

2025 LiveLaw (SC) 871

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

SANJAY KAROL; J., PRASHANT KUMAR MISHRA; J.

8 August, 2025

CIVIL APPEAL NO. 10278 OF 2025 (Arising out of SLP(C)No.14444/2025)

HITESH NAGJIBHAI PATEL versus BABABHAI NAGJIBHAI RABARI & ANR.

Motor Vehicle Act, 1988 – Held, the Tribunal and High Court failed to consider the appellant’s monthly income while calculating compensation - When a minor child suffers a permanent disability, compensation for the loss of income should be based on, at minimum, the minimum wages of a skilled worker in the relevant state at the time of the accident - Minimum wage for a skilled worker in Gujarat in 2012 (the year of accident) was Rs. 227.85 per days, which rounds to a monthly income of Rs. 6,836, added 40% towards future prospects and applied multiplier of 18 - Upheld the High Court’s finding that the appellant’s permanent functional disability was 90% - When a child is involved in an accident, the loss of income must be calculated using the minimum wages for a skilled worker in that state - Directed that if a claimant fails to provide proof of income, the opposing party, specifically the insurance company, is obligated to provide the tribunal with the applicable minimum wage as issued by the government - This directive be distributed to all Motor Accident Claim Tribunals via the Registrar Generals of the High Courts - Total compensation of Rs. 35,90,489/- is to be paid with 9% interest p.a. from the date of claim petition - Appeal allowed. [Relied on *Baby Sakshi Greola v. Manzoor Ahmad Simon and Anr.* [2024 Livelaw SC 978](#); *Kajal v. Jagdish Chand & Ors.* (2020) 4 SCC 413; Paras 9-16]

[Arising out of impugned final judgment and order dated 20-08-2024 in FA No. 4863/2022 passed by the High Court of Gujarat at Ahmedabad]

For Petitioner(s): Mr. Udian Sharma, AOR Mr. Sahil Saraswat, Adv. Mr. Manav Mitra, Adv. Mr. Vishesh Sapra, Adv. Mrs. Harsha Sadhwani, Adv.

For Respondent(s): Ms. Awantika Manohar, AOR Ms. Parul Dhurvey, Adv. Mr. Aman Kr Pandey, Adv.

ORDER

Time taken for disposal of the claim petition by MACT	Time taken for disposal of the appeal by the High Court	Time taken for disposal of the appeal in this Court
8 years 3 months	2 years 6 months	5 months 6 days

2. By way of the present appeal, the claimant-appellant challenges the Judgment and Order of the High Court of Gujarat at Ahmedabad passed on 20th August 2024, in R/First Appeal No.4863 of 2022, which, in turn, was preferred against the order dated 17th September 2021 in M.A.C.P. No.87 of 2017 passed by the Motor Accident Claims Tribunal (Auxi) & 3rd Additional District Judge – Banaskantha at Deesa.

3. On 14th October 2012, the minor appellant, namely, Hitesh Nagjibhai Patel aged 8 years, along with his father, was standing on a ‘kachcha’ road, when the offending vehicle bearing registration No. GJ-8V-3085, driven in a rash and negligent manner, hit the appellant who was standing on the roadside. As a result of the incident, the appellant sustained severe injuries and thereby, suffered permanent disability. The appellant, through his father, filed a claim petition against the respondents herein under Section 166

of the Motor Vehicle Act, 1988¹, seeking compensation to the tune of Rs.10,00,000/before the Tribunal.

4. The Tribunal, *vide* order dated 17th September 2021, while partly allowing the claim petition, held Respondent Nos.1 and 2 jointly and severally liable to compensate the appellant with an amount of Rs.3,90,000/- along with interest @ 9% per annum from the date of the claim petition. The Tribunal, by taking the view of the evidence on record, considered the permanent disability of the appellant at 30% and awarded an amount under the following heads:

HEADS	AMOUNT
Pain and Suffering	Rs.3,00,000/-
Loss of Earning of Parents	Rs.30,000/-
Medical Expenses	Rs.30,000/-
Future Medical Expenses	Rs.30,000/-
Total	Rs.3,90,000/-

5. Aggrieved by the quantum of compensation, the appellant approached the High Court by way of appeal under Section 173 of the Act, seeking an enhancement of the compensation amount. The High Court, *vide* the impugned judgment, allowed the appeal and enhanced the compensation amount by Rs.4,75,000/-, thus making the total compensation payable as Rs.8,65,000/- along with interest @ 9% per annum on the enhanced amount. The Court considered that the appellant suffered a permanent physical impairment/mental disability to the tune of 70% and, therefore, assessed the total permanent disability to the extent of 90%.

