2026 INSC 1255

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.13804 OF 2026

MOHAMMAD SABIR **APPELLANT**

VERSUS

RAMESH PRASAD AND OTHERS **RESPONDENTS**

J U D G M E N T

ATUL S. CHANDURKAR, J

1. The appellant seeks further enhancement in the amount of compensation as awarded to him by the Motor Accident Claims Tribunal, Gwalior[1] and partially enhanced by the learned Single Judge of the High Court of Madhya Pradesh at Gwalior[2].

2. The appellant on 24.04.2013 was travelling on his motorcycle along with his wife Mrs. Rizwana. At about 12.10 p.m., when the motorcycle was near Kotwali Datia area, it was hit by a truck

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Reason:

[1] For short, 'the Tribunal'
[2] For short, 'the High Court'

driven by the first respondent and owned by the second respondent. The appellant and his wife suffered injuries pursuant to the aforesaid accident and underwent medical treatment. The appellant, thereafter, filed Claim Petition No.147/2013 while his wife filed Claim Petition No.146/2013 before the Tribunal under Section 166 of the Motor Vehicles Act, 1988[3] seeking compensation. The appellant produced a Disability Certificate indicating that he had suffered permanent disability to his right leg to the extent of 50%. He further claimed that he was earning monthly income of ₹15,000/- by collecting milk and selling it. He was aged between 27 years and 30 years when the accident took place. The Tribunal, after considering the evidence on record, held that the accident was caused due to rash and negligent driving of the truck. The appellant had suffered permanent disability to his right leg to the extent of 50%. On account of the said accident, his overall disability was considered at 40% since the doctor had opined that with some treatment, the disability would be reduced. The Tribunal determined the compensation in the following manner:

[3] For short, 'the Act of 1988'

Sr. No.	Particulars	Tribunal's Award
1.	Disability	20%
2.	Multiplier	17
3.	Monthly Income	₹4000/-
4.	Net Annual Income	₹1,63,200/- [4000 x 12 x 17 x 20%]
5.	Loss of Earnings	₹20,000/- [4000 x 5]
6.	Medical Expenses	₹15,930/-
7.	Special Diet and Transportation	₹5000/-
8.	Pain and Suffering	₹25,000/-
9.	Atttendant Charges	₹4000/-
Total Compensation		**₹2,33,130/-**

Accordingly, an amount of ₹2,33,130/- was awarded to the appellant as compensation with interest @ 7% per annum from 28.06.2013 when the claim petition was filed till the date of actual payment.

3. The appellant, not being satisfied with the compensation as awarded, filed an appeal under Section 173(1) of the Act of 1988 seeking enhancement in the amount of compensation. The said proceedings, however, came to be dismissed pursuant to an order dated 29.04.2015 as the defects in the appeal were not removed within the stipulated period. Subsequently, by an order dated 26.04.2024, the proceedings were restored subject to payment of cost of ₹1,000/- and a further condition that in case of enhancement in the amount of compensation, the appellant would not be entitled for interest for the period when the proceedings were dismissed and were subsequently restored.

4. The High Court, after considering the material on record, enhanced the amount of compensation by ₹2,00,000/- over and above the amount awarded by the Tribunal. The appellant, not being satisfied with the partial enhancement in the amount of compensation, has filed the present appeal.

5. Mr. N.K. Mody, learned Senior Advocate for the appellant submitted that the Tribunal as well as the High Court erred in assessing the income of the appellant @ ₹4,000/- per month which was lower than the minimum wages of an unskilled labourer. A

pragmatic approach ought to have been adopted by the Courts instead of insisting upon strict proof of income earned. He submitted that the loss of earning capacity of the appellant was considered on a lower side disregarding the Disability Certificate issued to the appellant. Considering the nature of disability suffered by the appellant which was permanent in nature, it was clear that the appellant's earning capacity had been seriously impacted. It was further urged that higher compensation ought to have been awarded towards future prospects, medical expenses, attendant charges as well as for the pain and suffering of the appellant. While the Tribunal awarded meagre compensation, the High Court enhanced the same only by ₹2,00,000/-. Considering the nature of injuries suffered by the appellant coupled with his age, a higher amount of compensation ought to have been granted. It was, thus, submitted that the amount of compensation be reasonably increased in the facts of the case.

