REPORTABLE

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.....4299.....OF 2025
(Arising out of S.L.P. (C) No. 4484 OF 2020)

25076796

PARMINDER SINGH ... Appellant(s)

VERSUS

HONEY GOYAL AND OTHERS ... Respondent(s)

JUDGMENT

Certified to be true Copy
Assistant Registrar (Judl.)
Supreme Court of India

Rajesh Bindal, J.

1. Leave granted.

2. Aggrieved by the order[1] passed by the High Court[2] in appeal[3], the claimant is before this Court seeking enhancement of compensation.

[1] Dated 04.09.2019
[2] High Court of Punjab and Haryana at Chandigarh
[3] FAO No.3726 of 2017

3. The brief facts are that the appellant met with an accident on 03.06.2014 when he was hit by a car bearing registration No. PB-03-X-0169 coming from the opposite direction. The appellant was driving his motorcycle. A criminal case was registered against the driver of the car. The appellant having suffered grievous injuries, resulting in his disability filed claim petition[4]. The age of the appellant at the time of the accident was 21 years. He was aiming to become veterinary doctor and pursuing his studies for that. The injuries suffered by him resulted in quadriplegia[5]. As a consequence of which he was declared 100% disabled as per the medical certificate issued by the Orthopedic Surgeon, Civil Hospital, Bathinda. He had incurred medical expenses of ₹2,66,000/- on his treatment. A lump sum amount of ₹2,00,000/- was awarded to the appellant on account of his 100% disability. The Tribunal[6] in a very conservative estimate assessed the compensation payable to the appellant at ₹5,16,000/-.

4. Aggrieved against the Award of the Tribunal, the appellant preferred appeal before the High Court. The compensation was enhanced from ₹ 5,16,000/- to ₹ 15,25,600/-. The High Court has taken the income of the appellant as ₹ 5,600/- per month to assess the loss of

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[4] MACT File No.84 of 2014
[5] Paralysis of all four limbs (according to Oxford English Dictionary)
[6] Motor Accident Claims Tribunal, Bathinda

income and applied the multiplier of 18. Under the head 'Loss of Income', the High Court assessed the compensation as ₹12,09,600/- as against ₹2,00,000/- awarded by the Tribunal and this was the only modification by the High Court in the Award of the Tribunal. Still dissatisfied, the appellant is before this Court.

5. Learned counsel for the appellant submitted that it is a case in which as a result of an unfortunate accident the appellant had suffered quadriplegia resulting in 100% disability. The income of the appellant has been assessed on the lower side. He was aiming to become a veterinary doctor for which he was pursuing his studies. He was a State Level player in Volleyball and had also undergone various other courses. The appellant was a young person of 21 years at the time of the accident. Now he will have to spend his entire life with 100% disability as a result of which he has to take special diet and also to engage an attendant to look after him. The High Court had failed to grant future prospects under the head 'Loss of Income'.

6. On the other hand, learned counsel for respondent no.3/United India Insurance Co. Ltd. submitted that already reasonable amount of compensation has been awarded by the High Court. No doubt the appellant had suffered disability but there is no ground made out for further enhancement of compensation. In the absence of any

proof of income, the High Court has already assessed the income of the appellant at ₹5,600/- per month. There is no scope for further enhancement.

7. Heard learned counsel for the parties and perused the relevant referred record.

8. In the case in hand, basic undisputed facts on record are that the appellant was a young boy of 21 years of age at the time of the accident and having suffered quadriplegia the same resulted in his 100% permanent disability. In the affidavit filed in his examination-in-chief, the appellant stated that he was learning the work for the Veterinary Doctor at Village Romana Ajit Singh, District Bathinda. He participated in 52nd International District School Games as a Volleyball player in October, 2006 when he was under 17 years of age. He had completed his course of pig farming from Punjab Agricultural University. In our opinion, as the appellant had suffered 100% permanent disability he will have to live his entire life with that condition. As a result, he will require constant support of an attendant and a special diet.