6. In view of the decision rendered by this Court in ***Mallikarjun v. Divisional Manager, National Insurance Company Limited and Anr.***², the High Court modified the award rendered by the Tribunal and enhanced the compensation by Rs.4,75,000/-, in the following manner:

S. No	PARTICULARS	AMOUNT
1.	Loss of amenities in life on account of disability	Rs.5,00,000/-
2.	Pain and Suffering	Rs.75,000/-
3.	Loss of earnings to parents	Rs.30,000/-
4.	Future medical expenses	Rs.30,000/-
5.	Medical Bills	Rs.30,000/-
6.	Artificial Limb	Rs.2,00,000/-
	Total	Rs.8,65,000/-

7. Dissatisfied with the judgment and order passed by the Courts below, the appellant is now before us. The point of challenge taken is that the Courts below failed to award compensation under the head loss of earnings to the minor appellant. Further, the High Court erred in granting an adequate amount of compensation under pecuniary and non-pecuniary damages.

8. We have heard the learned counsel for the parties.

9. On the aspect of monthly income of the minor appellant, we are inclined to interfere with the judgment and order of the Courts below. In the present case, it is evident that the Courts below have failed to take into account the monthly income of the appellant while determining the quantum of compensation. It is now a well-entrenched and consistently

¹ For Short "the Act".

² (2014) 14 SCC 396.

reiterated principle of law that a minor child who suffers death or permanent disability in a motor vehicle accident, cannot be placed in the same category as a non-earning individual for the purposes of assessing the amount of compensation because the child was not engaged in gainful employment at the time of the accident. In such a case, the computation of compensation under the head of loss of income ought to be made by adopting, at the very least, the minimum wages payable to a skilled workman as notified for the relevant period in the respective State where the cause of action arises. The said observation was rendered by this Court, in **Kajal v. Jagdish Chand and Ors.**³, and **Baby Sakshi Greola v. Manzoor Ahmad Simon and Anr.**⁴.

10. Adverting to the facts at hand, the appellant was an 8year-old child at the time of the accident. In view of the above exposition of law, we must advert to the prevailing minimum wages, which for the skilled ones, as in the year of accident, i.e., 2012, in Gujarat would be Rs.227.85p. per day, therefore, in the interest of justice, we deem it appropriate to determine the income of the appellant as Rs.6,835.5p. per month, rounding off to Rs.6,836/- per month.

11. Coming to the assessment of disability suffered by the appellant, he sustained grievous and life-altering injuries on the head and left leg, resulting in a brain haemorrhage and amputation of the left lower limb. Upon examination of the disability certificate and other medical documents, as also considering the nature, extent and impact of the injuries, the High Court in para 6.4 of the impugned judgment, quantified the permanent functional disability of the appellant at 90%. Taking into account the direct correlation between the injuries sustained and the consequent loss of permanent functional disability suffered by the appellant, we are in agreement with the finding of the High Court that the permanent functional disability stands rightly fixed at 90%.

12. Lastly, with a view of awarding just and fair compensation, in the attending facts and circumstances of the case, we are also inclined to enhance the compensation towards other pecuniary heads in accordance with the settled principle of law.

13. In view of the aforesaid, the compensation now payable to the claimant-appellant would be recalculated as under:

CALCULATION OF COMPENSATION

Compensation Heads	Amount Awarded	In Accordance with:
Monthly Income	Rs.6,836/-	Baby Sakshi Greola v. Manzoor Ahmad Simon and Another , (2022) 7 SCC 738 Para 10
Yearly Income	Rs.82,032/-	
Future Prospects (40%)	82,032 + 32,813 = Rs.1,14,845/-	National Insurance Co. Ltd. v. Pranay Sethi (2017) 16 SCC 680 Para 42 and 59
Multiplier (18)	Rs.1,14,845/- X 18 = Rs.20,67,210/-	
Permanent Disability (90%)	90% of Rs.20,67,210/- = Rs.18,60,489/-	Mohd. Sabeer v. U.P. SRTC , (2023) 20 SCC 774 Para 12-15
Loss of Income/Future Earnings due to Disability	Rs.18,60,489/-	
Medical Expenses	Rs.30,000/-	Sidram v. Divisional Manager, United India
Future Medical Expenses	Rs.50,000/-	

