

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS..... OF 2026
(@Special Leave Petition (Civil) Nos.2075 of 2021)

MAMTAJ & ORS.

... APPELLANT(S)

VERSUS

THE DIVISIONAL MANAGER, THE NEW
INDIA ASSURANCE CO. LTD.

...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
9 months 17 days	6 years 9 months 13 days	5 years 2 months 4 days

Leave granted.

2. This appeal arises out of the impugned final judgment and order dated 09.03.2020 passed by the Hon'ble High Court of Karnataka, Dharwad Bench in

M.F.A. No. 22149 of 2013, whereby the High Court was pleased to partly allow the appeal preferred by the claimants, enhancing the compensation from ₹4,74,000/- to ₹9,40,000/-. Dissatisfied with the quantum of enhancement, the appellants (claimants) have approached this Court seeking a further increase in compensation, primarily on the grounds of future prospects and a higher assessment of conventional heads.

3. The brief facts leading to the present proceedings are that on 12.10.2011, the deceased, Khajameen, along with another individual named Nagaraj, was traveling in an auto-rickshaw bearing registration number KA-29/A-2141 from Navanagar towards Bagalkot. Near the old D.C. office, a Tipper vehicle bearing registration number KA-22/B-7860, driven in a rash and negligent manner, dashed into the auto-rickshaw from behind. As a consequence of the impact, the auto-rickshaw overturned. Nagaraj died on the spot, while Khajameen was shifted to H.S.K. Hospital, Bagalkot, where he succumbed to his injuries on 13.10.2011. At the time

of the accident, the deceased Khajameen was 35 years old and was engaged in a fruit-selling business.

4. The legal heirs of the deceased—his widow (Appellant No. 1) and three minor children (Appellants No. 2 to 4)—filed a claim petition under Section 166 of the Motor Vehicles Act, 1988, before the Motor Accident Claims Tribunal (MACT-II), Bagalkot.

5. The Tribunal, vide its judgment dated 13.03.2013, held that the accident was caused by the negligence of the Tipper driver. However, for the purposes of compensation, it assessed the notional income of the deceased at only ₹3,000/- per month (₹100/- per day). Applying a multiplier of 16 and deducting 1/4th for personal expenses, the MACT awarded a total compensation of ₹4,74,000/- with interest at 6% per annum.

6. On appeal, the High Court of Karnataka modified the award. It correctly observed that for an accident occurring in 2011, the notional income should be taken as ₹6,000/- per month. While it increased the loss of dependency to ₹8,64,000/- and added ₹70,000/- under

conventional heads, it notably failed to award any amount towards "future prospects" as mandated by the settled law of this Court.

7. The primary grievance of the appellants is that the High Court failed to adhere to the principles laid down by the Constitution Bench of this Court in *National Insurance Company Limited v. Pranay Sethi*, (2017) 16 SCC 680, regarding the grant of future prospects and the standardization of conventional heads.

8. Taking the monthly income of ₹6,000/- as established by the High Court, we must proceed to recalculate the compensation. Given the deceased was 35 years of age and self-employed, an addition of 40% towards future prospects is required.

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

Compensation Heads	Amount Awarded	In Accordance with:
Monthly Income	Rs.6000/-	
Yearly Income	Rs.72,000/-	

Future Prospects (40%), age 33 years	72,000 + (40% of 72,000) 28,800 = Rs. 1,00,800/-	<i>National Insurance Co. Ltd. v. Pranay Sethi</i> (2017) 16 SCC 680 <i>Para 42 & 59.4</i>
Multiplier (16)	1,00,800x 16 = Rs. 16,12,800/-	
Deduction (1/4 th)	16,12,800 - (1/4 th of 16,12,800) 4,03,200 = Rs. 12,09,600/-	
Loss of Income/Future Earnings due to Disability	Rs. 12,09,600/-	
Loss of Consortium	48400 x 4 = 1,93,600/-	
Loss of Estate	Rs. 18,150/-	
Funeral Expenses	Rs. 18,150/-	
TOTAL	Rs. 14,39,500/-	

The difference in compensation is as under:

MACT	High Court	This Court
Rs. 4,74,000/-	Rs. 9,40,000/-	Rs. 14,39,500/-

10. The respondent insurer has contended in its counter-affidavit that the enhancement by the High Court was already sufficient. However, it is a settled principle that compensation in motor accident claims

must be "just," and the failure to provide for future prospects renders an award inadequate under the law. We also note that Respondent No. 1 (Owner) was deleted from these proceedings at the petitioners' peril, but as the vehicle was duly insured, the liability of the insurer remains.

11. Accordingly, the appeal is allowed.

12. The total compensation is enhanced to ₹14,39,500/-. The enhanced amount shall carry interest at the rate of 6% per annum from the date of filing the claim petition until the date of realization as awarded by the Tribunal. The Respondent/Insurance Company is directed to satisfy the award.

13. The amount be directly remitted into the bank account of the claimants. The particulars of the bank account are to be immediately supplied by the learned counsel for the appellants to the learned counsel for the respondent. The amount be remitted positively within a period of eight weeks thereafter. The period of delay in filing this appeal shall be excluded during the computation of interest.

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

.....J.
(SANJAY KAROL)

.....J.
(AUGUSTINE GEORGE MASIH)

New Delhi
April 02, 2026