9. In our considered view, the income of the appellant has been taken on the lower side, which deserves to be enhanced.

Considering the aforesaid credentials of the appellant who was a good sportsman and had certain technical qualification to his credit, in our opinion, taking his income merely at ₹5,600/- per month will not be appropriate. This was even less than the minimum wage for unskilled worker, which at that time was ₹6,447.75 per month w.e.f. 01.03.2014. For semi-skilled worker monthly minimum wage was ₹7,227.75 per month. Hence, we assess the income of the appellant as ₹7,500/- per month.

10. The High Court had rightly applied the multiplier of 18 but failed to grant future prospects under the head 'Loss of Income', which in the case of the appellant should be 40%. Hence, income after taking into account future prospects would be ₹10,500/- per month (₹7,500x1.4). The appellant being 100% disabled also deserves to be granted expense towards attendant, which in the case at hand has to be assessed as ₹5,00,000/- in lumpsum and compensation towards special diet is required to be enhanced from ₹25,000/- to ₹1,00,000/-. Considering the significant impact of the disability on the life of appellant, in our view, the amount towards pain and suffering is also required to be enhanced from ₹15,000/- to ₹1,00,000/-. In addition, looking to his condition, ₹2,00,000/- is awarded for future medical expenses and ₹2,00,000/- for loss of marriage prospects.

11. As far as the claim of the appellant regarding expenses incurred by him on physiotherapy is concerned, he has produced the receipts from one Dr. Satnam Saggu, who in his cross-examination was not able to support the receipts issued by him by way of counterfoils or the account books maintained by him. The Tribunal as well as the High Court has not awarded the appellant any compensation on that count. Though reliance on those receipts could not be placed in absence of clinching evidence but we can take judicial notice of the fact that physiotherapy would be required, therefore we deem it appropriate to award him lumpsum amount of ₹50,000/- on that count. Hence, the compensation awarded to the appellant is assessed in the following terms:

| Heads | Compensation (₹) |
|---|---|
| Loss of Income<br>[₹7,500 x 1.4 x 12 x 18] | (enhanced) 22,68,000 |
| Medical Expenses | 2,66,000 |
| Attendant charges | (awarded) 5,00,000 |
| Special Diet | (enhanced) 1,00,000 |
| Pain & Suffering | (enhanced) 1,00,000 |
| Expenses towards physiotherapy | (awarded) 50,000 |
| Future medical expenses | (awarded) 2,00,000 |

| | |
|---|---|
| Marriage prospects | (awarded) 2,00,000 |
| **Total Compensation:** | **36,84,000** |

12. For the reasons mentioned above, the appeal is allowed. The appellant is held entitled to receive total compensation of ₹36,84,000/-. The impugned award of the High Court is modified to that extent. The amount so awarded shall carry interest at the same rate, at which it was awarded by the High Court on the enhanced compensation.

13. The respondent No.3/Insurance Company was held liable to pay the compensation as there was a valid insurance policy. The enhanced amount of compensation be calculated and transferred in the bank account of the appellant by the respondent No.3/Insurance Company within a period of six weeks from today. The particulars of the bank account along with the requisite document(s) in support thereof shall be furnished by the appellant with the respondent No.3/Insurance Company within a period of two weeks from the date of order. Needful shall be done by the respondent No.3/Insurance Company after verification of the same within four weeks thereafter along with up-to-date interest.

14. Before parting with the order we wish to express our concern regarding mode of payment of compensation in motor accident cases. The process can be streamlined by directly transferring the amount in the bank accounts of the claimants, so that the Insurance Companies and the claimants are saved from hassles of the court processes.

14.1 As per the information available on the website of the Ministry of Road, Transport and Highways (Transport Research Wing), Government of India, the number of accidents during 2018 to 2022 with fatalities and persons injured are as follows:

| Year | Accidents | Fatalities | Persons injured |
|---|---|---|---|
| 2018 | 4,70,403 | 1,57,593 | 4,64,715 |
| 2019 | 4,56,959 | 1,58,984 | 4,49,360 |
| 2020 | 3,72,181 | 1,38,383 | 3,46,747 |
| 2021 | 4,12,432 | 1,53,972 | 3,84,448 |
| 2022 | 4,61,312 | 1,68,491 | 4,43,366 |

With the figures of the aforesaid accidents, insofar as the number of persons who died and injured is concerned, the claim petitions filed before the Tribunals are corresponding. The figures of filing of claim petitions and disposal thereof is neck to neck.

