



NC: 2026: KHC:25966-DB
MFA No. 1342 of 2022
C/W MFA No. 1911 of 2020

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 3RD DAY OF JUNE, 2026

PRESENT

HON'BLE MR. JUSTICE JAYANT BANERJI

AND

HON'BLE MS. JUSTICE TARA VITASTA GANJU

MISCELLANEOUS FIRST APPEAL NO.1342 OF 2022(MV-D)

C/W

MISCELLANEOUS FIRST APPEAL NO.1911 OF 2020(MV-D)

IN MFA No. 1342/2022 :

BETWEEN:

1. MUTTAPPA BASAVANTHAPPA MUDENUR,
AGED ABOUT 48 YEARS,
S/O BASAVANTHAPPA,
2. SHANTHA MUDENUR
AGED ABOUT 34 YEARS,
W/O MUTTAPPA BASAVANTHAPPA MUDENUR,

BOTH ARE RESIDING AT NO.1-115A,
DURGA NIVASRONA, BADAGUHITHLU,
BAPPANADY VILLAGE, MULKI POST,
MANGALORE TALUK-574 154.

...APPELLANTS

(BY SRI. PAVANA CHANDRA SHETTY.H., ADVOCATE)

AND:

1. NAVEEN KUMAR.R
AGED ABOUT 38 YEARS,
S/O K.GANGADHARA,
R/AT DURGA NIVASA,

Digitally signed by
SUMATHY KANNAN
Location: DCSH
COURT OF
KARNATAKA



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ULLAL BAIL POST,
ULLAL, MANGALORE TALUK-574154.

2. THE BRANCH MANAGER,
THE ORIENTAL INSURANCE CO. LTD.,
KARKALA BRANCH,
SAMVRADDHI COMPLEX,
KARKALA-574104.
3. SATHYAPRAKASH.L.D.,
AGED ABOUT 50 YEARS,
S/O DEVEGOWDA,
R/AT. LALANAKERE,
B.NAVALE HOBLI,
NAGAMANGALA TALUK,
MANDYA DISTRICT-571 401.
4. THE BRANCH MANAGER,
SHRIRAM GENERAL INSURANCE CO. LTD.,
HEAD OFFICE-III, E-8, RIICO INDUSTRIAL AREA,
SEETHAPURA, JAIPURA, RAJASTHAN STATE,
PIN CODE:302 022.

...RESPONDENTS

(BY SRI. B.PRADEEP., ADVOCATE FOR R4;
SRI. LAKSHMINARAYANA., ADVOCATE FOR R2;
NOTICE TO R1 & R3 DISPENSED WITH V/O/D:20.09.2022)

THIS MFA FILED U/S 173(1) OF MV ACT AGAINST THE
JUDGMENT AND AWARD DATED 27.08.2019 PASSED IN MVC
NO.1057/2018 ON THE FILE OF THE SENIOR CIVIL JUDGE AND
ADDITIONAL MACT, KARKALA, PARTLY ALLOWING THE CLAIM
PETITION FOR COMPENSATION AND SEEKING ENHANCEMENT
OF COMPENSATION.

IN MFA NO. 1911/2020
BETWEEN:

1. THE BRANCH MANAGER,
M/S. SHRIRAM GENERAL INSURANCE
COMPANY LIMITED,
HEAD OFFICE-III, E-8 RIICO INDUSTRIAL AREA,



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SEETHAPURA, JAIPURA,
RAJASTHAN STATE-302022.

NOW REPRESENTED BY ITS
M/S. SHRIRAM GENERAL
INSURANCE COMPANY LIMITED.,
NO.3/5, 3RD FLOOR, S.V.ARCADE,
BIKELAHALI MAIN ROAD,
OFF BANNERGHATTA ROAD,
BANGALORE-76302.

