



2025:DHC:8786



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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Date of Decision: 02.09.2025

+ **MAC.APP. 956/2013**

UNITED INDIA INSURANCE COMPANY LTD.Appellant

Through: Ms. Neerja Sachdeva, Advocate.

versus

ROOP CHAND & ORS.

.....Respondents

Through: None.

CORAM:

HON'BLE MS. JUSTICE TARA VITASTA GANJU

TARA VITASTA GANJU, J.: (Oral)

1. The present Appeal has been filed under Section 173 of the Motor Vehicles Act, 1988 [hereinafter referred to as "MV Act"] seeking to challenge the award dated 17.08.2013 passed by the learned Presiding Officer, Motor Accident Claims Tribunal-II, Dwarka Courts, New Delhi [hereinafter referred to as "Impugned Award"]. By the Impugned Award, compensation in the sum of Rs.13,46,000/- has been awarded along with interest at the rate of 7.5% per annum.

2. None has appeared on behalf of Respondent Nos.1 to 3/Claimants for the last several dates. Court Notice was also issued by the Coordinate Bench on 12.03.2025 despite which there has been no appearance on behalf of Respondent Nos.1 to 3/Claimants.

3. This Court had by an order dated 25.10.2013 directed that the Impugned Award be stayed on deposit of 80% of the awarded amount along



with up to date interest and had further directed release of the entire awarded amount to the Respondent Nos.1 to 3/Claimants.

4. Learned Counsel for the Appellant submits that a challenge by the driver and owner to the grant of recovery rights, has been filed separately. However, the only challenge in the present Appeal is by the Insurance Company on the quantum of the amounts awarded.

5. Learned Counsel for the Appellant only raises two grounds. Firstly, the challenge is on the grant of future prospects on the earnings of the deceased that had been granted at the rate of 50%. It is contended, relying on Paragraph 59.4 of the judgment of the Supreme Court in *National Insurance Co. Ltd. v. Pranay Sethi and Ors.*¹ that the deduction granted should have been at the rate of 40%.

5.1 Secondly, the challenge is on the grant of multiplier of 18, which as per learned Counsel for the Appellant, has been wrongfully computed in this case. She submits that the deceased was a bachelor at the time of the accident and that the multiplier should have been applied on the basis of the age of the parents. She further submits that if the age of the mother is taken into consideration, the applicable multiplier would be 14.

6. As stated above, although the Respondent Nos. 1 to 3 have stopped appearing before this Court, they had filed a Reply to this Appeal setting out that the Impugned Award does not suffer from any infirmity.

7. Briefly the facts are that the deceased was a bachelor living with his parents and his younger brother. The deceased met with an accident on

¹ (2017) 16 SCC 680



31.03.2012 at around 3:30 p.m. with a TATA 407 Tempo, which was driven in a rash and negligent manner. The tempo overtook a car and hit the motorcycle being driven by the deceased, as a result of which he fell on the road. The driver of the offending vehicle then ran over the deceased and then tried to run away. The way of the offending vehicle was blocked, but the driver managed to run away. The deceased was taken to the Ayushman hospital, where he succumbed to his injuries.

7.1 A Claim Petition was filed by the Respondent Nos.1 to 3 under Section 166 of the MV Act, 1988 seeking compensation wherein it was stated that the deceased was the only bread winner in his family and supporting his family comprising of his father, mother and younger brother. It is further set out that the deceased was earning Rs. 17,000/- per month and had the capacity to even earn Rs. 80,000/- per month in the future.

8. By the Impugned Award, the learned Trial Court gave two findings. Firstly, so far as concerns the deduction at the rate of 50%, the learned Trial Court while relying on the judgement of the Supreme Court in **Rajesh and Others v. Rajbir Singh & Others**² held that since the deceased was below the age of 40 years, the addition should be 50% on the annual income and was required to be made while computing future prospects.

