

Madivalappa vs Maharashtra State Road Transport ... on 17 March, 2025

Author: Sudhanshu Dhulia

Bench: Sudhanshu Dhulia

1

2025 INSC 356

NON

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.12009 OF 2024

MADIVALAPPA

VERSUS

MAHARASHTRA STATE ROAD TRANSPORT
CORPORATION

JUDGMENT

AHSANUDDIN AMANULLAH, J.

This appeal is directed against the Final Judgment and Order dated 22.09.2020 (hereinafter referred to as the 'Impugned Judgment') rendered by a Division Bench of the High Court of Karnataka, at Kalaburagi (hereinafter referred to as the 'High Court') in Miscellaneous First Appeal No.200540 of 2014 (MV) under Section 173(1) 1 of the Motor Vehicles Act, 1988. The High Court allowed the appeal preferred by the '173. Appeals.—(1) Subject to the provisions of sub-section (2), any person aggrieved by an award of a Claims Tribunal may, within ninety days from the date of the award, prefer an appeal to the High Court:

Date: 2025.03.18 17:00:02 IST Reason:

Provided that no appeal by the person who is required to pay any amount in terms of such award shall be entertained by the High Court unless he has deposited with it twenty-five thousand rupees or fifty per cent of the amount so awarded, whichever is less, in the manner directed by the High Court: Provided further that the High Court

may entertain the appeal after the expiry of the said period of ninety days, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal in time.’ appellant-claimant against the Award dated 30.10.2013 passed by the II Additional Senior Civil Judge & Motor Accident Claims Tribunal at Gulbarga (hereinafter referred to as the ‘MACT’) in Motor Vehicle Case 2 No.366 of 2011 and increased the compensation from Rs.2,60,200/- (Rupees Two Lakhs Sixty Thousand Two Hundred), as awarded by the MACT, to Rs.3,05,200/- (Rupees Three Lakhs Five Thousand Two Hundred).

BRIEF FACTS:

2. On 11.07.2009, in a vehicular accident due to rash and negligent driving of the offending vehicle being a Maharashtra State Road Transport Corporation (respondent herein) bus bearing Regn.No.MH12CH7027, the appellant, then aged 27 years sustained grievous injuries and was hospitalized.

3. Appellant filed MVC No.366/2011 before the MACT claiming compensation amounting to Rs.23,50,000/- (Rupees Twenty Three Lakhs Fifty Thousand). In support of the claim, the appellant produced various documents including medical records, hospital bills, the First Abbreviated to ‘MVC’.

Information Report, the Chargesheet, Disability Certificate etc. The respondent-corporation filed its Written Objections to the claim petition. After hearing the parties, the MACT, upon assessing age of the appellant-victim as 27 years and disability at 20%, awarded compensation of Rs.2,60,200/- (Rupees Two Lakhs Sixty Thousand Two Hundred) with interest at the rate of 6% per annum from the date of filing of the claim petition till realization of the amount awarded.

4. The MACT assessed and quantified the compensation in the following manner:

Pain and Suffering	Rs.10,000/-
Medical expense	Rs.70,000/-
Attendant, Nourishment and Conveyance charges	Rs.3,000/-
Loss of Earning during treatment period	Rs.4,000/-
Loss of Future Earning (Multiplier 17)	Rs.1,63,200/-
Loss of Amenities	Rs.10,000/-
Total	Rs.2,60,200/-

5. Appellant filed an appeal before the High Court seeking enhancement of compensation. Considering the gravity of the injuries, the High Court while allowing the appeal held that Rs.30,000/- (Rupees Thirty Thousand) can be added to the medical expenses and with respect to loss of income during the injury period, it can be increased from Rs.4,000/- (Rupees Four

Thousand) to Rs.15,000/- (Rupees Fifteen Thousand). Therefore, the High Court increased the compensation from Rs.2,60,200/- (Rupees Two Lakhs Sixty Thousand Two Hundred) to Rs.3,05,200/- (Rupees Three Lakhs Five Thousand Two Hundred). SUBMISSIONS BY THE APPELLANT:

6. Learned counsel for the appellant submitted that the High Court by the Impugned Order did not enhance compensation under the head of 'loss of future earning' by using the multiplier of '18' as per the judgment of this Court in *Sarla Verma v Delhi Transport Corporation*, 2009 (6) SCC 121. It was further contended that under the head of 'loss of future earning', the MACT and the High Court, both, did not grant addition of 'Future Prospects' at 40% as per the judgment of this Court in *National Insurance Company Limited v Pranay Sethi*, 2017 (16) SCC 680.

7. Learned counsel for the appellant contended that under the head of 'loss of future earning', the correct calculation would be Rs.4,000/- (Rupees Four Thousand) (Notional income) x 12 x 18 (Multiplier) x 1.40 (Future prospects) x 20/100 = Rs.2,41,920/- (Rupees Two Lakhs Forty One Thousand Nine Hundred and Twenty). Hence, the appellant is seeking an enhancement of Rs.78,720/- (Rupees Seventy Thousand Seven Hundred Twenty) along with interest @ 6% per annum from the date of accident.

RESPONDENT IN ABSENTIA:

8. Despite notice having been validly served, none appeared on behalf of the sole respondent.

ANALYSIS, REASONING AND CONCLUSION:

9. Having considered the matter, we find that a case for interference has been made out.

10. With regard to the contention of the appellant that under the head of 'loss of future earning' the multiplier needs to be '18' as per the law laid down in *Sarla Verma* (supra), we are of the view that the High Court and MACT has not correctly applied the multiplier, as the multiplier '18' should be applied since appellant age is assessed as 24 years by the MACT.

11. That said, the appellant is right in submitting that as per the decision in *Pranay Sethi* (supra), he is entitled to receive compensation for future prospects at the rate of 40%. Hence, the correct calculation under head of 'loss of future earning' would be Rs.4,000/- (Rupees Four Thousand) (Notional income) x 12 x 18 (Multiplier) x 1.40 (Future prospects) x 20/100 = Rs.2,41,920/- (Rupees Two Lakhs Forty One Thousand Nine Hundred Twenty).

12. Further, in view of the above calculation, the appellant is entitled for Rs.3,83,920/- (Rupees Three Lakhs Eighty Three Thousand Nine Hundred Twenty) as compensation, the differential amount being Rs.78,720/- (Rupees Seventy Eight Thousand Seven Hundred Twenty) [the calculation here being Rs.3,83,920/- (Rupees Three Lakhs Eighty Three Thousand Nine Hundred Twenty) - Rs.3,05,200/- (Rupees Three Lakhs Five Thousand Two Hundred)]. The amount, basis the afore- calculation, after deducting any payment/deposit already made, be paid to the appellant

by the respondent within 30 days after receiving a copy of this judgment with interest at the rate of 6% per annum from the date of filing of the claim petition till realization, failure to do so shall entail an additional interest of 8% on the principal as well as on interest for the period of delay. Accordingly, the Civil Appeal is disposed of, modifying the Impugned Judgment in the above terms.

13. We are of the opinion that the ends of justice shall be further met by imposing a cost of Rs.50,000 (Rupees Fifty Thousand) on the respondent for failure to appear in and assist this Court. This too shall be paid to the appellant within the timeline stipulated supra. Breach of such payment will also carry the consequences indicated above.

14. The Registry shall despatch a copy of this judgment to the Managing Director of the respondent-corporation.

.....J. [SUDHANSHU DHULIA]J.
[AHSANUDDIN AMANULLAH] NEW DELHI MARCH 17, 2025