...APPELLANT

(BY SRI. B.C.SHIVANNE GOWDA., ADVOCATE)

AND:

1. MUTTAPPA BASVANTHAPPA MUDENUR,
S/O BASAVANTHAPPA,
NOW AGED ABOUT 47 YEARS,
2. SMT. SHANTHA MUDENUR
W/O MUTTAPPA BASAVANTHAPPA MUDENNUR,
AGED ABOUT 33 YEARS,

BOTH ARE RESIDENT AT
NO.1-115A, DURGA NIVASA,
RONA, BADAGUHITHLU,
BAPPANADU VILLAGE,
MULKI POST, MANGALORE TALUK-574154.

3. NAVEEN KUMAR.R
AGED ABOUT 37 YEARS,
S/O K.GANGADHAR,
R/O DURGA NIVASA,
ULLAL BAIL POST, ULLAL,
MANGALORE TALUK.
4. THE BRANCH MANAGER,
THE ORIENTAL INSURANCE COMPANY LTD.,
KARKALA BRANCH,



SAMVRADDHI COMPLEX,
KARKALA.

5. SRI. SATHYAPRAKASH.L.D.
S/O SRI.DEVEGOWDA,
AGED ABOUT 49 YEARS,
R/AT LALANAKERE, B.NAVALI HOBLI,
NAGAMANGALA TALUK,
MANDYA DISTRICT.

...RESPONDENTS

(BY SRI. H.PAVANACHANDRA SHETTY., ADVOCATE
FOR R1 & R2;
SRI. LAKSHMINARAYANA., ADVOCATE FOR R4;
R3-SERVED; R5-NOTICE DISPENSED WITH
V/O/D:01.08.2023)

THIS MFA FILED U/S 173(1) OF MV ACT AGAINST THE
JUDGMENT AND AWARD DATED 27.08.2019 PASSED IN MVC
NO.1057/2018 ON THE FILE OF THE SENIOR CIVIL JUDGE
AND ADDITIONAL MACT, KARKALA, AND TO PASS SUCH
OTHER ORDER OR ORDERS AS THIS HON'BLE COURT DEEMS
FIT UNDER THE FACTS AND CIRCUMSTANCES OF THE CASE,
INCLUDING COSTS, IN THE INTEREST OF JUSTICE AND
EQUITY.

THESE APPEALS ARE COMING ON FOR ORDERS, THIS
DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE JAYANT BANERJI
&
HON'BLE MS. JUSTICE TARA VITASTA GANJU

ORAL JUDGMENT

(PER: HON'BLE MS. JUSTICE TARA VITASTA GANJU)

1. The present appeals seek to challenge the Judgment
and Award dated 27.08.2019, in MVC No.1057/2018,



passed by the Senior Civil Judge and Additional MACT, Karkala (hereinafter referred to as the 'Impugned Award'). By the Impugned Award, the learned Tribunal has awarded compensation to the appellants/claimants in a sum of Rs.7,87,000/-, along with interest at 8% per annum from the date of petition till its realisation.

2. The challenge in the present appeals has been raised both by the appellant/insurance company, as well as by the appellants/claimants. While MFA No.1911/2020 has been filed by the Insurance company seeking to reduce the compensation awarded by the learned Tribunal, MFA No.1342/2022 has been filed by the claimants seeking for enhancement of the compensation awarded by the learned Tribunal.

3. The brief facts of the case are that on 20.05.2018 at about 07.45 p.m., the 12 year old son of the claimants was waiting at a Bus Stop, outside his School with his family members. At that time, one Tourist Minibus bearing No.KA-19-C-6991 was travelling from Mulky Vijaya College Road



towards National Highway and entered NH 66 towards Udupi. At the same time, a lorry bearing registration No.KA-54-5314 came from Mangalore towards the Udupi side in a rash and negligent manner and collided with the Minibus. As a result of the collision, the Minibus turned turtle and fell on top of the minor. This resulted in the minor sustaining grievous injuries and succumbing to his injuries on the way to the Hospital.

3.1 A claim petition seeking compensation was filed by the parents of the deceased under Section 166 of the Motor Vehicles Act, 1988 (hereinafter referred to as 'MV Act'). It was stated there that the deceased was aged about 12 years, studying sixth standard and had a good future. It was further stated that large amounts were spent on the Hospital charges, ambulance charges and other charges.