14.2 As per response to an R.T.I. enquiry from Insurance Regulatory Development Authority of India, towards the end of 2022-23 there were 10,46,163 claim cases pending throughout the country before the Tribunals (Source : Website of Press Trust of India). The number of cases increased from 9,09,166 towards the end of 2019-20. Meaning thereby that there was an increase of 1,36,997 cases in a span of three years. This is besides the fact that large number of cases are regularly filed and decided.

14.3 It is a matter of common knowledge that large number of motor accident cases are settled in Lok Adalats at the stage of Tribunal and some percentage at the appeal level. In the Lok Adalat recently held in the Supreme Court some matters were disposed of.

14.4 As per the practice now followed, the cases in which Insurance Companies are held liable to indemnify the insured and pay compensation to the claimant(s), the amount is calculated and the same is either deposited by these companies in the Tribunal or in some small percentage of cases, transferred in the accounts of the claimants, if directed by the Tribunal in the award. Some of the companies are quick in depositing the compensation whereas some take time. In some cases, there may be intimation to the claimants regarding the deposit of the amount with the Tribunal, whereas in some there is no

notice. The fact remains that these are the awards, which are not challenged.

14.5 After the amount of compensation is deposited before the Tribunal, when the claimant(s) come to know about the same, they need to move an application for withdrawal of the same. Certainly, such an application will take some time in processing as the amount, which was deposited in the treasury has to be withdrawn from there. On an average the entire process takes about 15-20 days. Besides this, there may be delay in filing such application due to lack of knowledge of deposit. This process is besides the expenses to be incurred by the claimant(s). It is also a matter of common knowledge that with the increase in income level, the amount of compensation awarded by the Tribunal runs into lakhs of rupees and in some cases crores. The aforesaid process will certainly result in loss of interest to the claimant(s) for those 15-20 days and more in some cases, where the claimants had no knowledge about deposit of amount. The process of aforesaid disbursement by the Tribunal has its own risks of error or omission, especially considering the huge amount involved therein. Still there may be cases where the amount may remain with the Tribunal because of lack of knowledge to the claimant and/ or non-withdrawal thereof.

14.6 Apparently, no uniform practice is followed regarding deposit of the amount before the Tribunal, namely whether the amount will remain in government treasury or will be transferred in bank to be kept in interest bearing fixed deposit so that claimants do not suffer on account of interest for any delay in disbursement after deposit in Tribunal.

15. This is an era of technology, where now artificial intelligence is taking over. For conducting any bank transactions earlier we had to visit the bank branch in person and that too within the banking hours. Now all transactions can be affected 24x7, either sitting in the office or at home or even on mobile, while on the move. Practically the bank is in your mobile. Even cheques deposited in the banks for local clearance used to take couple of days. The outstation cheques took weeks together. Now, debits and credits in the accounts are instant with the help of technology.

15.1 Our country has done wonders in digital payment transactions. As per the website of Ministry of Finance, Government of India, starting in the F.Y. 2013-14 from 220 crores, the transactions have increased to 18,592 crores in the F.Y. 2023-24. The value of the transaction has grown from ₹952 lakh crores to ₹3,658 lakh crores. Unified Payment Interface (UPI) is an indigenous developed digital

payment system, which is easy to operate on a mobile. The UPI transactions have grown from 92 crores in the F.Y. 2017-18 to 13,116 crores in the F.Y. 2023-24 at CAGR[7] of 129%. The UPI transactions are likely to cross 20,000 crores in the F.Y. 2024-25. It is a matter of common knowledge that now under various schemes of the Government, funds are transferred to the beneficiaries directly in their bank accounts. As per the rough estimate, about 80% of the adult population in the country have bank accounts.