³ (2020) 4 SCC 413

⁴ 2024 SCC OnLine SC 3692

Special diet and Transportation	Rs.1,00,000/-	Insurance Ltd. (2023) 3 SCC 439 Para 63-66, 89 Kajal v. Jagdish Chand , (2020) 4 SCC 413 Para 19, 26, 28, 29 Sanjay Rajpoot v. Ram Singh , 2025 SCC OnLine SC 285, Para 12 Mallikarjun v. National Insurance Co. Ltd. , (2014) 14 SCC 396 Para 13 Para 12-15
Loss of Marriage Prospects	Rs.3,00,000/-	
Loss of Income during treatment	Rs.50,000/-	
Pain and Suffering	Rs.5,00,000/-	
Loss of Amenities	Rs.2,00,000/-	
Cost of Artificial Limb	Rs.5,00,000/-	Ayush v. Reliance General Insurance Co. Ltd. , (2022) 7 SCC 738 Para 14-15
TOTAL	Rs.35,90,489/-	

Thus, the difference in compensation is as under:

MACT	High Court	This Court
Rs.3,90,000/-	Rs.8,65,000/-	Rs.35,90,489/-

14. As can be seen, there is a great difference between the compensation as awarded by the Courts below and the compensation payable as per law. We are constraint to observe that appeals to the High Court as well as to this Court were entirely avoidable, since the law had been amply clarified well before the order of the Tribunal was made on 17.10.2021 by way of the judgment rendered by this Court in **Kajal** (supra) decided on 05.02.2020. Both the Courts were duty-bound to keep abreast with the law as clarified by this Court, ensuring that the judgments and orders passed by them are entirely in order therewith.

15. For the purpose of emphasis, it is again clarified here that when a Tribunal or the High Court in appeal, is concerned with the case involving a child having suffered injury or having passed away, the calculation of loss of income necessarily has to be made on the matric of minimum wages payable to a skilled worker in the respective State at the relevant point of time. It is our hope that this restatement helps avoiding such errors and thereby obviates the necessity of this Court's interference, applying well-established principles of law.

16. We may also observe that, in general, i.e., accidents involving adults, we are often confronted with situations where the Minimum Wage Data is not readily available and every so often, the question that has been made up to this Court hinges only on the calculation of income. In that view of the matter and in the hope of reducing the claimants need to file appeals to this Court or even the High Court, we deem it appropriate to direct that in cases where the claimant has failed to furnish appropriate details of income or adequate proof thereof, it shall be the responsibility and obligation of the contesting party, more particularly the insurance company to furnish before the Tribunal the applicable minimum wage as duly issued by the concerned government.

17. The Civil Appeal is allowed in the aforesaid terms. The impugned Award dated 17th September 2021 in M.A.C.P. No.87 of 2017 passed by the Motor Accident Claims Tribunal (Auxi) & 3rd Additional District Judge – Banaskantha at Deesa, as modified by the High Court of Gujarat at Ahmedabad, *vide* the impugned order dated 20th August 2024, passed in R/First Appeal No.4863 of 2022 stands modified accordingly. Interest on the amount is to be paid, as awarded by the Tribunal, i.e., @ 9% per annum, from the date of filing of the claim petition.

18. In so far as the direction issued regarding the furnishing of the schedule of minimum wages by the insurance company in cases where the income of the claimant/deceased has not been properly established, let a copy of this order be sent by the Registrar Judicial of this Court to the learned Registrar Generals of the High Courts, who shall ensure that the a copy of this order is sent to all Motor Accident Claims Tribunals, to see that the direction is followed strictly.

19. The amount be directly remitted into the bank account of the appellant. The particulars of the bank account are to be immediately supplied by the learned counsel for the appellant to the learned counsel for the respondent. The amount be remitted positively before 30th September, 2025.

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

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