9. Learned Counsel for the Appellant has contended that since the salary was a fixed salary in terms of the judgment in the **Pranay Sethi** case, the future prospects at the rate of 40% should have been awarded. Reliance placed on paragraph 59.4 of the **Pranay Sethi** case in this behalf is set out below:

² (2013) 9 SCC 54



“59.4. In case the deceased was self-employed or on a fixed salary, an addition of 40% of the established income should be the warrant where the deceased was below the age of 40 years. An addition of 25% where the deceased was between the age of 40 to 50 years and 10% where the deceased was between the age of 50 to 60 years should be regarded as the necessary method of computation. The established income means the income minus the tax component.”

[Emphasis supplied]

10. The Supreme Court in the ***Pranay Sethi*** case has while discussing various aspects of law, clarified the aspects of addition to the actual income of a deceased towards his future prospects, in respect of different categories of persons whether, of different ages with a permanent job, with a fixed salary or a self-employed.

11. No doubt, the judgment in the ***Pranay Sethi*** case does set this out. However, undisputably, the Impugned Award was passed on 17.08.2013 which is prior to the decision in ***Pranay Sethi*** case being passed, and the Impugned Award was passed based on law which existed as on that date.

12. The Supreme Court in ***Rajesh*** case has, while relying on the judgment in ***Santosh Devi v. National Insurance Co. Ltd. & Ors.***³ and ***Sarla Verma & Ors. v. DTC & Anr.***⁴, clarified that future prospects must also be applied to self-employed and fixed wage earners, with 50% addition if below the age of 40 years, 30% if between 40–50 years, and 15% if between 50–60 years, with no addition thereafter. It is apposite to set out the relevant extract of ***Rajesh*** case below:

“8. Since, the Court in *Santosh Devi* case [*Santosh Devi v. National Insurance Co. Ltd.*, (2012) 6 SCC 421 : (2012) 3 SCC (Civ) 726 : (2012) 3

³ (2012) 6 SCC 421

⁴ (2009) 6 SCC 121



SCC (Cri) 160 : (2012) 2 SCC (L&S) 167] actually intended to follow the principle in the case of salaried persons as laid down in Sarla Verma case [Sarla Verma v. DTC, (2009) 6 SCC 121 : (2009) 2 SCC (Civ) 770 : (2009) 2 SCC (Cri) 1002] and to make it applicable also to the self-employed and persons on fixed wages, it is clarified that the increase in the case of those groups is not 30% always; it will also have a reference to the age. In other words, in the case of self-employed or persons with fixed wages, in case, the deceased victim was below 40 years, there must be an addition of 50% to the actual income of the deceased while computing future prospects. Needless to say that the actual income should be income after paying the tax, if any. Addition should be 30% in case the deceased was in the age group of 40 to 50 years.

9. In Sarla Verma case [Sarla Verma v. DTC, (2009) 6 SCC 121 : (2009) 2 SCC (Civ) 770 : (2009) 2 SCC (Cri) 1002], it has been stated that in the case of those above 50 years, there shall be no addition. Having regard to the fact that in the case of those self-employed or on fixed wages, where there is normally no age of superannuation, we are of the view that it will only be just and equitable to provide an addition of 15% in the case where the victim is between the age group of 50 to 60 years so as to make the compensation just, equitable, fair and reasonable. There shall normally be no addition thereafter.”

[Emphasis Supplied]

12.1 The learned Trial Court has found that the deceased had dependents upon him, namely, the parents of the deceased as well as his younger brother. Based thereon, the learned Tribunal has held as follows:

“35. PW2, employer of the deceased, has proved Salary Slip for the month of March, 2012. As per this, salary of the deceased was Rs. 17,000/- per month i.e., Basic Rs. 8,000/-, HRA Rs. 4,000/- TA Rs. 2,000/- others i.e. Fooding and OT etc. Rs. 3,000/-.

