

Haresh Shantilal Avlani & Anr.
v.
The New India Assurance Co. Ltd.

(Civil Appeal No. 4029-4030 of 2024)

12 March 2024

[Hima Kohli and Ahsanuddin Amanullah, JJ.]

Issue for Consideration

Matter pertains to fixing of the age of the deceased for applying a multiplier for the purposes of computing the compensation payable to the claimants.

Headnotes

Motor Vehicles Act, 1986 – Compensation – Determination of – Calculation of multiplier, on basis of the age of the deceased or the age of the dependents:

Held: It is the age of the deceased which ought to be taken into consideration and not the age of the dependents for arriving at the multiplier – High Court erred in returning findings to the effect that the age of dependents of the deceased ought to be the relevant consideration for arriving at the choice of the multiplier. [Para 5]

Case Law Cited

Sube Singh and Another v. Shyam Singh (Dead) and Others [\[2018\] 1 SCR 636](#) : (2018) 3 SCC 18; *Munna Lal Jain and Another v. Vipin Kumar Sharma and Others* [\[2015\] 7 SCR 207](#) : (2015) 6 SCC 347; *Reshma Kumari and Others v. Madan Mohan and Another* [\[2013\] 2 SCR 706](#) : (2013) 9 SCC 65; *Sarla Verma (Smt.) and Others v. DTC and Another* [\[2009\] 5 SCR 1098](#) : (2009) 6 SCC 121; *National Insurance Co. Ltd. v. Pranay Sethi and Other* [\[2017\] 13 SCR 100](#) : (2017) 16 SCC 680; *Royal Sundaram Alliance Insurance Company Limited v. Mandala Yadagari Goud and Others* [\[2019\] 6 SCR 941](#) : (2019) 5 SCC 554 – relied on.

List of Keywords

Compensation; Multiplier; Age of the deceased; Age of the dependents.

Digital Supreme Court Reports**Case Arising From**

CIVIL APPELLATE JURISDICTION: Civil Appeal Nos. 4029-4030 of 2024

From the Judgment and Order dated 19.10.2016 and 25.10.2016 of the High Court of Judicature at Bombay in FAN No. 756 of 2016

With

Civil Appeal No. 4031 of 2024

Appearances for Parties

Shantanu M. Adkar, Pravin Satale, Rishabh Jain, Rajiv Shankar Dvivedi, S K Sarkar, Shivaji M. Jadhav, Ms. Apurva, Adarsh Kumar Pandey, Vignesh Singh, Dipesh Singhal, M/S. S.M. Jadhav and Company, Advs. for the Appellants.

Anshum Jain, Rameshwar Prasad Goyal, Ranjan Kumar Pandey, K.K. Bhat, Advs. for the Respondent.

Judgment / Order of the Supreme Court**Order**

1. Leave granted.
2. The issue raised in these appeals relates to fixing of the age of the deceased for applying a multiplier for the purposes of computing the compensation payable to the claimants.
3. The appellants (parents of the deceased, Kartik Avlani) in Civil Appeals @ Petition for Special Leave to Appeal (Civil) No.13093 of 2017 are aggrieved by the judgement dated 19th October, 2016, passed by the learned Single Judge of the Bombay High Court, whereby the appeal filed by the respondent-Insurance Company challenging its liability to pay compensation was partly allowed and the compensation awarded by the Motor Accident Claims Tribunal, Mumbai¹, *vide* order dated 10th July, 2015, estimated as ₹20,70,000/- (Rupees Twenty Lakhs Seventy Thousand) with interest @ 7.5% per annum from the date of filing of the petition, till realization, was slashed to ₹12,82,500/- (Rupees Twelve Lakhs Eighty Two Thousand

¹ For short the 'MACT'

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and Five Hundred) on accepting the plea taken by the respondent – Insurance Company that in the case of an unmarried person, it is not the age of the deceased, but the age of the parents, who are the claimants, that should be relevant. In the instant case, the age of the deceased was 23 years at the time of the accident and it was proved that he was working as a Manager in an investment firm.

