



2026 INSC 785

REPORTABLE

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

CIVIL APPEAL NO. 7067 OF 2026

**GAYATREE PATTNAIK FOR
SHREEJITA PATTNAIK**

APPELLANT(S)

VERSUS

ARUNDHATI SAHOO AND ANR.

RESPONDENT(S)

J U D G M E N T

UJJAL BHUYAN, J.

This appeal by special leave is directed against the judgment and order dated 11.01.2023 passed by the High Court of Orissa at Cuttack (briefly ‘the High Court’ hereinafter) in MACA No. 283 of 2022 (*Gayatree Pattnaik Vs. Arundhati Sahoo and Anr.*).

2. It may be mentioned that against the judgment and order dated 16.04.2022 passed by the 2nd Additional District Judge-cum-3rd Motor Accident Claims Tribunal,

Cuttack in M.A.C. Case No. 572 of 2015 wherein compensation to the tune of Rs. 30,12,960.00 was awarded to the appellant alongwith interest at the rate of 6% per annum from the date of filing of the claim petition, the aforesaid appeal was filed before the High Court.

3. By the judgment and order dated 11.01.2023, the High Court disposed of the appeal by enhancing the compensation by a further amount of Rs. 15,27,840.00, thus, awarding total compensation of Rs. 45,40,800.00 to the appellant. Directions have been issued to the insurer i.e. respondent No. 2 to deposit the entire compensation amount before the MACT alongwith interest at the rate of 6% per annum from the date of filing of the claim petition with the further direction to keep the entire compensation amount in fixed deposit in the name of the injured Shreejita Pattnaik in any nationalized bank till she attains the age of majority with quarterly interest payable in favour of the mother of the injured i.e. the appellant. The High Court has also directed that MACT would be at liberty to release any further amount, if required, for the treatment of the injured.

4. Be it stated that appellant herein is the mother and the natural guardian of the injured claimant Shreejita Pattnaik, who was about six months old at the time of the motor accident which occurred on 16.06.2015.

5. This Court *vide* the order dated 28.08.2023 had issued notice. Though the dispute between the parties was referred to the Lok Adalat, the matter could not be settled whereafter the case was heard on 05.05.2026 when this Court granted leave.

Facts

6. The claim arises out of a motor vehicular accident which occurred on 16.06.2015 at about 11:45 AM. While the injured minor Shreejita Pattnaik was travelling alongwith her parents Gayatree Pattnaik and Umakanta Pattnaik in a Hyundai I-10 car bearing registration No. OR-23-E-0075 towards Sundargarh from Sariapada, a tanker bearing registration No. OR-05-AT-2751 came from the opposite direction. It was driven in a very rash and negligent manner and suddenly swerved towards its right side. In the process, it violently collided with the car in which the minor claimant was travelling.

6.1. As a result of the collusion, the father Umakanta Pattnaik and the minor Shreejita Pattnaik suffered multiple grievous injuries. Both of them were first treated at Kishore Nagar (Angul) Public Health Centre and then shifted to Ashwani Hospital, Cuttack. The treatment of the two continued *albeit* in different hospitals. In so far the minor claimant is concerned, she remained admitted at the Apollo Hospital, Bhubaneswar from 17.06.2015 to 01.07.2015. Thereafter, she underwent further treatment at Jagannath Hospital, Bhubaneshwar from 01.07.2015 to 08.07.2015. The medical records disclose that the minor injured continued to receive treatment and rehabilitation programmes at various medical institutions, such as, All India Institute of Medical Sciences (AIIMS), Bhubaneshwar, National Institute of Medical Health and Neuroscience (NIMHANS), Bengaluru, Swami Vivekananda National Institute of Rehabilitation, Training and Research, Cuttack and others specialized centres.

7. It may be mentioned that in connection with the vehicular accident, Kishore Nagar Police Station Case No. 41 of 2015 came to be registered under Sections 279, 337 and

338 of the Indian Penal Code, 1860 (IPC) against the driver of the offending tanker. Upon completion of investigation, chargesheet was filed by the police before the competent court.

8. In the course of and at the end of her prolonged treatment, minor claimant Shreejita Pattnaik was diagnosed with severe spinal cord and neurological injuries. As per the disability certificate, it has been certified that Shreejita Pattnaik is a case of locomotor disability. She is diagnosed with *post trauma myelopathy with paraplegia*. The percentage of disability has been assessed at 90%. The disability is permanent in nature and would require a lifetime of medication and support. In the process, she has permanently lost her normal bodily functions, requiring continuous day-to-day assistance, suffering severe restrictions in mobility and in the process would remain dependent on others throughout her life.

9. Two complaints came to be filed before the MACT, one by the father Umakant Pattnaik which came to be registered as M.A.C. Case No. 571 of 2015, and the other filed by Gayatri Pattnaik i.e. the mother on behalf of the

minor claimant Shreejita Pattnaik which came to be registered as M.A.C. Case No. 572 of 2015.