3.2 The claim petition was contested by the Insurance Companies of both the vehicles involved in the accident i.e., the Lorry as well as the Minibus before the learned Tribunal.



4. Based on the pleadings of the parties, the following issues were framed by the learned Tribunal:

"1) Whether the petitioners prove that their son Rakshith Kumar died in a Motor Vehicle Accident on 20.05.2018 at 7.45 p.m. at Sri.Durgaparameshwari Temple Junction, Bappanadu Village, due to rash and negligent driving of Mini bus bearing Reg.No.KA-19-C-6991 and lorry bearing Reg.No.KA-54-5314 by their respective drivers as contended?

2) Whether the respondent No.2 proves that driver of bus bearing Reg.No.KA-19-C-6991 had no valid and effective driving licence at the time of alleged accident?

3) Whether the petitioners are entitled for the compensation amount, if so what is the amount and from whom it is recoverable?

4) What Order or Award?"

5. The appellant No.2 examined herself as PW-1 and their Doctor as PW-2. A total of 46 documents were marked as Exhibit-P1 to P46 by the appellant No.2, which included Complaint (Exhibit-P2), accident information report (Exhibit-P6), charge-sheet (Exhibit-P9), Copy of driving license of the driver of the bus (Exhibit-P15), copy of the insurance policy of the bus (Exhibit-P16), Copy of driving



license of the driver of the lorry (Exhibit-P20), copy of the insurance policy of the bus (Exhibit-P21), wound certificate (Exhibit-25), disability certificate (Exhibit-26), Medical bills (Exhibit-P31) and Medical prescriptions (Exhibit-P32).

6. The learned Tribunal found that valid Insurance Policies existed for both the Lorry, as well as the Minibus. In addition, it found that the rash and negligent driving was proved. Based on the evidence before the learned Tribunal, notional income of Rs.6,000/- per month was taken for calculation of 'loss of dependency' and adding 30% towards 'future prospects' and deducting ½ towards personal expenses, calculated notional income at the rate of Rs.3,900/- per month, applying a multiplier of '15', a sum of Rs.7,02,000/- was awarded towards 'loss of dependency'. In addition, the learned Tribunal awarded compensation towards 'loss of love and affection' and other non-pecuniary heads in the following manner:

Sl.No.	Particulars	Amount (Rs.)
1	Loss of Dependency	7,02,000/-
2	Loss of Love and Affection	50,000/-



3	Obsequies Ceremony	25,000/-
4	Conveyance	10,000/-
	TOTAL	7,87,000/-

6.1. Thus, an amount of Rs.7,87,000/-, along with interest at 8% per annum was awarded.

7. As stated above, the challenge in the present appeal i.e., MFA No.1911/2020 is by the insurer of the offending Lorry.

8. Sri.Lakshminarayana, learned counsel appearing for the appellant/Insurance Company submits that firstly, the Impugned Award does not suffer from any infirmity since it is based on the law, as it was available as on the date of the accident. Secondly, he submits that 8% interest awarded on the compensation is not in accordance with the settled law. However, he fairly concedes that the notional income for the year 2018 was Rs.12,500/- per month.

9. The learned counsel for the respondents/claimants (appellants in MFA No.1342/2022) on the other hand submits that the notional income for the year 2018 was



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Rs.12,500/- p.m., and thus the learned Tribunal has wrongly adopted the notional income. Secondly, he submits that the 'loss of future prospects' should have been taken at 40% in terms of the judgment in the ***National Insurance Co. Ltd. Vs. Pranay Sethi***¹ case. Further, on the aspect of interest, the learned counsel submits that the interest cannot be reduced, since this is a case of the death of a minor child. The parents have lost their only son and have suffered immensely. Reliance is placed on the recent judgment passed by the Supreme Court in ***Malarvizhi vs. United India Insurance***² case where interest at the rate of 9% per annum has been upheld.