6. The first and second respondent, namely the driver and the owner of the vehicle have not chosen to contest the appeal. The third respondent, the insurer, was represented by Mr. Sanathana Bhaarath, learned counsel. He submitted that the Tribunal as well

as the High Court considered the evidence on record and proceeded to award reasonable compensation to the appellant. In absence of any evidence with regard to the appellant's income, the amount of ₹4,000/- per month as notional income was rightly taken into consideration. The doctor had opined that with further treatment, the percentage of disability would be reduced and, thus, the earning capacity of the appellant was not seriously impacted. He, therefore, submitted that there was no reason, whatsoever, to enhance the amount of compensation and the appeal was liable to be dismissed.

7. Having heard the learned counsel for the parties and having perused the documentary material on record, we are of the considered opinion that the appellant would be entitled to a higher amount of compensation than what was awarded by the High Court. It may be noted that the findings with regard to the first respondent being responsible for the accident as well as the liability of the insurer are not under challenge. It is only the aspect of just compensation that is required to be adjudicated in the present appeal.

8. At the outset, it may be observed that the Tribunal determined the amount of compensation after analysing the appellant's entitlement under various separate heads. The High Court in appeal enhanced the amount of compensation by an amount of ₹2,00,000/-, however, without indicating the manner in which it arrived at the said figure.

In our view, the High Court ought to have adverted to each head under which compensation was awarded by the Tribunal and then determined whether such grant was just or not. A composite increase in the amount of compensation without indicating the basis for the same could be termed as an exercise of guesswork rather than applying the law laid down in this regard. This Court in **Raj Kumar Vs. Ajay Kumar and another**[4] has considered this aspect in detail. In paragraph 5, it has observed as under:

> "5. The heads under which compensation is awarded in personal injury cases are the following :
>
> *Pecuniary damages (Special Damages)*
>
> (i) Expenses relating to treatment, hospitalization, medicines, transportation, nourishing food, and miscellaneous expenditure.
> (ii) Loss of earnings (and other gains) which the injured would have made had he not been injured, comprising :
> (a) Loss of earning during the period of treatment;
> (b) Loss of future earnings on account of permanent disability.

[4] 2010 INSC 703

(iii) Future medical expenses.

Non-pecuniary damages (General Damages)

(iv) Damages for pain, suffering and trauma as a consequence of the injuries.
(v) Loss of amenities (and/or loss of prospects of marriage).
(vi) Loss of expectation of life (shortening of normal longevity).

In routine personal injury cases, compensation will be awarded only under heads (i), (ii)(a) and (iv). It is only in serious cases of injury, where there is specific medical evidence corroborating the evidence of the claimant, that compensation will be granted under any of the heads (ii)(b), (iii), (v) and (vi) relating to loss of future earnings on account of permanent disability, future medical expenses, loss of amenities (and/or loss of prospects of marriage) and loss of expectation of life. Assessment of pecuniary damages under item (i) and under item (ii)(a) do not pose much difficulty as they involve reimbursement of actuals and are easily ascertainable from the evidence. Award under the head of future medical expenses – item (iii) — depends upon specific medical evidence regarding need for further treatment and cost thereof. Assessment of non-pecuniary damages – items (iv), (v) and (vi) — involves determination of lump sum amounts with reference to circumstances such as age, nature of injury/deprivation/disability suffered by the claimant and the effect thereof on the future life of the claimant."

The High Court, however, failed to determine just compensation by undertaking such exercise.

9. We may, thus, determine the amount of just compensation to which the appellant would be entitled. As per the Disability Certificate placed on record by the appellant, it was opined that he had suffered 50% permanent disability to his right leg. According to the appellant, he was undertaking supply of milk by visiting various places in the vicinity. From such activity, he was earning an amount of ₹15,000/- per month. His age was stated to be between 27 years to 30 years as per the medical documents

produced by him. The appellant, however, could not place on record any evidence to indicate his monthly income. The Tribunal considered a notional amount of ₹4,000/- per month as his monthly income. The High Court, however, did not go into this aspect. Since there is no evidence on record to indicate the appellant's monthly income, the monthly loss of income can be determined by taking into consideration the minimum wages that could be drawn by an unskilled worker as per the figures published by the Office of the Labour Commissioner for the relevant period. The accident in question having occurred on 24.04.2013, the monthly minimum wages of an unskilled worker during that period were ₹5,270/-. Taking this as the notional monthly income of the appellant, his annual income would be ₹63,240/- (₹5,270×12). In the light of the appellant's age being taken as 30 years, a multiplier of 17 would be required to be applied.