10. In the present appeal, we are only concerned with the claim of the minor victim Shreejita Pattnaik, lodged through her natural guardian i.e. her mother. However, to complete the narration, we may mention that M.A.C. Case No. 571 of 2015 was allowed by directing the insurer i.e. respondent No. 2, the New India Assurance Company Limited, to pay compensation of Rs. 5,00,000.00 to the claimant Umakant Pattnaik.

11. In so far M.A.C. Case No. 572 of 2015 is concerned, MACT *vide* the judgment and order dated 16.04.2022 held that the accident had occurred due to the rash and negligent driving of the offending tanker, further holding the insurer liable to satisfy the award. As already noted above, upon assessment of the evidence on record, MACT awarded a total compensation of Rs. 30,12,960.00 to the claimant Shreejita Pattnaik together with simple interest at the rate of 6% per annum with effect from the date of filing of the petition i.e. 24.08.2015.

12. Aggrieved by the quantum of compensation awarded by the MACT, the claimant through her natural guardian and mother preferred MACA No. 283 of 2022 before the High Court seeking enhancement of compensation under various heads. By the impugned judgment and order dated 11.01.2023, the High Court partly allowed the appeal. While modifying the calculation of future loss of earning capacity by applying the multiplier of 15 instead of 18, as applied by the MACT, the High Court, however, enhanced the compensation under various non-pecuniary heads, including loss of future life expectations, marriage prospects, future medical treatment and future attendant charges. Consequently, the total compensation awarded stood enhanced from Rs. 30,12,960.00 to Rs. 45,40,800.00 together with interest at the rate of 6% per annum from the date of filing of the claim petition.

Submissions

13. Learned counsel appearing for the appellant submits that the compensation awarded by the High Court, even after enhancement, falls short of the requirement of 'just compensation' as contemplated under the Motor Vehicles Act, 1988 (briefly 'the MV Act' hereinafter) and interpreted by this Court.

13.1. He submits that the injured claimant was only six months old when the accident occurred on 16.06.2015. The devastating vehicular accident resulted in severe spinal cord and neurological injuries to the claimant. She has been diagnosed with *post-trauma myelopathy with paraplegia* which is irreversible and a lifelong medical condition. She has been certified to be suffering from locomotor disability with the percentage of disability being assessed at 90%. She would require lifetime medication and support because she has become totally immobile. Both the MACT and the High Court failed to adequately appreciate the nature of injuries suffered by the injured claimant, her tender age at the time of the accident and the lifelong consequences flowing therefrom including the devastating impact of such disability on every aspect of her life.

13.2. He submits that the High Court erred by applying a multiplier of 15 instead of 18 as applied by the MACT. According to him, while dealing with claims involving children suffering catastrophic permanent disability, the court is required to adopt a realistic and welfare oriented approach.

13.3. Referring to the evidence of the doctors and the disability certificate, learned counsel submits that as per the medical evidence, the claimant would not be able to discharge her normal day-to-day functions and would require constant assistance and supervision throughout her life. Despite noticing the nature of disability and recording that the child would require an attendant for life, the High Court awarded only a nominal amount towards future attendant charges which does not account for the actual lifelong burden that would be borne by the claimant and her family.

13.4. Adverting to the decision of this Court in *Kajal Vs. Jagdish Chand*¹, learned counsel for the appellant submits that in cases involving young children who suffer permanent disability, compensation cannot be confined to conventional heads alone. The court is required to take into consideration the lifelong deprivation suffered by the victim, future care requirements, attendant expenses, loss of amenities, loss of marital prospects, future medical treatment and the overall destruction of the quality of life. According to

¹ (2020) 4 SCC 413

him, the principles laid down in *Kajal* squarely apply to the facts of the present case.

13.5. In this connection further reliance has been placed by the learned counsel for the appellant on a recent decision of this Court in *R. Halle Vs. Reliance General Insurance Company Limited*² to contend that while determining compensation under the MV Act, the approach of the court should be guided by the principle of awarding just, fair and reasonable compensation. MV Act is a beneficial piece of legislation. Therefore, the assessment of compensation should not be undertaken in a narrow or pedantic manner, particularly when the victim is a child who has suffered permanent disability of an exceptionally grave nature.

13.6. He also submits that both MACT and the High Court failed to sufficiently consider the mental agony, trauma and the emotional suffering endured not only by the injured child but also by her parents who would have to continue enduring such distress throughout the rest of their lives; besides; the claimant has been effectively deprived of a

normal childhood and the opportunity to lead an independent life.