10. Based on the contentions of the parties the following questions arise for determination before this Court:

1) *Whether the appellants/claimants are entitled for enhancement of the compensation amount awarded by the learned Tribunal, if so, what is the amount?*

¹(2017) 16 SCC 680

² (2020) 4 SCC 228



2) *Whether the rate of interest granted by the learned Tribunal is as per law?*

11. As already stated above, the challenge by the appellants/claimants is on the award of the notional income. It is not disputed that for the year 2018, as per the Notional Income Chart of the Karnataka State Legal Services Authority is Rs.12,500/- p.m. Thus, the notional income has to be calculated at Rs.12,500/- per month.

12. The award of compensation for a death in the case of a minor child is no longer *res-integra*. The Supreme Court has crystallized the law applicable in the case of death of a minor in a motor vehicle accident in (i) ***Minor Roopa D/o. Basappa vs. Divisional Manager, New India Assurance Company Limited***³ (ii) ***Master Ayush vs. Branch Manager, Reliance General Insurance Company Ltd. And Another***⁴.

12.1 The Supreme Court in ***Master Ayush*** case while discussing entitlement of the compensation in the case of a

³ (2024) 12 SCC 2019

⁴(2022) 7 SCC 738



minor child held that minimum wages in the State where the accident occurred of a skilled worker as of the date of the accident and that compensation would be assessed thereon on the assumption that the Appellant would have been able to earn after attaining maturity. The relevant extract is set out below:

"9. In the present appeal, the minimum wages for 2010-11 in the State of Karnataka for employments not covered under any of the scheduled employments can be ascertained from the following extract of notification for minimum wages published in the Gazette on 19-2-2007:

"24. Employment not covered in any of the Scheduled Employments Notification No. KAE 79 LMW 2005 dated 17-3-2006 Published in Gazette dated 19-2-2007 Cost of Living Allowance to be paid over and above 2703 points Cost of Living Index: 3944-2703 = 1241 points Minimum wages and VDA from 1-4-2010 to 31-3-2011

SCHEDULE

S.No.	Class of Employment	Minimum rates of wages payable for different zones		
		Basic	VDA	Total
1	2	3	4	5
1.	Highly skilled	2691.80	1116.90	3808.70
2.	Skilled	2591.80	3808.70	3708.70
3.	Semi-skilled	2041.80	1116.90	3158.70
4.	Unskilled	1891.80	1116.90	3008.70

VDA: All categories of employees: 3 paise per point per day over and above 2703 points.

10. Hence, as per the above extract, the minimum wages payable to a skilled workman in 2010-11 is to the tune of Rs 3708.70. In this view, the minimum wages as on the date of accident is rounded off to Rs 3700. The



compensation, therefore, is to be assessed on the basis of the said minimum wages on the assumption that the appellant would have been able to earn after attaining majority."

[Emphasis Supplied]

13. The law on this aspect was examined in a recent judgment passed by one of us, Ms. Justice Tara Vitasta Ganju in the case of **Master Nikhil vs. S.T.Swamy Gowda And Another**⁵. It was held that in relation to the death of the minor child, compensation equivalent to minimum wages in the State in the following terms:

*12. So far as the first aspect of the matter, the law as settled by the Supreme Court is that in the case of a death or injury of a minor child, the Minimum Wages of the Skilled Worker are to be awarded. The Supreme Court in **Master Ayush v. Branch Manager, Reliance General Insurance Company Ltd. & Another**⁶ while discussing entitlement of the compensation in the case of a minor child held that minimum wages in the State where the accident occurred of a skilled worker as of the date of the accident and that compensation would be assessed thereon on the assumption that the Appellant would have been able to earn after attaining maturity. The relevant extract is set out below:*

*"10. **Hence, as per the above extract, the minimum wages payable to a skilled workman in 2010-11 is to the tune of Rs 3708.70. In this view, the minimum wages** as on the date of accident is rounded off to Rs 3700. **The compensation, therefore, is to be assessed on the basis of the said minimum wages on the***

⁵ MFA No. 2703/2017, dt.15.04.2026:NC:2026: KHC:20458

⁶ (2022) 7 SCC 738



assumption that the appellant would have been able to earn after attaining majority.”