16. A lot of matters come to the Court in which the amount is required to be paid to the litigants. Normal practice used to be, and still prevalent is to deposit the amount in court and thereafter to be withdrawn by the litigant. This process is not only followed in the cases where huge amount is involved but it is also seen prevalent even in the cases of payment of a small amount of maintenance to the wife, when fixed by the court either under Section 125 Cr.P.C. or under Section 12 of the Domestic Violence Act, 2005 or any other statute. Withdrawal of the amount deposited in the court by any litigant certainly needs time and also expenses.

[7] Cumulative Annual Growth Rate

16.1 This Court in the case of **Haryana State Industrial Development Corporation v. Pran Sukh and others**[8] while considering a matter pertaining to payment of enhanced amount of compensation to the landowners, directed for transfering the same in their bank accounts. Relevant paras thereof are extracted below:

> "With a view to ensure that the land owners are not fleeced by the middleman, we deem it proper to issue following further directions:
>
> (i) The Land Acquisition Collector shall depute officers subordinate to him not below the rank of Naib Tehsildar, who shall get in touch with all the land owners and/or their legal representatives and inform them about heir entitlement and right to receive enhanced compensation.
>
> (ii) The concerned officers shall also instruct the land owners and/or their legal representatives to open saving bank account in case they already do not have such account.
>
> (iii) The bank account numbers of the land owners should be given to the land Acquisition Collector within three months.
>
> (iv) The Land Acquisition Collector shall deposit the cheques of compensation in the bank accounts of the land owners."

[8] (2010) 11 SCC 175.

16.2 Referring to the aforesaid judgement of this Court considering the fact that even at the stage of acquisition of land, compensation is required to be paid to the landowners, High Court of Punjab & Haryana in the case of **Haryana State Industrial & Infrastructure Development Corporation Ltd. V. Smt. Krishna Rani & another**[9] directed that even that amount should also be transferred in their bank accounts directly. Normal practice, which is followed in that process is that the compensation amount is deposited in the government treasury and the process of withdrawal is followed by the land owners. The relevant paras of that judgment are extracted below:

> "Taking lead from the aforesaid directions issued by Hon'ble the Supreme Court and finding that harassment of the land owners is not only at the stage when enhanced amount of compensation is to be paid, rather, it is even at the stage when the award by the Collector is announced as for the payment of compensation, the land owners are to run after the Patwaris or the officials in the office of the Collector.
>
> xxx xxx xxx
>
> ..... The land owners can be asked to furnish the details of their bank accounts in response to the notices issued to them under Section 9 of the Act and in all undisputed claims, the amount should directly be transferred by the Collector in

[9] R.F.A. No.1492 of 2008 dated 08.04.2011

the bank accounts of the land owners immediately after announcement of the award. This will not only save harassment of the land owners but also time and energy of the officials of the office of the Collector.

The aforesaid system should not only be restricted to the State of Haryana, rather, the same system should be followed even in the State of Punjab and Union Territory, Chandigarh, where also the Collector at the time of issuance of notices under Section 9 of the Act should ask the land owners to furnish the details of their bank account particulars and the Collector shall be duty-bound to directly transfer the amount of compensation in their bank accounts in all the undisputed cases."

17. The case in hand pertains to the compensation awarded under the Motor Vehicles Act. The general practice followed by the insurance companies, where the compensation is not disputed, is to deposit the same before the Tribunal. Instead of following that process, a direction can always be issued to transfer the amount into the bank account(s) of the claimant(s) with intimation to the Tribunal.

17.1 For that purpose, the Tribunals at the initial stage of pleadings or at the stage of leading evidence may require the claimant(s) to furnish their bank account particulars to the Tribunal along with the requisite proof, so that at the stage of passing of the award the Tribunal may direct that the amount of compensation be

transferred in the account of the claimant and if there are more than one then in their respective accounts. If there is no bank account, then they should be required to open the bank account either individually or jointly with family members only. It should also be mandated that, in case there is any change in the bank account particulars of the claimant(s) during the pendency of the claim petition they should update the same before the Tribunal. This should be ensured before passing of the final award. It may be ensured that the bank account should be in the name of the claimant(s) and if minor, through guardian(s) and in no case it should be a joint account with any person, who is not a family member. The transfer of the amount in the bank account, particulars of which have been furnished by the claimant(s), as mentioned in the award, shall be treated as satisfaction of the award. Intimation of compliance should be furnished to the Tribunal.

