

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO..... OF 2026
(@Special Leave Petition (Civil) No.16082 of 2026)

NARESH GUPTA & ORS.

... APPELLANT(S)

VERSUS

THE NEW INDIA INSURANCE
COMPANY LIMITED & ORS.

...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
2 years 10 months 4 days	17 years 8 months 29 days	4 months 19 days

Leave granted.

2. This appeal arises out of the final judgment and order dated 08.07.2024 passed by the High Court of Madhya Pradesh, Bench at Gwalior, in Miscellaneous

Appeal No. 952 of 2006, whereby the High Court dismissed the cross-objections filed by the appellants for enhancement of compensation and maintained the award of ₹2,08,380/- passed by the Motor Accident Claims Tribunal (MACT), Gwalior.

3. The factual matrix of the case is that on 22.05.2003, the deceased, Sunil Gupta, aged 22 years and a student of the first year of Master of Computer Applications (MCA) at ITM College, Sitholi, was riding pillion on a scooter. While proceeding towards Gwalior city, an Ambassador car bearing registration No. USX 4222, driven rashly and negligently from the wrong side, collided with the scooter at the Vicky Factory intersection. The impact of the collision resulted in Sunil Gupta sustaining a severe fracture below the knee of his left leg and a ruptured vein leading to profuse bleeding. He was initially treated at JA Group of Hospitals, Gwalior, and subsequently referred to hospitals in Delhi, including AIIMS. During the prolonged course of his treatment, it was discovered that the deceased suffered from hemophilia, a condition where blood fails to clot normally, necessitating the

administration of expensive anti-hemophilic factor units. Despite multiple surgeries, skin grafting, and extensive medical intervention, Sunil Gupta succumbed to his injuries on 22.12.2003.

4. The legal heirs, being the parents and siblings of the deceased, filed a claim petition under Section 166 of the Motor Vehicles Act, 1988. The MACT, Gwalior, vide award dated 14.08.2006, awarded a total sum of ₹2,08,380/- with interest @ 6% p.a., holding the driver, owner, and the insurer jointly and severally liable. The Insurance Company challenged this award before the High Court on the ground that the death was caused by a pre-existing medical condition (hemophilia) and not the accident. The claimants also filed cross-objections seeking enhancement, asserting that the notional income of ₹15,000/- per annum fixed by the Tribunal was abysmally low and that the deceased, as an MCA student, was a skilled individual who also earned from private tuitions. The High Court dismissed both the appeal and the cross-objections, maintaining the Tribunal's findings.

5. We have heard the learned counsel for the parties and perused the record. The primary issue is the determination of "just compensation" as mandated by the Motor Vehicles Act. It is a settled principle that compensation should not be a pittance but must be reasonable and equitable, aiming to place the claimants, as far as money can, in the position they would have been in had the accident not occurred. We note that this Court has already observed in its previous record of proceedings dated 27.04.2026 that the liability is fastened upon the insurer, Respondent No. 1.

6. Regarding the income of the deceased, the sources indicate he was a bright student of MCA who reportedly earned ₹9,000/- per month from teaching tuitions to approximately 45 students. While the Courts below discounted this for lack of documentary proof, we find merit in the contention that the notional income fixed at ₹1,250/- per month was even lower than the minimum wages prevalent at the time. In the absence of definitive salary certificates, some amount of guesswork is permissible, provided it is not detached from reality. Given the deceased's educational status as a

professional degree student, he certainly fell within the category of a "skilled worker" as per the economic standards of 2003.

7. We, therefore, accept the submission to fix the monthly income of the deceased at ₹2,615/-, which is consistent with the minimum wage standards for a skilled worker in the State of Madhya Pradesh in the year 2003. This leads to an annual income of ₹31,380/- (₹2,615 x 12).

8. In accordance with the principles laid down by the Constitution Bench of this Court in *National Insurance Co. Ltd. v. Pranay Sethi*¹, an addition towards future prospects must be made. For a deceased who was self-employed or on a fixed salary and below the age of 40 years, an addition of 40% of the established income is required.

9. The argument of the Insurance Company regarding the deceased's hemophilia condition deserves specific mention. The medical evidence and testimony of Dr. Vinod Kumar Garg (PW-5) and Dr. V.P. Chaudhary (PW-4)

¹ (2017) 16 SCC 680

establish that while hemophilia is a congenital condition, the injuries sustained in the accident—specifically the fracture and ruptured vein—aggravated the situation, led to gangrene, and ultimately resulted in death through a chain of medical complications. The accident was the proximate cause that triggered the fatal complications. It is a well-known legal maxim that a tortfeasor takes their victim as they find them (the "Thin Skull Rule"). The insurer cannot be absolved of liability simply because the victim's pre-existing condition made the consequences of the accident more severe.

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

Compensation Heads	Amount Awarded	In Accordance with:
Monthly Income	Rs.2615/-	
Yearly Income	Rs.31,380/-	
Future Prospects (40%), age 22 years	31,380 + (40% of 31,380)12552 = Rs. 43,932/-	<i>National Insurance Co. Ltd.</i>

Multiplier (18)	43,932 x 18 = Rs. 7,90,776/-	<i>v. Pranay Sethi</i> (2017) 16 SCC 680 <i>Para 42 & 59.4</i>
Deduction (1/3 rd)	7,90,776- (1/3 rd of 7,90,776) 2,63,592= Rs. 5,27,184/-	
Loss of Income/Future Earnings due to Disability	Rs. 5,27,184/-	
Loss of Consortium	48400 x 3 = 1,45,200/-	
Loss of Estate	Rs. 18,150/-	
Funeral Expenses	Rs. 18,150/-	
TOTAL	Rs. 7,08,684/-	

The difference in compensation is as under:

MACT	High Court	This Court
Rs.2,08,380/-	Rs.2,08,380/-	Rs. 7,08,684/-

11. The liability for the payment of the aforesaid amount remains with the Respondent No. 1/Insurance Company. The appellants are also entitled to interest on the enhanced amount. While the High Court maintained

a 6% interest rate, we find it just to award interest @ 7.5% p.a. from the date of the claim petition till the date of realization, considering the long pendency of the litigation and the precedents of this Court.

12. Consequently, the appeal is allowed, and the impugned order of the High Court is modified. The total compensation is enhanced to ₹7,08,684/-. The Respondent No. 1/Insurance Company is directed to deposit the enhanced amount, after adjusting any payments already made, along with interest @ 7.5% p.a. before the MACT, Gwalior, within a period of eight weeks from today.

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
May 26, 2026