[Emphasis Supplied]

13. A similar view was taken by the Supreme Court in **Minor Roopa D/o Basappa v. Divisional Manager, New India Assurance Company Limited**⁷ where the injured was a minor girl who suffered permanent physical impairment. The Court while relying on the **Master Ayush** case determined compensation on the basis of minimum wages of a skilled worker in the following terms:

"4. The learned counsel for the appellant has produced the photographs of the appellant which shows the extent of loss of limb and the consequent psychological, emotional and physical pain which the appellant would suffer for rest of her life. In fact, the other leg may not be able to support the appellant, when she grows. This Court in *Ayush v. Reliance General Insurance Co. Ltd.*, (2022) 7 SCC 738 : (2022) 4 SCC (Civ) 175 : (2022) 3 SCC (Cri) 269] was considering a case of an accident of 5-year-old child wherein this Court determined compensation on account of loss of future earnings on the basis of minimum wages due to permanent disability for life, loss of future prospects, medical expenses and pain and suffering."

5. The minimum wages in the State of Karnataka on the date of accident were Rs 4320 per month as per Notification No. KAE 79 LMW 2005 dated 17-3-2006, published in the Gazette dated 19-2-2007. The wages as per the notification are as under:

"Minimum Wages and VDA from 1-4-2012 to 31-3-2013

SCHEDULE

Sl.No.	Class of Employment	Minimum rates of wages payable for different zones		
		Basic	VDA	Total
1	2	3	4	5

⁷ (2024) 12 SCC 2019



1.	Highly skilled	2691.80	1728.90	4420.70
2.	Skilled	2591.80	1728.90	4320.70
3.	Semi-skilled	2041.80	1728.90	3770.70
4.	Unskilled	1891.80	1728.90	3620.70

6. The future prospectus **would be 40% in view of National Insurance Co. Ltd. vs. Pranay Sethi** [**National Insurance Co. Ltd. vs. Pranay Sethi**, (2017) 16 SCC 680 : (2018) 3 SCC (Civ) 248 : (2018) 2 SCC (Cri) 205] . Thus, the compensation works out to be Rs 4320 plus 40%, amounting to Rs 6048 per month. The appellant will not be able to use any artificial limb and would always have to depend for her daily chores and as she grows, she would suffer more physical and emotional distress. She would always require assistance of another person and frequent use of hired means of transport. In view of the said fact, we award compensation as follows:

	Head	Amount
A	Loss of future earnings due to the permanent disability for life $(4320 + 1728 = 6048) \times 12 \times 18$	Rs.13,60,368
B	Medical Expenses including future expenses	Rs.5,00,000
C	Pain, suffering and loss of amenities	Rs.5,00,000
D	Loss of marriage prospects	Rs.10,00,000
E	One attendant charges $(4624 \times 12 \times 18) = 9,98,784$	Rs.10,00,000
F	Conveyance charges (as she has to move in a hired conveyance)	Rs.10,00,000
	Total	Rs.53,06,368
	Rounded off	Rs.53,07,000

[Emphasis Supplied]

14. A similar view has been taken in the **Hitesh Nagji** case by the Supreme Court. It was held in cases involving a minor child who suffers death or permanent disability in a



motor vehicle accident, the child cannot be treated as a non-earning individual merely because he or she was not engaged in gainful employment. The computation of compensation under the head of loss of income must be made by adopting, at the very least, the minimum wages payable to a skilled workman as notified for the relevant period in the concerned State. The relevant extract of the **Hitesh Nagji** case is set below:

"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 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.*, and *Baby Sakshi Greola v. Manzoor Ahmad Simon and Anr.*

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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."

[Emphasis Supplied]

15. The settled law in this behalf is thus that in case of a death or an injury of a minor child, the minimum wages of a skilled worker are to be awarded. The Impugned Award was, however, passed on 08.09.2016, which is prior to the judgments referred to being in force.

[Emphasis supplied]

14. In addition, this Court is unable to agree with the contention of the learned counsel for the appellants/claimants that the law as it was applicable as on the date of the accident has to be considered. This appeal is a continuation of the proceedings before the learned Tribunal. The Impugned Award has not yet attained finality.