36. However, this witness also proved payment voucher dated 08.03.2012 as per which only Rs.8,000/- were given to the deceased as salary.

37. Appointment letter is silent about salary of the deceased.

38. Therefore, this Tribunal is of the view that salary of the deceased at the time of his death was only Rs. 8,000/- as rightly shown in Ex.PW2/2, Ex.PW1/3 is not correct depiction of salary of the deceased. Therefore, salary of the deceased for assessing loss of dependency for the claimants shall be taken as Rs. 8,000/- per month.



39. In the case of **Rajesh & Others Vs. Rajbir Singh & Others**, 2013 (6) SCALE 563, the Hon'ble Supreme Court has held that in the case of self employed or persons with fixed wages, in case, the deceased victim was below 40 years, there must be an **addition of 50% to the actual income of the deceased while computing future prospects.**

40. **Once 50% is added to the salary of the deceased, the assumed income of the deceased** would become Rs. 12,000/- per month.

41. **However, the deceased was a bachelor. Therefore, 50% is to be deducted for personal expense of the deceased. Therefore, loss of dependency for the claimants will be Rs. 6,000/- per month or Rs. 72,000/- per annum.**

[Emphasis Supplied]

13. However, the Supreme Court in the judgment of **Pranay Sethi** case has also relied on the judgment in the **Sarla Verma** case to hold that generally the actual income of the deceased less income tax should be the starting point for calculation of compensation and then whether any addition could be made should be made by taking note of future prospects of the deceased. The future prospects would be for advancement in life and career and required to be in terms of money and where the deceased had stable job, the Court can take note of prospects for the future including those for career advancement. It was further held that in view of the imponderables and uncertainties, the Court was in favour of adopting as a rule of thumb, an addition of 50% of the actual salary to the actual salary income of the deceased towards future prospects, where the deceased had a permanent job and was below 40 years. It was clarified that the addition would be 30% if the age was between 40 to 50 years and that the annual income would mean actual salary less tax. The relevant extract of the **Sarla Verma** case is below:

“Question (i) — Addition to income for future prospects

20. **Generally the actual income of the deceased less income tax should be the starting point for calculating the compensation. The question is**



whether actual income at the time of death should be taken as the income or whether any addition should be made by taking note of future prospects.

21. In *Susamma Thomas* [(1994) 2 SCC 176 : 1994 SCC (Cri) 335] this Court held that the future prospects of advancement in life and career should also be sounded in terms of money to augment the multiplicand (annual contribution to the dependants); and that where the deceased had a stable job, the court can take note of the prospects of the future and it will be unreasonable to estimate the loss of dependency on the actual income of the deceased at the time of death. In that case, the salary of the deceased, aged 39 years at the time of death, was Rs 1032 per month. Having regard to the evidence in regard to future prospects, this Court was of the view that the higher estimate of monthly income could be made at Rs 2000 as gross income before deducting the personal living expenses.

22. The decision in *Susamma Thomas* [(1994) 2 SCC 176 : 1994 SCC (Cri) 335] was followed in *Sarla Dixit v. Balwant Yadav* [(1996) 3 SCC 179] where the deceased was getting a gross salary of Rs 1543 per month. Having regard to the future prospects of promotions and increases, this Court assumed that by the time he retired, his earning would have nearly doubled, say Rs 3000. This Court took the average of the actual income at the time of death and the projected income if he had lived a normal life period, and determined the monthly income as Rs 2200 per month.

23. In *Abati Bezbaruah v. Geological Survey of India* [(2003) 3 SCC 148 : 2003 SCC (Cri) 746], as against the actual salary income of Rs 42,000 per annum (Rs 3500 per month) at the time of the accident, this Court assumed the income as Rs 45,000 per annum, having regard to the future prospects and career advancement of the deceased who was 40 years of age.