10. As noted above, the Disability Certificate issued to the appellant indicates 50% permanent disability to his right leg. In this regard, it would be necessary to bear in mind the effect of such disability on the activities of the appellant. Since the appellant claims to be engaged in the collection and sale of milk by travelling

from one place to another, his functional disability after the accident would be required to be assessed. As a result of the injuries suffered from the accident, the appellant's mobility would definitely be affected. Taking an overall view of the matter and in the light of the activities undertaken by the appellant, we are of the view that the appellant's functional disability ought to be assessed at 50%. In this regard, reference can be made to the decision of this Court in **Indra Bai vs. Oriental Insurance Company Ltd. and Another**[5]. Accordingly, the net annual income of the appellant would be ₹5,37,540/- (₹5270×12×17×50%).

11. As regards future prospects of the appellant, calculating the same at 40% would give a figure of ₹2,15,016/-. In this regard, we may refer to the decision in **National Insurance Company Limited vs. Pranay Sethi and Others**[6]. Thus, the net income of the appellant can be taken at ₹7,52,556/- (₹5,37,540/- + ₹2,15,016/-).

12. As a result of injuries sustained in the accident, the appellant suffered loss of earnings. The same can be estimated as loss for a

[5] 2023 INSC 624
[6] 2017 INSC 1068

period of six months. This figure would come to ₹31,620/- (₹5,270×6). An amount of ₹15,930/- has been awarded for medical expenses based on the receipts and vouchers produced by the appellant. This figure does not deserve any further enhancement. As regards the amount admissible towards special diet and transportation of the appellant for the purposes of medical care, a sum of ₹50,000/- can be awarded. A further amount of ₹1,00,000/- for the pain and suffering undergone by the appellant would be admissible. Considering the nature of injuries suffered by the appellant, he would require the help of an attendant so as to assist him in his daily chores for some period. An amount of ₹25,000/- on this count is granted. After taking into consideration the enhancement of ₹2,00,000/- granted by the High Court, the appellant would be entitled to a total compensation of ₹11,75,106 in the following manner:

Sr. No.	**Particulars**	**Just Compensation**
1.	Disability	50%
2.	Multiplier	17
3.	Monthly Income	₹5,270/-

4.	Net Annual Income	₹5,37,540 [5270 x 12 x 17 x 50%]
5.	Future Prospects	₹2,15,016 [40% x 5,37,540]
	Net Income	₹7,52,556/-
6.	Loss of Earnings	₹31,620/- [5270 x 6]
7.	Medical Expense	₹15,930/-
8.	Special Diet and Transportation	₹50,000/-
9.	Pain and Suffering	₹1,00,000/-
10.	Atttendant Charges	₹25,000/-
11.	Lumpsum Enhancement	₹2,00,000/-
Total Compensation		**₹11,75,106/-**

13. Interest @ 7% per annum was granted by the Tribunal on the amount of compensation. The High Court has maintained the said rate of interest. The same is found to be reasonable. It is to be noted that on 26.04.2024, the High Court while restoring the miscellaneous appeal preferred by the appellant, which had been

dismissed for non-compliance of earlier orders, had directed that in case the amount of compensation was enhanced, the appellant would not be entitled for interest on that amount for the period from 29.04.2015 to 26.04.2024. That direction shall continue to operate.

14. In the light of the aforesaid discussion, it is held that the appellant is entitled to just compensation of ₹11,75,106/- with interest @ 7% per annum from 28.06.2013 when the claim petition was filed till realisation. Needless to state that interest is not liable to be paid on the amount of enhanced compensation for the period from 29.04.2015 to 26.04.2024. The judgment of the High Court dated 01.09.2025 in Miscellaneous Appeal No.548 of 2014 stands modified in the aforesaid terms. The Civil Appeal is, accordingly, allowed and disposed of. Parties shall bear their own costs. Pending Interlocutory Application is disposed of.

.....J.
[UJJAL BHUYAN]

.....J.
[ATUL S. CHANDURKAR]

NEW DELHI,
NOVEMBER 20, 2026.