15. The Motor Vehicles Act is a beneficial and welfare legislation. It was framed to provide compensation based on the contemporaneous position of law, and if any enhancement is to be given, it must be made on the law as on that date. The Supreme Court in the case of ***Shivaleela & Ors. v. Divisional Manager, United India Insurance***



Co. Ltd. & Ors.⁸, while relying on the case of **K. Ramya & Ors. v. National Insurance Co. Ltd. & Anr.**⁹ and **Ningamma & Anr. v. United India Insurance Co. Ltd.**,¹⁰ has held that the Motor Vehicles Act, 1988 is a beneficial and welfare legislation intended to provide compensation based on the contemporaneous position of an individual, adopting a forward-looking approach aimed at ensuring stability and continuity in the lives of victims and their dependents. This Court has taken a view given in a beneficial legislation, if any enhancement is to be given, it is to be made in terms of the law as on that date. The relevant extract of **Shivaleela** case is below:

*"13. Thus, on an overall circumspection of the entire facts and circumstances of the cases and material on record, **we opine that it may be reasonably assumed that the deceased was having a monthly income of Rs. 15,000/- (Rupees Fifteen Thousand) per month.** The compensation awarded by the High Court under the other heads, being in conformity with the law laid down by this Court in the decisions in Smt. Sarla Verma v. Delhi Transport Corporation, (2009) 6 SCC 121 and National Insurance Company Ltd. v. Pranay Sethi, (2017) 16 SCC 680, does not require any interference. **In K Ramya v. National Insurance Co. Ltd., 2022 SCC OnLine SC 1338, after taking note of, inter alia, Ningamma v.***

⁸ 2025 SCC Online SC 563

⁹ 2022 SCC Online SC 1338

¹⁰ (2009) 13 SCC 710



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United India Insurance Co. Ltd., (2009) 13 SCC 710, the Court held that the '... Motor Vehicles Act of 1988 is a beneficial and welfare legislation that seeks to provide compensation as per the contemporaneous position of an individual which is essentially forward-looking. Unlike tortious liability, which is chiefly concerned with making up for the past and reinstating a claimant to his original position, the compensation under the Act is concerned with providing stability and continuity in peoples' lives in the future. ...' The present coram has respectfully restated the said observations in *S Vishnu Ganga v. Oriental Insurance Company Limited*, 2025 SCC OnLine SC 182."

[Emphasis Supplied]

15.1 The Supreme Court in the case of **New India Assurance Co. Ltd. v. Sonigra Juhi Uttamchand¹¹**, while relying on the **M.A. Murthy** case, has held that once a principle of law is enunciated by this Court, it has to be taken as the law from inception and is applicable to all pending matters, irrespective of the stage at which they stand. At the same time, it was clarified that such an enunciation of law will not have the effect of reopening matters which have already attained finality solely for the purpose of applying the principle so laid down. It was held that awards and judgments passed prior to the

¹¹ (2025) 3 SCC 23



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pronouncement in the **Pranay Sethi** case cannot be faulted for having fixed amounts under the conventional heads in excess of what was prescribed later. The relevant extract of the **Sonigra Juhi Uttamchand** case is set out below:

"12. In tune with the question of law No.'C', the respondent insurer took a ground in the appeal contending that the High Court had gone wrong in granting amount in excess of Rs 70,000 under the conventional heads. **In this context, the learned counsel appearing for the respondent drew our attention to the law laid down by this Court in National Insurance Co. Ltd. v. Pranay Sethi** [National Insurance Co. Ltd. v. Pranay Sethi, (2017) 16 SCC 680 : (2018) 3 SCC (Civ) 248 : (2018) 2 SCC (Cri) 205]. Para 59.8 of the said decision would reveal that this Court held that under the conventional heads, only a total amount of Rs 70,000; the split-up being Rs 15,000 under the head loss of estate, Rs 40,000 under the head loss of consortium and Rs 15,000 towards funeral expenses, is grantable.