13.7. Learned counsel has also questioned the rate of interest awarded by the MACT and by the High Court and submits that 6% interest per annum does not reflect the prevailing ground situation and the principles governing grant of compensation in motor accident claims. He submits that interest ought to have been awarded at the rate of 9% per annum which would ensure a complete and effective compensation.

13.8. Summing up his submissions, learned counsel contends that the impugned judgment and order of the High Court, though has enhanced the compensation as awarded by the MACT, however, has failed to award just compensation commensurate with the nature of disability suffered by the claimant and the lifelong consequences flowing therefrom. He, therefore, submits that the compensation so awarded be suitably enhanced by awarding adequate amounts under the different heads so as to award 'just compensation' to the injured claimant.

14. *Per contra*, learned counsel appearing for respondent No. 2, M/s New India Assurance Company Limited, submits that the High Court has substantially enhanced the compensation awarded to the claimant under various non-pecuniary heads, enhancing the overall compensation from Rs. 30,12,960.00 to Rs. 45,40,800.00. The enhanced compensation awarded by the High Court adequately takes into account the nature of disability suffered by the claimant based on the evidence available on record.

14.1. Learned counsel submits that assessment of compensation necessarily involves an element of judicial discretion and approximation. According to him, unless the award is shown to be manifestly inadequate or contrary to the settled principles of law, interference by this Court would not be justified.

14.2. Adverting to the impugned judgment and order of the High Court, he submits that High Court has granted additional compensation towards loss of future life expectations, marriage prospects, amenities, future medical treatment and attendant charges. Unless the complainant can satisfactorily

demonstrate on the basis of the materials on record that the compensation awarded by the High Court is grossly inadequate, no interference would be called for. On the contrary, learned counsel submits that the High Court has carefully examined the medical evidence, the disability suffered by the claimant and the future consequences of the injuries before adequately and substantially enhancing the compensation.

14.3. Therefore, learned counsel submits that the impugned judgment and order has awarded a 'just compensation' to the claimant. The enhanced compensation is just, fair and reasonable. It does not warrant any further enhancement. Therefore, the appeal may be dismissed.

15. Submissions made by the learned counsel for the parties have received the due consideration of the Court.

Analysis

16. The facts have already been summed up above. It is not necessary to reiterate the factual narrative as there is no dispute. There is no dispute as regards occurrence of the accident; negligence of the offending vehicle or the liability of the insurer to satisfy the award. Entitlement of

the injured claimant to receive compensation also does not admit of any controversy. However, before we proceed on an analysis of the rival submissions, it would be apposite to briefly highlight in a tabular form, the compensation awarded by the MACT and by the High Court under the different heads. The same is extracted hereunder:

Head	MACT	High Court
Medical expenses	₹3,00,000	₹3,00,000
Future medical treatment	₹3,00,000	₹5,00,000
Attendant charges	₹30,000	₹1,30,000
Pain, suffering and loss of amenities	₹5,00,000	] ₹ 22,00,000
Loss of marriage prospects / Future life expectations	₹2,00,000	
Conveyance and special diet	₹50,000	₹ 50,000
Loss of future earnings	₹16,32,960	₹13,60,800
Total Compensation	₹30,12,960	₹45,40,800

17. The question which falls for consideration in this appeal is whether the compensation awarded by the High Court even after enhancing the compensation awarded by the MACT meets the requirement of 'just compensation'

within the meaning of the MV Act? Corollary to the above question is the further question as to whether having regard to the nature of injuries suffered by the claimant and the lifelong consequences flowing therefrom, the appellant is entitled to further enhancement of compensation?

18. The present case concerns a child who has suffered permanent disability at a tender age and whose entire future stands altered on account of the injuries sustained in the accident. In such circumstances, the Court is required to adopt an approach which is realistic, humane and consistent with the settled principles governing award of compensation under the MV Act.

19. There is no manner of doubt that the MV Act is a beneficial piece of legislation. The provisions relating to compensation are intended to provide solace and financial security to victims of motor accidents and their families. Therefore, the provisions of the MV Act must receive a liberal and purposive interpretation so as to advance the object sought to be achieved.

20. Section 168 of the MV Act deals with award of compensation by a claims tribunal. Section 168 reads as follows:

168. Award of the Claims Tribunal.—(1) On receipt of an application for compensation made under section 166, the Claims Tribunal shall, after giving notice of the application to the insurer and after giving the parties (including the insurer) an opportunity of being heard, hold an inquiry into the claim or, as the case may be, each of the claims and, subject to the provisions of section 163 may make an award determining the amount of compensation which appears to it to be just and specifying the person or persons to whom compensation shall be paid and in making the award the Claims Tribunal shall specify the amount which shall be paid by the insurer or owner or driver of the vehicle involved in the accident or by all or any of them, as the case may be:

[**]

(2) The Claims Tribunal shall arrange to deliver copies of the award to the parties concerned expeditiously and in any case within a period of fifteen days from the date of the award.