24. In *Susamma Thomas* [(1994) 2 SCC 176 : 1994 SCC (Cri) 335] this Court increased the income by nearly 100%, in *Sarla Dixit* [(1996) 3 SCC 179] the income was increased only by 50% and in *Abati Bezbaruah* [(2003) 3 SCC 148 : 2003 SCC (Cri) 746] the income was increased by a mere 7%. **In view of the imponderables and uncertainties, we are in favour of adopting as a rule of thumb, an addition of 50% of actual salary to the actual salary income of the deceased towards future prospects, where the deceased had a permanent job and was below 40 years. (Where the annual income is in the taxable range, the words "actual salary" should be read as "actual salary less tax"). The addition should be only 30% if the age of the deceased was 40 to 50 years. There should be no addition, where the age of the deceased is more than 50 years. Though the evidence may indicate a different percentage of increase, it is necessary to standardise the addition to avoid different**



yardsticks being applied or different methods of calculation being adopted. Where the deceased was self-employed or was on a fixed salary (without provision for annual increments, etc.), the courts will usually take only the actual income at the time of death. A departure therefrom should be made only in rare and exceptional cases involving special circumstances.”

[Emphasis Supplied]

14. The evidence on behalf of the father of the deceased (PW1) was also given. In the evidence, PW1 deposed that the deceased was the only earning member of the family and the entire family was dependent on him. It was further stated that deceased was working with M/s Golden Sparrow Capital Service Pvt. Ltd. and was drawing a salary of Rs.17,000/- per month.

14.1 The learned Tribunal found that the Evidence by way of Affidavit of the Claimant [Ex. PW1/A] set out that the deceased was the only earning member of the family and was working in a company called Golden Sparrow Capital Service Pvt. Ltd. at a salary of Rs. 17,000/- per month. The salary certificate was exhibited as Ex. PW1/3 and based thereon the loss of dependency was claimed at Rs. 30 lakhs. The relevant extract of Ex. PW1/A is set out below:

“I, Roop Chand S/o Shri Hechu Ram Aged about 52 years, Resident of 22/2 Village Khalaihal, H.N. 403, Teh. Joginder Nagar, Distt. Mandi, Himachal Pradesh, do hereby solemnly affirm and declare as under: -

1. That I am the petitioner/dependant in the above noted case hereinafter called the deponent and well aware about the fact of the case and competent to swear this affidavit.”

*2. **That my son Late Shri Vinod Kumar died on road accident on 31/03/2012 and in this respect FIR No. 61/2012 under section 279/304A IPC was registered in police station Dwarka South, New Delhi, FIR is exhibited as PW-1/1.***

*3. That we are **four member of the family myself, My wife Malhaju Devi, My younger son Ved Prakash and Vinod Kumar i.e., deceased.** Copy of the*



*Ration card is annexed here with. **It is submitted that the deceased Vinod Kumar was only earning hand of our family and we were fully depend upon him. Copy of the Ration card is exhibit as PW-1/2.***

*4. That the deceased late Shri Vinod Kumar was intermediate pass and was working in the **Golden Sparrow Capital Service Pvt. Ltd. and drawing a salary of Rs. 17,000/- (Rupees Seventeen Thousand only) per month, copy of salary certificate is exhibit as PW-1/3.***

*5. **That the loss of deponent's young son can not be calculated in terms of money, however the deponent is claiming an amount of Rs. 30,00,000/- (Rupees Thirty Lacs only) from the respondents and both the respondents are liable to pay the compensation to the deponent jointly as well as severally.***

[Emphasis Supplied]

14.2 The Claimant was duly cross-examined by the Respondents on 08.11.2012. The relevant extract of the cross-examination of PW-1 is set out below:

“08.11.2012

PW-1 Statement of Shri Roop Chand son of Shri Hechu Ram, aged about 52 years, Vocation: Agriculture, R/o 22/2, Village Khalaihal, House No. 403, Tehsil Joginder Nagar, District Mandi, Himachal Pradesh.

