

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS..... OF 2026
(@Special Leave Petition (Civil) Nos.4717 of 2026)

THE NEW INDIA ASSURANCE COMPANY LTD. . . . APPELLANT(S)

VERSUS

LIYA AND OTHERS . . .RESPONDENT(S)

O R D E R

Time taken for disposal of the claim petitions by the MACT	Time taken for the disposal of appeals by the High Court	Time taken for the disposal of the appeals in this Court
3 years 1 month 20 days	6 years 2 months 22 days	4 months 5 days

Leave granted.

2. This appeal, filed by the New India Assurance Company Ltd., arises out of the impugned final judgment and order dated 18.02.2025 passed by the High Court of

Kerala at Ernakulam in M.A.C.A. No. 3875 of 2018. The High Court had enhanced the compensation awarded for the death of the deceased, Pathrose, from ₹38,55,344/-, as determined by the Motor Accidents Claims Tribunal (MACT), Palakkad, to a sum of ₹1,27,52,500/-.

3. The deceased, who was 33 years of age at the time of the accident on 25.02.2014, was a licensed Document Writer by profession. The primary contention raised by the petitioner is regarding the assessment of the monthly income of the deceased. While the MACT had estimated the annual income at ₹2,50,000/- (approx. ₹20,833/- per month), the High Court accepted a monthly income of ₹70,000/- after notional tax deductions, based on professional receipts (Exhibits A14 and A18).

4. After hearing learned counsel and perusing the records, we find that the High Court's assessment of the deceased's net income is excessive and requires modification. We are of the view that the net monthly income should be fixed at ₹40,000/- for the following reason:

The claimants have produced the professional registers and receipt books (Exhibits A14 and A18), which indicate that the deceased was not only professionally active but also earning a substantial income. He appears to have been a man of great trust and confidence among affluent clients—an attribute indeed rare to find. It is noteworthy that no party has pleaded the non-genuineness of these documents insofar as the entries up to the date of death of the deceased are concerned. The earnings from his professional vocation can, therefore, be quantified on a justifiable basis.

5. In the absence of tax filings and accounting for the nature of the profession, a net monthly income of ₹40,000/- provides a more balanced and just assessment of the actual financial contribution of the deceased to his family.

6. Following the principles in *National Insurance Co. Ltd. v. Pranay Sethi*¹, we have added 40% towards future prospects given the deceased was 33 years old. From the resulting amount, a deduction of 1/3rd is made towards

¹ (2017) 16 SCC 680

personal and living expenses, as the deceased was married and had three dependents. Applying the multiplier of 16, the loss of dependency is recalculated accordingly.

7. Based on the aforementioned findings, the final compensation is re-calculated as follows:

Compensation Heads	Amount Awarded	In Accordance with:
Monthly Income	Rs. 40,000/-	
Yearly Income	Rs. 4,80,000/-	
Future Prospects (40%), age 33 years	40% of 4,80,000/- = Rs. 6,72,000/-	<i>National Insurance Co. Ltd. v. Pranay Sethi</i> (2017) 16 SCC 680 <i>Para 42 & 59.4</i>
Multiplier (16)	6,72,000 x 16 = Rs. 1,07,52,000/-	
Deduction (1/3 rd)	1,07,52,000- (1/3 rd of 1,07,52,000) = Rs. 71,68,000/-	
Loss of Income/Future Earnings due to Disability	Rs. 71,68,000/-	
Loss of Consortium	48400 x 3 = 1,45,200/-	
Loss of Estate	Rs. 18,150/-	
Funeral Expenses	Rs. 18,150/-	

TOTAL	Rs. 73,49,500/-
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The difference in compensation is as under:

MACT	High Court	This Court
Rs.38,55,344/-	Rs.1,27,52,500/-	Rs. 73,49,500/-

8. Based on the above calculations, the total compensation is fixed at ₹73,49,500/- (Rupees Seventy-Three Lakh Forty-Nine Thousand Five Hundred only).

9. The appellant-insurance company is directed to deposit the balance amount, after adjusting any sums already deposited, before the Registry of this Court or the concerned Tribunal within six weeks. The compensation shall carry interest at the rate of 8% per annum, as ordered by the High Court.

10. The amount be directly remitted into the bank account of the claimant. The particulars of the bank account are to be immediately supplied by the learned counsel of the respondent to the learned counsel of the appellant.

11. We further direct that, if the claimant has not yet received the amount in terms of the judgment passed by the High Court, the same shall be remitted within eight weeks. However, if the amount already stands deposited, either before the High Court or the Tribunal, the same shall be disbursed to the claimants together with the entire interest accrued thereon.

12. The appeal is disposed of in the above terms. Pending applications, if any, stand disposed of.

.....J.
(SANJAY KAROL)

.....J.
(NONGMEIKAPAM KOTISWAR SINGH)

New Delhi
May 12, 2026