(3) When an award is made under this section, the person who is required to pay any amount in terms of such award shall, within thirty days of the date of announcing the award by the Claims Tribunal, deposit the entire amount awarded in such manner as the Claims Tribunal may direct.

21. From an analysis of Section 168 of the MV Act, it is evident that the law requires a claims tribunal to hold an enquiry complying with the principles of natural justice and thereafter to make an award determining the quantum of compensation that may be paid to the claimant, which should be just. The expression 'just compensation' is not defined in the MV Act. However, the legislative intent is clear. Compensation awarded should be just, fair and reasonable. It should neither be a windfall nor a pittance. Since loss arising from death or permanent disability cannot be measured with mathematical precision, some amount of approximation and judicial discretion is inevitable. Therefore, the endeavour of the court should be to assess and award compensation which is realistic and which reasonably compensates the claimant for the pecuniary as well as the non-pecuniary losses suffered on account of the accident.

22. The principles governing determination of 'just compensation' have engaged the attention of the courts since long. Infact, the principles emerged from the English courts.

In *Phillips v. London & South Western Railway Co.*,³ while emphasizing that damages must be full and adequate, it has been held thus:

.....You cannot put the plaintiff back again into his original position, but you must bring your reasonable common sense to bear, and you must always recollect that this is the only occasion on which compensation can be given. The plaintiff can never sue again for it. You have, therefore, now to give him compensation once and for all. He has done no wrong, he has suffered a wrong at the hands of the defendants and you must take care to give him full fair compensation for that which he has suffered.

23. In *Divisional Controller, KSRTC v. Mahadeva Shetty*,⁴ this Court after observing that perfect compensation is hardly possible and money cannot renew a physical frame that has been battered and shattered, the compensation that is provided should place the injured as far as possible in the same position financially as he was before the accident, held as under:

15. Statutory provisions clearly indicate that the compensation must be “just” and it cannot be a bonanza; not a source of profit but the same should not be a pittance. The courts and tribunals have a

³ (1879) LR 5 QBD 78 (CA)

⁴ (2003) 7 SCC 197

duty to weigh the various factors and quantify the amount of compensation, which should be just. What would be “just” compensation is a vexed question. There can be no golden rule applicable to all cases for measuring the value of human life or a limb. Measure of damages cannot be arrived at by precise mathematical calculations. It would depend upon the particular facts and circumstances, and attending peculiar or special features, if any. Every method or mode adopted for assessing compensation has to be considered in the background of “just” compensation which is the pivotal consideration. Though by use of the expression “which appears to it to be just”, a wide discretion is vested in the Tribunal, the determination has to be rational, to be done by a judicious approach and not the outcome of whims, wild guesses and arbitrariness. The expression “just” denotes equitability, fairness and reasonableness, and non-arbitrariness. If it is not so, it cannot be just.

24. Again, in the case of *Syed Basheer Ahamed Vs. Mohammed Jameel*⁵, this Court explaining the width of the power conferred under Section 168 of the MV Act, observed as follows:

13. Section 168 of the Act enjoins the Tribunal to make an award determining “the amount of compensation which appears to be just”. However, the objective factors, which may constitute the basis of

⁵ (2009) 2 SCC 225

compensation appearing as just, have not been indicated in the Act. Thus, the expression “which appears to be just” vests a wide discretion in the Tribunal in the matter of determination of compensation. Nevertheless, the wide amplitude of such power does not empower the Tribunal to determine the compensation arbitrarily, or to ignore settled principles relating to determination of compensation.

25. In the case of *Raj Kumar Vs. Ajay Kumar*⁶, this Court while examining the general principles relating to compensation in injury cases vis-à-vis the MV Act, held as follows:

5. The provision of the Motor Vehicles Act, 1988 (“the Act”, for short) makes it clear that the award must be just, which means that compensation should, to the extent possible, fully and adequately restore the claimant to the position prior to the accident. The object of awarding damages is to make good the loss suffered as a result of wrong done as far as money can do so, in a fair, reasonable and equitable manner. The court or the Tribunal shall have to assess the damages objectively and exclude from consideration any speculation or fancy, though some conjecture with reference to the nature of disability and its consequences, is inevitable. A person is not only to be compensated for the physical injury, but also for the

⁶ (2011) 1 SCC 343

loss which he suffered as a result of such injury. This means that he is to be compensated for his inability to lead a full life, his inability to enjoy those normal amenities which he would have enjoyed but for the injuries, and his inability to earn as much as he used to earn or could have earned.