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At the time of accident, deceased was staying at Gurgaon, Haryana and we were staying at Himachal Pradesh.[Sic; Pradesh] It is wrong to suggest that the deceased was not earning Rs. 17,000/- per month. I do not have appointment letter. I do not have passbook to show credit of salary in his bank account. It is wrong to suggest that salary certificate is fake. It is wrong to suggest that the deceased was not employee of M/s. Golden Sparrow Capital Services Pvt. Ltd. It is wrong to suggest that neither myself nor my wife were financial depended on the deceased. My son had told me that he had a driving license but I do not have original or copy thereof with me. I did not ask the authority which had given the license. It is wrong to suggest that my son was not having any DL. It is wrong to suggest that **I am not entitled to any compensation. My younger son is 20 years of age. He is not doing any job. It is wrong to suggest that the deceased was also jobless.**”

[Emphasis Supplied]

15. The statement of the employer of the deceased was recorded as PW-2



on two dates, first is on 16.12.2012 and other on 04.04.2013 and thus, the salary of the deceased was also proved. Therefore, the Respondents/Claimants proved the salary of the deceased and that his remaining family members were dependent on him. The relevant extract of the cross-examination of PW-2 is set out below:

“06.12.2012

PW-2; Statement of Sh. Brij Bhan Singh, S/o Sh. Inder Singh Thakur, Age; 25 yrs., Vocation: Business, Director of Golden Sparrow Capital Services Pvt. Ltd., SFG-09, Ground Floor, Palam Triangle, Palam Vihar, Gurgaon, Haryana.

....I was having four employees. The salary ranged from Rs. 8000/- per month to Rs. 15,000/- per month. I show payment of salary to my employees in my ITR. I have not brought any record regarding my ITR hut I can show on the next date if so directed.

*I have not brought any other employment record pertaining to the deceased in the court today. However, I can produce the same if so directed. I do not have any documentary evidence with me to show that I am Director in this company. **I have not brought any document from ROC to show registration of the company. I have not brought TDS record. It is wrong to suggest that Ex. PW-1/3 is fake and fabricated. It is wrong to suggest that I do not have any record regarding employment of deceased. It is wrong to suggest that I am deposing falsely.***

.....

04.04.2013

.....

*It is correct that in the attendance register column of amount, advance, balance and signature is blank. This is calculated by Accounts Section. It is correct that on some pages of the attendance register name of company is not mentioned but it is so mentioned in the attendance page for the month of March, 12. We do not change the register till the time it is filled. We do not start a new register every year on 01st January or 01st April. It is wrong to suggest that the attendance register is fabricated after the death of the deceased to help him receive higher amount of compensation. It is wrong to suggest that letter of appointment is also a fabricated letter and it does not bear signatures of Sh. Vinod Kumar. It is wrong to suggest that the attendance register is also fabricated. **The company is income tax payee. The names of employees are also mentioned in the ITRs. I have not brought ITRs showing name of deceased as our employee. I can produce the same with the***



permission of Board of Directors. No resolution is passed by the Board of Directors in my favour for appearing in the court today. I do not have a power of attorney of the company. It is wrong to suggest that I have deposed falsely to help the LRs of the deceased. It is wrong to suggest that deceased was never my employee. PF/ESI was not deducted from the salary.”

[Emphasis Supplied]

15.1 It has also been stated that the parents of the deceased lived in a village in Himachal Pradesh and that the deceased was the only earning member of the family. The Appellant has not been able to bring any evidence on record to show that the mother and brother of the deceased or his family members were not dependent on him.

16. So far as concerns the aspect of grant of multiplier of 18 is concerned, an examination of the Impugned Award shows that the multiplier is to be selected on the basis of the age of the deceased for the reason that he has left behind a younger brother who was also dependent on the him and not on the age of the parents of the deceased.

17. Learned Counsel for the Appellant submits that the multiplier has to be taken based on the age of the mother of the deceased.