4. In Civil Appeal @ Petition for Special Leave to Appeal (Civil) No. 13072 of 2017, the age of the deceased (Nilesh Arun Patil) was 28 years. The claimants are the parents and brothers of the deceased. The MACT assessed the income of the deceased as ₹4,000/- (Rupees Four Thousand) per month and applied a multiplier of 17. After extending the benefit of future prospects and loss of dependency, the compensation awarded by the MACT was fixed at ₹6,37,000/- (Rupees Six Lakhs Thirty Seven Thousand) with interest @ 7.5 % from the date of filing of the claim petition till realisation. In an appeal preferred by the appellants before the High Court, *vide* impugned judgement dated 10th January, 2017, the High Court reassessed the income of the deceased and enhanced it to ₹12,194/- (Rupees Twelve Thousand One Hundred and Ninety Four) per month. However, the High Court interfered with the multiplier applied by the MACT and instead of applying the multiplier of 17, reduced it to 13. The reason for the High Court to have changed the multiplier from 17 to 13 was that the deceased was a bachelor and the claimants being his parents, the choice of multiplier had to be assessed on the basis of the age of the parents and not the age of the deceased. As a result, the amount awarded by the High Court was ₹14,29,000/- (Rupees Fourteen Lakhs Twenty Nine Thousand) with interest @ 7.5 % per annum.
5. We may note that the issue as to whether the age of the deceased that ought to be taken into consideration for calculation of the estimated compensation and not the age of the dependents, is no longer *res integra*. There are series of decisions of this Court in *Sube Singh and Another v. Shyam Singh (Dead) and Others*², *Munna Lal Jain and Another v. Vipin Kumar Sharma and Others*³ and

2 [2018] 1 SCR 636 : (2018) 3 SCC 18

3 [2015] 7 SCR 207 : (2015) 6 SCC 347

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Reshma Kumari and Others v. Madan Mohan and Another⁴, where it has been held that it is the age of the deceased and not the age of the parents that would be the clinching factor for calculating the multiplier to be applied for estimating the compensation payable to the claimants. The aforesaid decisions were followed ***Sarla Verma (Smt.) and Others v. DTC and Another***⁵. The Constitution Bench in the case of ***National Insurance Co. Ltd. Vs. Pranay Sethi and Other***⁶ has also been referred to in ***Sube Singh*** (supra) on the aspect of calculation of the multiplier applicable in such a case. A recent decision in the case of ***Royal Sundaram Alliance Insurance Company Limited Vs. Mandala Yadagari Goud and Others***⁷ has reiterated the same position as observed in the cases cited above. We are, therefore, of the opinion that it is the age of the deceased which ought to be taken into consideration and not the age of the dependents for arriving at the multiplier and the High Court has erred in returning findings to the effect that the age of dependents of the deceased ought to be the relevant consideration for arriving at the choice of the multiplier.

6. Accordingly, the impugned judgment dated 19th October, 2016, in Civil Appeal @ Petition for Special Leave to Appeal (Civil) No.13093 of 2017, in respect of FAO No. 756 of 2016 is quashed and set aside and the judgement dated 10th July, 2015, passed by the learned MACT fixing the multiplier of 18 in the instant case is restored. The respondent–Insurance Company is directed to pay the balance amount along with up-to-date interest after adjusting the amounts already paid to the appellants. The said amount shall be deposited with the MACT within six weeks.
7. Similarly, the impugned judgment dated 10th January, 2017 in Civil Appeal @ Petition for Special Leave to Appeal (Civil) No.13072 of 2017 in respect of First Appeal No. 50 of 2016 is modified to the extent that the multiplier shall be applied as assessed by the MACT as 17. The MACT shall recalculate the amount payable by the respondent no.2-Insurance Company to the appellants by replacing

4 [2013] 2 SCR 706 : (2013) 9 SCC 65

5 [2009] 5 SCR 1098 : (2009) 6 SCC 121

6 [2017] 13 SCR 100 : (2017) 16 SCC 680

7 [2019] 6 S.C.R. 941 : (2019) 5 SCC 554

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the multiplier from 13 to 17. After adjusting the amount already paid by the respondents the balance amount shall be deposited by the respondent no.2-Insurance Company within six weeks.

8. The appeals are allowed and disposed of on the above terms.

Headnotes prepared by: Nidhi Jain

Result of the case:
Appeals disposed of.