26. A Constitution Bench of this Court in *National Insurance Company Limited Vs. Pranay Sethi*⁷ analyzed the concept of ‘just compensation’ in the following manner:

55. Section 168 of the Act deals with the concept of “just compensation” and the same has to be determined on the foundation of fairness, reasonableness and equitability on acceptable legal standard because such determination can never be in arithmetical exactitude. It can never be perfect. The aim is to achieve an acceptable degree of proximity to arithmetical precision on the basis of materials brought on record in an individual case. The conception of “just compensation” has to be viewed through the prism of fairness, reasonableness and non-violation of the principle of equitability.....

27. This position has been reiterated in *Kajal* wherein this Court after referring to *Phillips* and other cases observed as under:

⁷ (2017) 16 SCC 680

6. It is impossible to equate human suffering and personal deprivation with money. However, this is what the Act enjoins upon the courts to do. The court has to make a judicious attempt to award damages, so as to compensate the claimant for the loss suffered by the victim. On the one hand, the compensation should not be assessed very conservatively, but on the other hand, the compensation should also not be assessed in so liberal a fashion so as to make it a bounty to the claimant. The court while assessing the compensation should have regard to the degree of deprivation and the loss caused by such deprivation. Such compensation is what is termed as just compensation. The compensation or damages assessed for personal injuries should be substantial to compensate the injured for the deprivation suffered by the injured throughout his/her life. They should not be just token damages.

28. The principles governing assessment of compensation for personal injuries have been explained by this Court in *R.D. Hattangadi Vs. Pest Control (India) Pvt. Ltd.*⁸. Acknowledging the difficulties in quantifying human suffering and loss, this Court has classified damages into pecuniary and non-pecuniary components and held as under:

⁸ (1995) 1 SCC 551

9. Broadly speaking while fixing an amount of compensation payable to a victim of an accident, the damages have to be assessed separately as pecuniary damages and special damages. Pecuniary damages are those which the victim has actually incurred and which are capable of being calculated in terms of money; whereas non-pecuniary damages are those which are incapable of being assessed by arithmetical calculations. In order to appreciate two concepts pecuniary damages may include expenses incurred by the claimant: (i) medical attendance; (ii) loss of earning of profit up to the date of trial; (iii) other material loss. So far non-pecuniary damages are concerned, they may include (i) damages for mental and physical shock, pain and suffering, already suffered or likely to be suffered in future; (ii) damages to compensate for the loss of amenities of life which may include a variety of matters i.e. on account of injury the claimant may not be able to walk, run or sit; (iii) damages for the loss of expectation of life, i.e., on account of injury the normal longevity of the person concerned is shortened; (iv) inconvenience, hardship, discomfort, disappointment, frustration and mental stress in life.

28.1. Thus, *R.D. Hattangadi* recognized that apart from actual monetary loss, compensation must also address the intangible consequences flowing from bodily injury, including mental shock, pain and suffering, loss of

amenities, loss of expectation of life and the inconvenience, disappointments, frustration and mental stress experienced by the injured throughout her life.

29. The aforesaid principles were reiterated in *Raj Kumar* in the following manner:

6. The heads under which compensation is awarded in personal injury cases are the following:

Pecuniary damages (Special damages)

(i) Expenses relating to treatment, hospitalisation, medicines, transportation, nourishing food, and miscellaneous expenditure.

(ii) Loss of earnings (and other gains) which the injured would have made had he not been injured, comprising:

(a) Loss of earning during the period of treatment;

(b) Loss of future earnings on account of permanent disability.

(iii) Future medical expenses.

Non-pecuniary damages (General damages)

(iv) Damages for pain, suffering and trauma as a consequence of the injuries.

(v) Loss of amenities (and/or loss of prospects of marriage).

(vi) Loss of expectation of life (shortening of normal longevity).

29.1. The decision in *Raj Kumar*, thus, brought greater clarity and structure to the heads of compensation applicable to personal injury cases. While pecuniary damages compensate measurable financial losses, non-pecuniary damages seek to redress the enduring impact of the injury upon the quality, enjoyment and normal incidents of life. Together, these heads constitute the framework within which the courts assess 'just compensation' in cases involving permanent disability arising out of catastrophic injuries due to the accident.

30. In *Kajal* also, this Court adverted to the principles with regard to determination of 'just compensation' in the following manner:

5. The principles with regard to determination of just compensation contemplated under the Act are well settled. The injuries cause deprivation to the body which entitles the claimant to claim damages. The damages may vary according to the gravity of the injuries sustained by the claimant in an accident. On

account of the injuries, the claimant may suffer consequential losses such as:

- (i) loss of earning;
- (ii) expenses on treatment which may include medical expenses, transportation, special diet, attendant charges, etc.,
- (iii) loss or diminution to the pleasures of life by loss of a particular part of the body, and
- (iv) loss of future earning capacity.

Damages can be pecuniary as well as non-pecuniary, but all have to be assessed in rupees and paise.

