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S.Shakul Hameed v. Tamil Nadu State Transport Corporation Limited, (SC)

T.

SUPREME COURT OF INDIA

Present: Justice Ahsanuddin Amanullah and Justice K. Vinod Chandran.

S. SHAKUL HAMEED – Appellant

Versus

TAMIL NADU STATE TRANSPORT CORPORATION LIMITED – Respondent

Civil Appeal No. 70 of 2026 (@ SLP (C) No. 7347 of 2024).

(i) Motor Vehicles Act, 1988 – Ss. 163A and 166 – Nature of claim – Application mentioning S. 163A but averments alleging rash and negligent driving – Held, claim is one under S. 166 – Nomenclature in application not determinative – Nature of claim to be ascertained from averments and compensation claimed. [Para 5]

(ii) Motor Vehicles Act, 1988 – S. 166 – Compensation – Assessment of income – No documentary evidence of employment or income – Claimant claimed Rs. 8,000/- per month as salesman but produced nothing to prove same – Tribunal adopted scheduled income under S. 163A at Rs. 3,300/- – Held, improper – Income of even a Coolie was computed at Rs. 4,500/- in 2004 in *Ramachandrappa* case – Computing nominal increase, income fixed at Rs. 5,000/- per month for accident in 2005 – Future prospects of 40% added as claimant was self-employed. Ramachandrappa v. Royal Sundaram Alliance Insurance Co. Ltd., (2011) 13 SCC 236, relied upon. [Para 6]

(iii) Motor Vehicles Act, 1988 – S. 166 – Disability assessment – Reduction by High Court without appeal – Medical certificate assessed disability at 60% – Tribunal fixed it at 50% – High Court without any appeal by Insurance Company reduced it to 40% – Held, improper – Disability as assessed by Tribunal maintained at 50%. [Para 7]

Cases Referred to:

1.(2011) 13 SCC 236, Ramachandrappa v. Royal Sundaram Alliance Insurance Co. Ltd. – Income of Coolie computed at Rs. 4,500/- per month in 2004. [Para 6]

For Appellant: Mr. M. Yogesh Kanna, Ms. Meha Ashok Aggarwal, Mr. Aman Sinha, Advocates. **For Respondent:** Mr. Balaji Subramaniam, AAG, Ms. G. Indira, Mr. P. Gandepan, Mr. Akash Kundu, Mr. Anurag Kashyap, Ms. Anjali Singh, Ms. Raniba Pangnila, Advocates.

JUDGMENT

K. Vinod Chandran, J. – ***(06-01-2026)*** – Leave granted.

2. The appeal is by the claimant who suffered a disability in a motor accident, seeking enhancement of the award amounts. The Tribunal awarded an amount of Rs.2,12,800/- (Rupees two lakhs, twelve thousand and eight hundred) which was enhanced by the High Court to Rs.2,23,000/- (Rupees two lakhs and twenty three thousand) together with interest at the rate of 7.5% per annum from the date of the petition till the date of deposit.

3. The learned counsel for the claimant submitted that the appellant was employed as a salesman and was earning an amount of Rs.8,000/- (Rupees eight thousand) per month. However, the Tribunal only took an amount of Rs.3,300/- (Rupees three thousand and three hundred) as his monthly income, adopted from the Schedule

applicable to Section 163A of the Motor Vehicle Act, 1988 (MV Act) and it was left untouched by the High Court. It is argued that at least the minimum wages applicable on the date of accident ought to have been taken. It is also argued that the reduction of the disability quotient to 40% as assessed by the medical expert was without any valid cause.

4. The learned counsel for the respondent-Corporation, however, submits that the application itself was filed under Section 163A of the MV Act. There was absolutely no evidence to prove the employment or the income as claimed by the appellant. The disability being functional disability, the Tribunal and the High Court was perfectly correct in having determined it at 40%.

5. We have looked at the order of the Tribunal, and we see that at the outset it has been mentioned that the application is filed under Section 163A of the MV Act. However, the compensation claimed was Rs.7,40,000/- (Rupees seven lakhs and forty thousand) and the averments itself indicates that the contention was that the accident occurred because of the rash and negligent manner in which the bus of the Corporation was being driven. Hence, we are of the opinion that though Section 163A of the MV Act was mentioned in the application, the claim is one under Section 166 of the MV Act.

6. As far as the income is concerned, it has to be noticed that though the appellant had claimed that he was a vendor of electronic equipment, there was nothing produced to show the employment, nor the income claimed of Rs.8,000/- (Rupees eight thousand). However, it has to be noticed that in ***Ramachandrappa v. Royal Sundaram Alliance Insurance Co. Ltd. (2011) 13 SCC 236***, this Court computed the income of a Coolie at Rs.4,500/- (Rupees four thousand and five hundred) per month in the year 2004. Computing a nominal increase, even a Coolie would be entitled to an income of Rs.5,000/- (Rupees five thousand) per month in the year 2005 when the accident occurred. We are of the opinion that the income of the appellant, hence can be safely computed at Rs.5,000/- (Rupees five thousand) per month and the appellant being of the age of 27 years, the multiplier applicable would be 17. There should be future prospects of an addition of 40%, the claimant being self-employed. The loss of compensation has to be reduced, in accordance with the disability assessed.

7. The appellant had produced a certificate, Exhibit P- 14 wherein the disability was assessed at 60% by the Doctor who was examined as PW-2. It is also stated in cross examination that only skin grafting was done on the appellant. It was hence, the disability was fixed at 50% by the Tribunal. The High Court without any appeal by the Insurance Company reduced the disability to 40%, which was improper. Disability as assessed by the Tribunal hence has to be maintained.

8. The total award amount, hence, would be modified as follows: –

Loss of income

Rs.5000 x 12 x 17 x 140% x 50% = Rs.7,14,000/-

9. The compensation as above would be for the loss of income. The amounts awarded under the conventional heads by the Tribunal and affirmed by the High Court would stand as it is. The respondent would pay the said amounts within a period of three months from today with interest at the rate of 7.5% as awarded by the High Court.

10. The appeal stands allowed with the above directions.

11. Pending application(s), if any, shall stand disposed of.

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