles laid down in Sri Nagarajappa v. The Divisional Manager, The Oriental Insurance Co. Ltd.[7].

With regard to all the appellant-claimants

16. We are of the opinion, that the appellants without doubt need sufficient nutrition in order to ensure their good health, especially considering the appellant-minors who are just over 10 and 15 years of age. As the Tribunal and the High Court have erred in awarding a meagre

amount of Rs.3,000/- to each one of the appellants towards special food and nutrition, instead we award Rs.10,000/- each towards the same.

17. In our considered view of the facts of the case, it is clear that medical attendants were taken for the appellants' care for 3 months during their treatment and rest period. The Tribunal and the High Court have erred in not awarding compensation towards the same. Therefore, we award Rs.9,000/- each towards attendant's charges (Rs.3,000/- per month for each attendant) and Rs. 5,000/- each towards transportation charges.

18. The compensation awarded to the appellants towards medical expenses by the Tribunal and enhancement of the same by the High Court to the appellant- father is maintained.

19. Further, we are of the view that the Tribunal and the High Court have erred in granting interest rate at only 6% p.a. and 7.5% p.a. respectively on the total compensation amount instead of 9% p.a. by applying the decision of this Court in Municipal Corporation of Delhi v. Association of Victims of Uphaar Tragedy[8]. Accordingly, we award the interest @9% p.a. on the compensation determined in these appeals.

20. In the result, the appellants shall be entitled to compensation under the different heads as per the following table:

Particulars	Kumari Kiran	Master Sachin	Harinarayan
1. Loss of future income due to disability	-	-	Rs.2,70,000/-
2. Pain and suffering	Rs.1,00,000/-	Rs.1,00,000/-	Rs.50,000/-
3. Agony to parents	Rs.25,000/-	Rs.25,000/-	-
4. Medical Expenses	Rs.69,844/-	Rs.84,876/-	Rs.1,86,154/-
5. Attendant	Rs.9,000/-	Rs.9,000/-	Rs.9,000/-
6. Transportation	Rs.5,000/-	Rs.5,000/-	Rs.5,000/-
7. Special diet and nutrition	Rs.10,000/-	Rs.10,000/-	Rs.10,000/-
8. Permanent Disability/loss of amenities	Rs.3,00,000/-	Rs.3,00,000/-	Rs.50,000/-
9. Future medical expenses	Rs.25,000/-	Rs.25,000/-	-
TOTAL	Rs.5,43,844/-	Rs.5,58,876/-	Rs.5,80,154/-

Thus, the total compensation payable to all the appellants by the respondent Insurance Company will be as per the total amount indicated in the preceding table with interest @ 9% from the date of filing of the application till the date of payment.

21. Accordingly, we allow these appeals with the following directions:

C.A.@SLP(c) no.21666 of 2013 The respondent Insurance Company is directed to deposit a sum of Rs.4,00,000/- with proportionate interest for a period of 3 years with the liberty to the appellant-minor, Kumari Kiran to withdraw the same by filing an application for her education, development and welfare;

The remaining amount of Rs.1,43,844/- with proportionate interest shall be paid to the appellant-minor through her father by way of either a demand draft or deposited with the Motor Accidents Claims Tribunal within six weeks from the date of receipt of the copy of this judgment.

C.A.@SLP(c) no. 21670 of 2013 The respondent Insurance Company is directed to deposit a sum of Rs.4,00,000/- with proportionate interest for a period of 3 years with the liberty to the appellant (who may have become a major) Sachin to withdraw the same by filing an application for his education, development and welfare;

The remaining amount of Rs.1,58,876/- with proportionate interest shall be paid to him by way of either a demand draft or deposited with the Motor Accidents Claims Tribunal within six weeks from the date of receipt of the copy of this judgment.

C.A.@SLP(c) no. 21671 of 2013 The respondent Insurance Company is directed to either pay Rs.5,80,154/- by way of demand draft/drafts in favour of the appellant-father Harinarayan or deposit the same with interest as awarded, before the Motor Accidents Claims Tribunal after deducting the amount already paid, if any, to the appellant within six weeks from the date of receipt of the copy of this judgment.

All the appeals are allowed in the terms as indicated in the table above with interest. No costs.

.....J.
[V.GOPALA GOWDA]

[ADARSH KUMAR GOEL] New Delhi, September 11, 2014 ITEM NO.1A-For Judgment COURT NO.12 SECTION IVA S U P R E M E C O U R T O F I N D I A RECORD OF PROCEEDINGS CIVIL APPEAL NO.8632 OF 2014 (Arising out of SLP(C) NO. 21666 OF 2013) KUMARI KIRAN THR. HER FATHER HARINARAYAN ... APPELLANT Vs.

SAJJAN SINGH & ORS. ... RESPONDENTS

WITH

CIVIL APPEAL NO.8633 OF 2014
(Arising out of SLP(C) NO. 21670 OF 2013)

AND

CIVIL APPEAL NO.8634 OF 2014
(Arising out of SLP(C) NO. 21671 OF 2013)

Date : 11/09/2014 These appeals were called on for judgment today.

For Petitioner(s) Mr. Awadhesh Kumar Singh, Adv.

Mr. R. D. Upadhyay, Adv.

For Respondent(s) Mr. Chander Shekhar Ashri, Adv.

Hon'ble Mr. Justice V.Gopala Gowda pronounced the judgment of the Bench comprising His Lordship and Hon'ble Mr. Justice Adarsh Kumar Goel.

Leave granted.

The appeals are allowed in terms of the signed order.

(VINOD KUMAR)

(MALA KUMARI SHARMA)

COURT MASTER

COURT MASTER

(Signed Non-Reportable judgment is placed on the file)

[1]

[2] (2012)10 SCC 177

[3]

[4] (1995) 1 SCC 551

[5]

[6] (2011)1 SCC 343

[7]

[8] AIR 2014 SC 736

[9]

[10] (2013)9 SCC 166

[11]

[12] (2009)6 SCC 121

[13]

[14]

[15]

[16]