31. Cases involving child victims suffering permanent or near total disability constitute a distinct and special category within the law relating to motor accident compensation. A child, by reason of age, vulnerability and complete dependence upon others, stands on an altogether different footing from an adult claimant. The consequences of a catastrophic injury suffered during childhood are not confined merely to the immediate physical impairment caused by the accident. Such injuries alter the entire course of the child's existence and affect every subsequent stage of her life. The law, therefore, cannot evaluate claims involving

injured children through the same lens that may ordinarily be applied in cases involving adults.

32. In *Kajal*, this Court was dealing with the case of a twelve-year-old girl who had suffered catastrophic brain injuries resulting in 100% disability. As a result, her mental age remained that of a nine-month-old infant and she became wholly dependent upon others for every aspect of her existence. Recognizing the exceptional nature of such claims, this Court observed that compensation in cases involving children suffering catastrophic injuries cannot be confined to conventional heads alone. This Court took into consideration the lifelong deprivation suffered by the victim and awarded compensation keeping in view her permanent dependence, future requirements and complete destruction of normal life.

33. Carrying forward the aforesaid principle, this Court in *Master Ayush Vs. Reliance General Insurance Company Limited*⁹ reiterated that children suffering permanent disability cannot be treated as ordinary non-earning persons merely because they had not entered into employment on the date of

⁹ (2022) 7 SCC 738

the accident; such victims suffer lifelong consequences. Therefore, the assessment of compensation must necessarily account for the future which has been irreversibly impaired.

34. This Court reiterated the same principle in *Baby Sakshi Greola Vs. Manzoor Ahmed Simon*¹⁰. It was a claim by a seven- year-old child who had suffered severe neurological impairment because of the motor vehicular accident requiring lifelong care and supervision. While granting enhanced compensation, this Court recognized that the victim had not merely suffered physical disability but had effectively been deprived of a normal adult life and that such injuries affect companionship, emotional fulfilment, social interaction which ordinarily gives human life a meaningful existence.

35. Likewise, in *Divya Vs. National Insurance Company Limited*¹¹ where the victim was merely two-years-old and had suffered almost 100% permanent disability, this Court noticed that restoration of the child to her pre-accident condition was impossible. Proceeding on that basis, this Court enhanced the compensation under several heads

¹⁰ (2024) SCC OnLine SC 3692

¹¹ (2024) 12 SCC 436

keeping in view the fact that the victim would remain dependent upon others throughout her life, recognizing that claims involving severely disabled children necessarily require consideration of future medical expenses, attendant charges, loss of amenities and loss of marriage prospects.

36. Reiterating the above principle, this Court in *Hitesh Nagjibhai Patel Vs. Bababhai Nagjibhai Rabari*¹², held that a minor who suffers permanent disability cannot be equated with a non-earning individual merely because he was not gainfully employed on the date of the accident. While dealing with child victims, the law must take into account the future which has been lost and not merely the status which existed at the time when the accident occurred.

37. More recently, in *Hansraj Vs. Mukesh Nath*¹³ which concerned a 14-year-old victim who suffered 100% permanent disability, this Court reiterated the necessity of adopting a compassionate and realistic approach while assessing compensation payable to injured children. Enhanced amounts were awarded towards attendant

¹² 2025 SCC OnLine SC 3446

¹³ 2026 SCC OnLine SC 812

charges, pain and suffering, future medical expenses, loss of amenities and loss of marriage prospects recognizing that the victim would require care, support and assistance throughout the remainder of his life.

38. The common thread running through all these judgments is the acknowledgment that injuries suffered by children have consequences which extend far beyond the immediate physical disability. Such injuries accompany the victim throughout her life and affect every stage of her development. The loss suffered is not temporary. It is lifelong, continuing and irreversible.

38.1. A child who suffers catastrophic injuries loses much more than physical abilities. The child may lose the joys and experiences ordinarily associated with childhood itself. Activities which other children take for granted, like, playing, running around, attending school, interacting with friends, participating in social functions and enjoying ordinary pleasures of life may become permanently inaccessible.

38.2. Human dignity forms an inseparable component of life. When a catastrophic injury deprives a child of the

ability to perform the ordinary functions independently, the resulting loss transcends the realm of physical disability and assumes the character of a continuing deprivation of dignity. Therefore, the injury affects not merely the body but the very manner in which life itself is experienced.

38.3. Injured children seeking compensation, therefore, stand on a distinctly different footing. While determining compensation in such cases, the courts must remain conscious that what has been taken away is not merely physical capacity but the child's entire future life.

Loss of future earnings

39. Having noticed the principles governing assessment and grant of compensation in claims involving injured child victims, let us now deal with the compensation awarded by the MACT and by the High Court in the present case under the different heads. First, we take up the head of 'loss of future earnings'. MACT had awarded Rs. 16,32,960.00 under this head which was reduced by the High Court to Rs. 13,60,800.00.