13. It is to be noted that after having held thus, this Court went on to hold that the amounts thus fixed under the conventional heads should be revisited every three years and the enhancement should be @ 10% in a span of three years. Even while taking into account the said position laid down by this Court in Pranay Sethi case [National Insurance Co. Ltd. v. Pranay Sethi, (2017) 16 SCC 680 : (2018) 3 SCC (Civ) 248 : (2018) 2 SCC (Cri) 205], **we are of the view that the Tribunal and the High Court cannot be found at fault with fixing the amounts in excess of the aforesaid amounts fixed by this Court as the award and the judgment of the High Courts were passed prior to the pronouncement of the judgment of this Court in Pranay Sethi case** [National Insurance Co. Ltd. v. Pranay Sethi, (2017) 16 SCC 680 : (2018) 3 SCC (Civ) 248 : (2018) 2 SCC (Cri) 205].



14. But at the same time, it is to be noted that in the decision in M.A. Murthy v. State of Karnataka [M.A. Murthy v. State of Karnataka, (2003) 7 SCC 517 : 2003 SCC (L&S) 1076 : (2003) 264 ITR 1 : 2003 INSC 447], this Court held that when in a decision this Court enunciates a principle of law, it is applicable to all cases irrespective of the stage of pendency thereof because it is to be assumed that what is enunciated by this Court is, in fact, the law from inception. We may hasten to add that we shall not be understood to have held that pursuant to enunciation of a principle of law, matters that attained finality shall be reopened solely for the purpose of applying the law thus laid. But at the same time, if the matter is pending, then, irrespective of the stage, the principle cannot be ignored.

15. Now, we will consider the contention of the respondent insurer regarding the failure of the High Court to deduct one-third of the income while calculating the compensation payable by way of enhancement, in terms of the decision of this Court in Sarla Verma case [Sarla Verma v. DTC, (2009) 6 SCC 121. This is because the decision in Sarla Verma case [Sarla Verma v. DTC, (2009) 6 SCC 121 was very much in force as a precedent since 15-4-2009. In view of the same, we are of the view that the respondents are justified in contending that the High Court ought to have deducted one-third of the income while calculating the compensation by way of enhancement, in terms of Sarla Verma case [Sarla Verma v. DTC, (2009) 6 SCC 121].

[Emphasis Supplied]

16. In the present case, it is undisputed that the minor child was aged 12 years old as on the date of the accident and that the accident occurred in the year 2018 and the Notional Income Chart of the Karnataka State Legal



Services Authority for 2018 is Rs.12,500/- p.m. In addition, in terms of the judgment of the Supreme Court in ***Pranay Sethi*** case, the future prospects is required to be taken at 40% since the deceased was minor and the appropriate multiplier applicable would be '18'. Accordingly, the loss of dependency is recomputed in the following manner:

Head	Amount
Loss of dependency	Rs.12,500 + 40% = 17,500/- Rs.17,500x50%x12x18= 18,90,000/-

16.1 Further, in view of the law laid down by the Supreme Court in ***National Insurance Co. Ltd. Vs. Pranay Sethi***, loss of consortium is payable at Rs.40,000/- each to the appellants/claimants, amounting to **Rs.80,000/-** (Rs.40,000x2). The appellants/claimants are entitled to compensation under the conventional heads. Accordingly, loss of estate and funeral expenses are awarded at Rs.15,000/- each.

17. In addition, this Court agrees with the submission of the learned counsel for the appellants that the accident was



of the year 2018 and although the judgment of the learned Tribunal was passed in the year 2019, no escalation has been awarded on the 'conventional heads'. The Supreme Court in its judgment in the case of **Pranay Sethi** has upheld the aforesaid principle of law. The relevant paragraph is set out below:

"59.8. Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses should be Rs 15,000, Rs 40,000 and Rs 15,000 respectively. The aforesaid amounts should be enhanced at the rate of 10% in every three years."