18. In some cases, where the compensation is awarded to minor claimant(s) or otherwise, the Tribunal directs for keeping a certain percentage of the amount in a fixed deposit. Such a direction can always be issued in the award itself to be complied with by the concerned bank. When the amount is transferred by the Insurance Company in the account of the claimant(s), it shall be the responsibility

of the bank to ensure that specified portion thereof is kept in the fixed deposit. Compliance is to be reported by the bank(s) to the Tribunal.

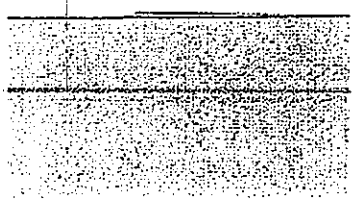
19. It is also a fact that substantial amount of compensation in motor accident cases remains deposited in the Tribunal as the claimant(s) may not have approached the Tribunal for release thereof for various reasons. Delay for any reason in release of compensation in motor accident cases by the Tribunal to the claimant(s), where the amount is deposited in Tribunal, as directed, results in loss of interest to the claimant(s). In case the aforesaid process is followed, the gap would be bridged. The real object of the beneficial legislation, namely to compensate for the loss of earning member of the family or for the injuries suffered by the claimant(s), will be achieved and compensation can be disbursed without any delay.

20. We may add that directions are being issued for bank transfer of the amount of compensation in motor accident cases, but the Courts/Tribunals can always follow this process in any matter, whenever any amount is to be paid by one party to another, however, ensuring proper compliance.

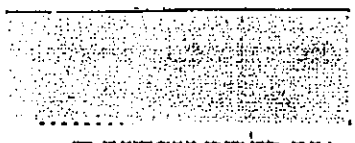
21. The Registry is directed to send a copy of this order to (1) the Registrars General of all the High Courts for placing the same

before the Chief Justice of the High Court for further circulation and compliance by the concerned Tribunals/Courts; and (2) the Directors of the National Judicial Academy and the State Judicial Academies.

22. Pending interlocutory applications (if any) shall stand disposed of.

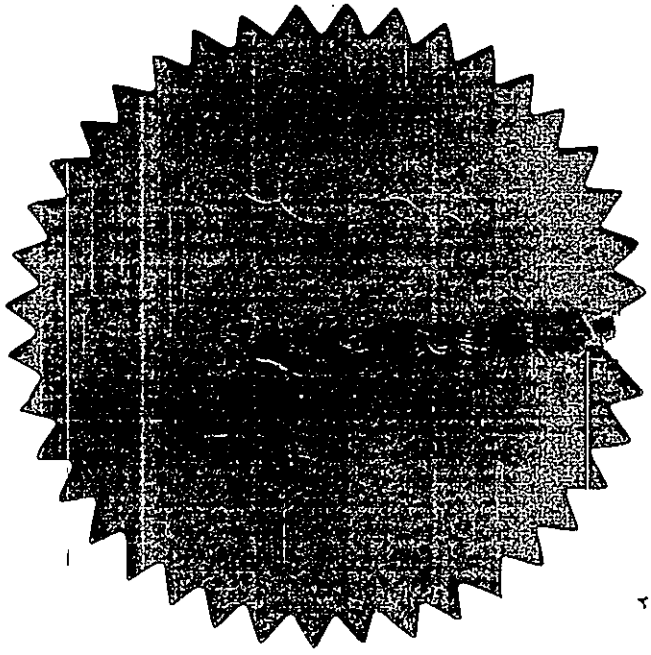


.....J.
(J.K. MAHESHWARI)



.....J.
(RAJESH BINDAL)

New Delhi
March 18, 2025.



SEALED IN MY PRESENCE