40. MACT after accepting the evidence that Shreejita Pattnaik was having 90% physical disability proceeded to

take her notional income as an unskilled labourer which was Rs. 200.00 per day as per Notification No.323 of 2015 of the Labour and ESI Department, Government of Odisha. Accordingly, the annual income was worked out at Rs. 72,000.00 per annum (Rs.200.00 X 30 X 12). This, the MACT opined, would be the minimum amount Shreejita Pattnaik would have earned on becoming a major. An addition of 40% on account of future prospects was added which worked out to Rs.1,00,800.00 (Rs.72,000.00 + Rs.28,800.00 which is 40% of Rs.72,000.00). Applying the multiplier of 18, MACT arrived at the figure of Rs. 18,14,400.00. Taking the disability at 90%, the loss of future earning capacity was worked out at Rs.16,32,960.00 (Rs.18,14,400.00 X 90/100).

41. High Court did not interfere with the other parameters except holding that the right multiplier in terms of the Second Schedule to the MV Act should be 15 and not 18. Accordingly, the compensation amount was reduced by Rs.2,72,160.00, making the determination of 'loss of future earnings' at Rs.13,60,800.00, instead of Rs.16,32,960.00 as assessed and awarded by the MACT.

42. Three aspects are required to be analysed here. First is the application of the correct multiplier and second is the impact of disability. Equally important is the third aspect i.e. as to what should be taken as the notional income of the injured child victim.

43. High Court in this case has applied the multiplier of 15. It is true that in a number of earlier decisions, the multiplier of 15 was accepted where the age of the victim happened to be upto 15 years. However, a subtle shift is discernible in recent cases.

44. In *Kajal*, this Court examined the Second Schedule to the MV Act which provides for different multipliers to be applied corresponding to different age groups of the claimants and observed that the same can be used as a guide to be applied in each case. Considering the age of the claimant in that case, which was twelve years only, this Court held that the multiplier in that case should be 18.

45. *Abhimanyu Partap Singh Vs. Namita Sekhon*¹⁴ is a case where this Court found that the highest multiplier in

¹⁴ (2022) 8 SCC 489

Schedule II of the MV Act is 18 and it is shown applicable to two age groups; firstly, to the age group of 15 to 20 years and secondly, to the age group of 21 to 25 years. In such circumstances, this Court selected the multiplier of 18 as the claim related to the age group upto 15 years.

46. Again, in *Baby Sakshi Greola*, this Court applied the multiplier of 18 considering the age of the injured child who was seven years old on the date of the accident. Similarly, in *Hansraj Vs. Mukesh Nath*¹⁵, this Court after noting the age of the injured child as 14 years applied the multiplier of 18.

47. We are of the view that we should follow the recent trend as the multiplier method acts as a guide to arrive at a 'just compensation' considering the socio-economic condition of the injured child victim and her parents. MACT was, therefore, justified in applying the multiplier of 18 and the High Court erred in altering the multiplier from 18 to 15. We, therefore, apply the multiplier of 18.

¹⁵ 2026 SCC OnLine SC 812

48. Next, we turn to the aspect of disability; rather the concept of permanent disability and its impact upon the earning capacity of the victim. We need to understand that in injury cases, the percentage of physical disability certified by a medical board and the actual loss earning capacity may not always be identical. In this context, it is important to understand the distinction between physical disability and functional disability.

49. In *Raj Kumar*, this Court explained the concept of disability in the following manner:

8. Disability refers to any restriction or lack of ability to perform an activity in the manner considered normal for a human being. Permanent disability refers to the residuary incapacity or loss of use of some part of the body, found existing at the end of the period of treatment and recuperation, after achieving the maximum bodily improvement or recovery which is likely to remain for the remainder life of the injured. Temporary disability refers to the incapacity or loss of use of some part of the body on account of the injury, which will cease to exist at the end of the period of treatment and recuperation. Permanent disability can be either partial or total. Partial permanent disability refers to a person's inability to perform all the duties and bodily functions that he could perform before the accident, though he is able to perform some of them and is still able to engage in some gainful activity. Total permanent disability refers to a person's inability to perform any avocation or employment related activities as a result of the accident. The permanent disabilities that may arise from motor accident injuries, are of a much wider range when compared to the physical disabilities

which are enumerated in the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (“the Disabilities Act”, for short). But if any of the disabilities enumerated in Section 2(i) of the Disabilities Act are the result of injuries sustained in a motor accident, they can be permanent disabilities for the purpose of claiming compensation.

49.1. Thus, this Court observed that permanent disability refers to the residuary incapacity or loss of use of some part of the body, found existing at the end of the period of treatment and recuperation, after achieving the maximum bodily improvement or recovery which is likely to remain for the remainder life of the injured. Permanent disability can be either partial or total. Partial permanent disability refers to a person’s inability to perform all the duties and bodily functions that he could perform before the accident, though he is able to perform some of them and is still able to engage in some gainful activity. Total permanent disability, on the other hand, refers to a person’s inability to perform any avocation or employment related activities as a result of the accident.