17.1 Accordingly, escalation at the rate of 10% is also awarded on the conventional heads. Thus, the revised calculation would be as follows :

Sl.No.	Particulars	Amount (Rs.)
1	Loss of Dependency	18,90,000/-
2	Loss of Consortium	88,000/-
3	Loss of Estate	16,500/-
4	Funeral Expenses	16,500/-
	TOTAL	20,11,000/-
	Less: Awarded by the Tribunal	7,87,000/-
	Enhanced compensation	12,24,000/-

18. Hence, the appellants/claimants are entitled to a total compensation of **Rs.12,24,000/-** along with interest at 9%



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per annum as awarded by the learned Tribunal, from the date of petition till its realization.

19. On the aspect of the interest at 8% awarded by the Tribunal, one of us, Ms.Justice Tara Vitasta Ganju in the recent judgment dated 01.06.2026 in the case of ***United India Insurance Co. Ltd. vs. Sri.Malyadri.M And Others***¹² has examined this issue in detail and found that the award of interest @ 9% per annum in cases of death and in cases of permanent disability has been regularly upheld by the Supreme Court. It is apposite to extract the relevant portion of the judgment below:

29. An analysis of the foregoing discussions of the Supreme Court, reflects that the Supreme Court has consistently held that the award of interest is intended to recompensate the claimant for being deprived of the use of money, which ought to have been paid at the time of occurrence of the accident. The rate of interest, therefore, must be just, fair and reasonable, having regard to the prevailing economic conditions and bank rates.

29.1. The award of interest is usually determined at the prevailing bank rate of interest on a case-to-case basis and at the rate which is just and fair and reasonable.

29.2 There cannot be any 'straitjacket formula' in determining the rate of interest and that the same

¹² MFA No.3895 OF 2018, dtd.01.06.2026: NC: 2026: KHC:25458



must depend on the facts and circumstances of each case. The guiding principle remains that the rate must neither be punitive nor non-existent but must strike a balance between fairness to the claimant and reasonableness to the insurer.

29.3 The rate of interest 9% is more appropriate in case involving death and serious injury especially, where there is a long delay in the claimants receiving the compensation.

30. In the present case, the accident occurred in the year 2016 leading to the death of the wife of respondent No.1 and mother of respondent Nos.2 and 3. The award came to be passed in the year 2018. The learned Tribunal has deemed it apposite to award interest on the compensation @ 9% per annum. The award of interest is not punitive as is fair considering the prevailing economic condition and bank rates. In addition, it is now 10 years since the date of the accident.

31. The learned Trial Court has awarded interest at the rate of 9% per annum. This Court finds no infirmity with the Impugned Award of 9% interest in the circumstances of the present case.

[Emphasis Supplied]

20. In view thereof, this Court is not inclined to interfere with the interest awarded by the learned Tribunal in the present case.

21. Accordingly, this Court proceeds to pass the following:

ORDER

- (i) The appeal in MFA No.1342/2022 is ***allowed in part;***



(ii) The appeal in MFA No.1911/2020 is ***dismissed;***

(ii) The Judgment and Award dated 27.08.2019, in MVC No.1057/2018, passed by the Senior Civil Judge and Additional MACT, Karkala is modified, enhancing the compensation by **Rs.12,24,000/-** along with interest at the rate of 6% per annum as awarded by the learned Tribunal from the date of petition till realization;

(iii)The remaining portion of the Impugned Award of the Tribunal remains undisturbed;

(iv) The appellant/Insurance company is directed to pay the enhanced compensation with interest as awarded by the Tribunal within eight weeks from today;

(v) On such deposit of compensation, the same shall be released in favour of the appellants/claimants, on



filing of an appropriate application for withdrawal of the enhanced amount;

(vi) The amounts deposited by the Insurance company, if any, shall be transferred to the concerned Tribunal for disbursement.

(vii) The Registry is directed to draw the modified Award accordingly;

(viii) The Registry is directed transmit a copy of this judgment along with its records and the amounts deposited by the Insurance Company to the concerned Tribunal forthwith;

(ix) No order as to costs.

**Sd/-
(JAYANT BANERJI)
JUDGE**

**Sd/-
(TARA VITASTA GANJU)
JUDGE**

JJ/YN
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