18. The learned Trial Court has found that the submissions of the learned Counsel for the Appellant are without merit and held the multiplier is calculated on the basis of the age of the deceased. The Impugned Award in this behalf is set out below:

“43. Multiplier is to be selected on the basis of age of the deceased or age of the dependents, whichever is higher. Therefore, multiplier will be on the basis of age of the deceased as he has left behind a younger brother who was also dependent on the deceased besides parents of the deceased. In this case, selection of the multiplier will not depend on the age of parents of the deceased but on the basis of age of the deceased for the reason that he has left behind a younger brother who was also dependent on him.



44. As per Ex. PW1/2 which is ration card of the claimants, date of birth of the deceased is mentioned as 25.04.1987. Therefore, as per ration card, age of the deceased at the time of accident was slightly less than 25 years. In the MLC, age of the deceased is mentioned as 21 years. However, it makes no difference for the purposes of selecting multiplier because multiplier of 18 is prescribed for a deceased aged between 21 years to 25 years as per judgment of the Hon'ble Supreme Court in the case of Sarla Verma Vs. DTC, 2009 (6) SCALE 129.

45. Therefore, Loss of Dependency for the claimants will be Rs. 12,96,000/- i.e. Rs.72,000/- x 18."

[Emphasis supplied]

19. This Court finds no infirmity in the reasoning of the learned Trial Court. The presence of a younger brother, who was also dependent upon the deceased, justifies the application of the multiplier with reference to the deceased's age rather than the age of the parents.

19.1 Accordingly, the contention of the Appellant that the multiplier ought to have been taken as per the age of the mother is rejected.

20. The grounds of challenge which existed on the date of filing the Appeal have been examined by the Court. As stated above, since no challenge can be sustained on those grounds. The Impugned Award was passed on 17.08.2013 based on the law as on that date.

21. During arguments, a new ground of the applicability of the ***Pranay Sethi*** case – a judgment passed after the Appeal has been filed, has been taken by the Appellant to reduce the award on future prospects.

22. It is no longer *res integra* that declarations of the law during the pendency of a case operate from inception unless expressly made prospective. This was clarified by the Supreme Court in ***M.A. Murthy v. State of***



Karnataka & Ors.⁵. It was held that prospective overruling, borrowed from American jurisprudence, is an exception available only when specifically indicated and is intended to preserve settled issues, avoid multiplicity of proceedings, and prevent uncertainty. The relevant extract of the **M.A. Murthy** case is set out below: -

“8. The learned counsel for the appellant submitted that the approach of the High Court is erroneous as the law declared by this Court is presumed to be the law at all times. Normally, the decision of this Court enunciating a principle of law is applicable to all cases irrespective of its stage of pendency because it is assumed that what is enunciated by the Supreme Court is, in fact, the law from inception. The doctrine of prospective overruling which is a feature of American jurisprudence is an exception to the normal principle of law, was imported and applied for the first time in L.C. Golak Nath v. State of Punjab [AIR 1967 SC 1643] . In Managing Director, ECIL v. B. Karunakar [(1993) 4 SCC 727 : 1993 SCC (L&S) 1184 : (1993) 25 ATC 704] the view was adopted. Prospective overruling is a part of the principles of constitutional canon of interpretation and can be resorted to by this Court while superseding the law declared by it earlier. It is a device innovated to avoid reopening of settled issues, to prevent multiplicity of proceedings, and to avoid uncertainty and avoidable litigation. In other words, actions taken contrary to the law declared prior to the date of declaration are validated in larger public interest. The law as declared applies to future cases. (See Ashok Kumar Gupta v. State of U.P. [(1997) 5 SCC 201 : 1997 SCC (L&S) 1299] and Baburam v. C.C. Jacob [(1999) 3 SCC 362 : 1999 SCC (L&S) 682 : 1999 SCC (Cri) 433].) It is for this Court to indicate as to whether the decision in question will operate prospectively. In other words, there shall be no prospective overruling, unless it is so indicated in the particular decision. It is not open to be held that the decision in a particular case will be prospective in its application by application of the doctrine of prospective overruling. The doctrine of binding precedent helps in promoting certainty and consistency in judicial decisions and enables an organic development of the law besides providing assurance to the individual as to the consequences of transactions forming part of the daily affairs. That being the position, the High Court was in error by holding that the judgment which operated on the date of selection was operative and not the review judgment in Ashok Kumar Sharma case No. II [(1997) 4 SCC 18 : 1997 SCC (L&S) 913]. All the more so when the subsequent judgment is by way of review of the first judgment in which case

