

**REPORTABLE**

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

**CIVIL APPEAL NO. 6151 OF 2021**

(Arising out of Special Leave Petition (C) No.4705 of 2019)

National Insurance Company Ltd. ...Appellant

versus

Chamundeswari & Ors. ...Respondent(s)

**J U D G M E N T**

**R.SUBHASH REDDY, J.**

1. Leave granted.

2. This appeal is filed by National Insurance Company Ltd. (3<sup>rd</sup> Respondent before the High Court), aggrieved by the judgment and order dated 03.08.2018, passed by the High Court of Judicature at Madras in CMA No.1204 of 2018. By the aforesaid order, the High Court has partly

allowed the Civil Miscellaneous Appeal filed by the Respondent Nos. 1 and 2, by enhancing compensation to Rs.1,85,08,832/-.

3. The 1<sup>st</sup> Respondent is wife and the 2<sup>nd</sup> Respondent is minor son of the deceased Mr. Subhash Babu, who died in a road accident on 14.10.2013. The deceased Mr. Subhash Babu, aged about 35 years was working as Manager HR in a Private Limited Company. On the date of accident, he was driving Maruti car bearing No.DL-2C-P-5414 on NH-47 – main road from Perumanallur to Erode. At that time, the Eicher van bearing Registration No.TN-33-AZ-5868 was proceeding in front of the car driven by the deceased. It is the case of the respondents-claimants that all of a sudden, the driver of Eicher van has turned towards right side without giving any signal or indicator. In the said accident, driver of the Maruti car, Mr. Subhash Babu, died and other passengers in the car i.e. 1<sup>st</sup> Respondent-wife, 2<sup>nd</sup> Respondent-minor son and sister of the 1<sup>st</sup> Respondent, suffered injuries.

4. In the Claim Petition, filed by the Respondent Nos. 1 and 2 before the Motor Accident Claims Tribunal / Additional District Court, Tiruppur, respondents claimed compensation of Rs.3 crores. The respondents pleaded negligence on the part of the driver of Eicher van as he has taken right turn without giving any signal or indicator, as such, accident occurred only due to negligence of driver of Eicher van. The appellant and others have appeared before the Claims Tribunal and opposed the claim. The Claims Tribunal vide order dated 11.12.2017 passed in M.C.O.P. No.842 of 2014 has allowed the claim partly and awarded compensation of Rs.10,40,500/- with a finding that there was a contributory negligence on the part of drivers of both the vehicles in ratio of 75% and 25% on the part of the deceased and the driver of Eicher van respectively. On appeal, the High Court by recording a finding that accident occurred only due to the negligence of the driver of the Eicher van and the annual income of the deceased was

Rs.12,29,949/-, has awarded a total compensation of Rs.1,85,08,832/-, including the compensation on conventional heads. Aggrieved by the judgment and order of the High Court, the Insurance Company filed this Appeal before this Court.

5. We have heard Mr. K. K. Bhat, learned counsel appearing for the Appellant-Insurance Company and Mr. V. Balaji, learned counsel appearing for the Respondents-Claimants.

6. The submission of the learned counsel for the appellant is twofold. Firstly, it is submitted that though the Tribunal has correctly apportioned the negligence on the part of the deceased and the driver of Eicher van, the same was overturned by the High Court, contrary to the evidence on record. Mainly it is contended that in the First Information Report, it was categorically mentioned that accident occurred only due to negligence by the deceased. In spite of the same, such important documentary evidence is ignored by the High Court. The learned counsel in support of his arguments placed reliance on

the judgments of this Court in the case of ***Oriental Insurance Company Limited v. Premlata Shukla and Others***<sup>1</sup> and in the case of ***Nishan Singh and Others v. Oriental Insurance Company Limited***<sup>2</sup>.

It is, further, submitted by the learned counsel that the compensation awarded by the High Court is exorbitant in absence of any acceptable evidence on record to show income of the deceased, as pleaded in the Claim Petition.