⁵ (2003) 7 SCC 517



there are no judgments at all and the subsequent judgment rendered on review petitions is the one and only judgment rendered, effectively and for all purposes, the earlier decision having been erased by countenancing the review applications. The impugned judgments of the High Court are, therefore, set aside.”

[Emphasis Supplied]

22.1 The Supreme Court in the case of ***New India Assurance Co. Ltd. v. Sonigra Juhi Uttamchand***⁶, while relying to 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 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 pronouncement in ***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

⁶ (2025) 3 SCC 23



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]

23. Learned Counsel for the Appellant has contended that the Impugned Award should be set aside in view of the judgment of the Supreme Court in ***Pranay Sethi*** case with respect to the change in law on computing future prospects. The Supreme Court in the *Pranay Sethi* case undertook a detailed analysis of the addition of future prospects while determining compensation under Section 166 of the MV Act. The aim of the Court was to achieve certainty and fairness in view of the disparate percentages which were



applicable in prior judgments including in the *Sarla Verma* case. The Court thus formulated a rule of thumb to standardise future prospects stating that for the deceased persons with a permanent job and self-employed/fixed salary who were below the age of 40 years an addition of 50% and 40% respectively of actual salary will be provided, while for 40-50 years, the addition is reduced. The judgment in the *Pranay Sethi* case was passed relying on the judgment in the *Sarla Verma* case.

24. The MV Act is a beneficial legislation and its interpretation should be made accordingly. The Supreme Court in the case of *Vimla Devi & Ors. v. National Insurance Co. Ltd. & Ors.*⁷, held that the Motor Vehicles Act is a beneficial legislation intended to provide relief and compensation to victims of motor accidents. Its purpose is to ease the process for claimants by not requiring strict procedural compliance as in regular civil suits, thereby ensuring timely solace to those suffering injury or loss due to accidents. It is apposite to extract relevant paragraphs of *Vimla Devi* case are set out below:

“14. Before we examine the factual matrix of the case at hand, it is apposite to take note of the provisions of the Act, which have relevance while deciding the claim petition.

15. At the outset, we may reiterate as has been consistently said by this Court in a series of cases that the Act is a beneficial piece of legislation enacted to give solace to the victims of the motor accident who suffer bodily injury or die untimely. The Act is designed in a manner, which relieves the victims from ensuring strict compliance provided in law, which are otherwise applicable to the suits and other proceedings while prosecuting the claim petition filed under the Act for claiming compensation for the loss sustained by them in the accident.”

[Emphasis Supplied]

25. As stated above, what the Appellant now seeks to challenge is a

⁷(2019) 2 SCC 186



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finding/decision which is based on the law as it stood on the date it was passed and, prays that the compensation awarded be reduced. Thus, the Appellant is asking the Court to set aside the Impugned Award based on the doctrine of prospective over-ruling. In view of the foregoing discussions, this Court finds that this challenge cannot be sustained. The Impugned Award was passed on the law as it existed on that date and given the fact that the MV Act is a beneficial piece of legislation, this Court does not deem it apposite to reduce the compensation awarded.

26. The Appeal is accordingly dismissed.

27. The parties shall act based on a digitally signed copy of the order.

TARA VITASTA GANJU, J

SEPTEMBER 2, 2025/r/ha