7. On the other hand, Mr. V. Balaji, learned counsel for the respondents submitted that the accident occurred only due to the sheer negligence on the part of the driver of Eicher van. It is submitted that the deceased was driving Maruti car and ahead of them the Eicher van was proceeding and the driver of the said van turned towards right side without any signal or indicator and the said lapse resulted in the accident. It is, further, submitted that the deceased was working as Manager HR in a Private Limited Company and was earning a sum of

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<sup>1</sup> 2007 (13) SCC 476

<sup>2</sup> 2018 (6) SCC 765

Rs.1,33,070/- per month, in spite of the same, the High Court has taken income of the deceased at Rs.12,29,949/- per annum and awarded the compensation. It is submitted that in view of the oral and the documentary evidence on record, a just compensation is awarded by the High Court and there are no grounds to interfere with the same.

8. It is clear from the evidence on record of PW-1 as well as PW-3 that the Eicher van which was going in front of the car, has taken a sudden right turn without giving any signal or indicator. The evidence of PW-1 & PW-3 is categorical and in absence of any rebuttal evidence by examining the driver of Eicher van, the High Court has rightly held that the accident occurred only due to the negligence of the driver of Eicher van. It is to be noted that PW-1 herself travelled in the very car and PW-3, who has given statement before the police, was examined as eye-witness. In view of such evidence on record, there is no reason to give weightage

to the contents of the First Information Report. If any evidence before the Tribunal runs contrary to the contents in the First Information Report, the evidence which is recorded before the Tribunal has to be given weightage over the contents of the First Information Report. In the judgment, relied on by the appellant's counsel in the case of ***Oriental Insurance Company Limited v. Premlata Shukla and Others***<sup>1</sup>, this Court has held that proof of rashness and negligence on the part of the driver of the vehicle, is therefore, *sine qua non* for maintaining an application under Section 166 of the Act. In the said judgment, it is held that the factum of an accident could also be proved from the First Information Report. In the judgment in the case of ***Nishan Singh and Others v. Oriental Insurance Company Limited***<sup>2</sup>, this Court has held, on facts, that the car of the appellant therein, which crashed into truck which was proceeding in front of the same, was driven negligently by not maintaining sufficient distance as contemplated under Road Regulations,

framed under Motor Vehicles Act, 1988. Whether driver of the vehicle was negligent or not, there cannot be any straitjacket formula. Each case is judged having regard to facts of the case and evidence on record. Having regard to evidence in the present case on hand, we are of the view that both the judgments relied on by the learned counsel for the appellant, would not render any assistance in support of his case.

9. Even with regard to quantum of compensation, it is clear from the judgment of the High Court that the accident occurred on 14.10.2013, the High Court has correctly taken into account the salary disclosed by the deceased in Form-16 for the Financial Year 2012-2013 and income of the deceased is taken as Rs.12,29,949/- per annum for the purpose of determination of loss of dependency. Though, it was the claim of the respondents-claimants that the deceased was earning Rs.1,33,070/- per month, the same was not accepted and the High Court itself assessed the income of the deceased at Rs.12,29,949/- per



annum. As the deceased was in permanent job and having regard to age of the deceased on the date of the accident, the future prospects and the multiplier were correctly applied by the High Court, which is in conformity with the judgment of this Court in the Case of ***Sarla Verma (Smt) and Others v. Delhi Transport Corporation and Another***<sup>3</sup> and also in the case of ***National Insurance Company Limited v. Pranay Sethi and Others***<sup>4</sup>. Even the amount of compensation on other conventional heads is awarded correctly by the High Court. For the aforesaid reasons, we do not find any merit in this Civil Appeal and the same is accordingly dismissed with no order as to costs.

10. While issuing notice, this Court vide order dated 18.02.2019 granted stay of enforcement of the impugned judgment, subject to condition of depositing the lumpsum compensation of Rs.25 Lakhs before the Tribunal with a direction to deposit the same in an interest earning Fixed

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<sup>3</sup> 2009 (6) SCC 121

<sup>4</sup> 2017 (16) SCC 680

Deposit in a Nationalised bank. The said amount shall be paid to the respondents-claimants with accrued interest. The balance amount payable by the appellant-Insurance Company shall be paid within a period of two months from today.

.....J  
(R. SUBHASH REDDY)

.....J  
(HRISHIKESH ROY)

NEW DELHI;  
October 01, 2021