49.2. Proceeding further, this Court explained that where the claimant suffers a permanent disability as a result

of injuries, the assessment of compensation under the head 'loss of future earnings' would depend upon the effect and impact of such permanent disability on his earning capacity. Therefore, what is required to be assessed is the effect of the permanent disability on the earning capacity of the injured. As regards ascertainment of the effect of the permanent disability on the actual earning capacity of the injured, this Court has held thus:

13. Ascertainment of the effect of the permanent disability on the actual earning capacity involves three steps. The Tribunal has to first ascertain what activities the claimant could carry on in spite of the permanent disability and what he could not do as a result of the permanent disability (this is also relevant for awarding compensation under the head of loss of amenities of life). The second step is to ascertain his avocation, profession and nature of work before the accident, as also his age. The third step is to find out whether (i) the claimant is totally disabled from earning any kind of livelihood, or (ii) whether in spite of the permanent disability, the claimant could still effectively carry on the activities and functions, which he was earlier carrying on, or (iii) whether he was prevented or restricted from discharging his previous activities and functions, but could carry on some other or lesser scale of activities and functions so that he continues to earn or can continue to earn his livelihood.

50. Therefore, this Court noted in *S. Ettiappan Vs. D. Kumar*¹⁶, that High Court had assessed the disability of the appellant at 70% on the basis of the medical board certificate without noticing the fact that on account of the said disability suffered by the claimant, his functional disability would be 100%.

51. That brings us to the distinction, fine yet significant, between medical and functional disability. This Court in *Shankar Dutt Vs. United India Insurance Co. Ltd.*¹⁷ observed that a conceptual distinction has to be drawn between the medically certified disability resulting out of the physical injury or impairment on the one hand and the long term repercussions on the injured, on his or her life and on the activities, on the other hand. The functional disability is one which is suffered and felt by the injured in his day-to-day life or in his avocation, occupation, business or profession. Proceeding further, this Court observed that the medical opinion may have suggested that physical impairment on account of the injury is to particular extent. However, its functional effect may be greater. In fact, it

¹⁶ (2026) 1 TAC 84

¹⁷ 2026 SCC OnLine SC 1193

would be reasonable to assume that the functional incapacity resulting out of a particular bodily injury may be higher and greater than what may be medically perceived.

52. Thus, physical disability and functional disability operate in different fields. Physical disability denotes the extent of bodily impairment assessed medically. Functional disability, on the other hand, relates to the effect of such impairment upon the capacity of the victim to live a normal life and to pursue gainful employment. In the given facts of a case, a lesser physical disability may result in a much higher functional disability and in an appropriate case, even amount to complete loss of earning capacity.

53. In so far the present case is concerned, there is no disagreement or dispute as to the extent of disability suffered by the injured child victim. As per the disability certificate-Exhibit 35, the injured child Shreejita Pattnaik has suffered 90% permanent disability due to the motor vehicular accident, and she has been diagnosed with *post-traumatic myelopathy with paraplegia*. The evidence of PW-3, PW-4 and PW-7, who were the treating doctors of the injured claimant, establish that disability suffered by

Shreejita Pattnaik is permanent and irreversible in nature and that she would continue to remain dependent on others for the rest of her life. The medical evidence further discloses that she would not be able to discharge normal day-to-day activities independently and would require assistance even for basic functions. The disability certificate alongwith the evidence as stated above have been accepted by the MACT as well as by the High Court. At the time of the accident, Shreejita Pattnaik was aged about six months. In the circumstances, though the permanent physical disability has been assessed and certified at 90%, applying the functional disability test, it is evident that it would be impossible for her to engage in any avocation to earn a livelihood. Her future earning capacity has been completely destroyed; rather extinguished. Therefore, though the permanent physical disability has been assessed and certified at 90%, her functional disability is total i.e. 100%. Hence, her disability would be taken as 100%.

54. This brings us to the third aspect as to what should be taken as the notional income of the injured child victim.

55. In *Baby Sakshi Greola*, this Court after referring to the earlier decision in *Kajal* held that in a case of an injured child claimant suffering permanent disability, taking notional income would not be the correct approach. Instead, the minimum wages payable to a skilled workman in the concerned State has to be taken into consideration because that would be the minimum amount which she would have earned on becoming a major.

56. This Court in *Hitesh Naqjibhai Patel*, observed 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 minimum wages payable to a skilled workman as notified for the relevant period in the respective State where the cause of action arose should be adopted. This Court clarified thus:

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 matrix 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.

57. The accident in question took place on 16.06.2015. Though the MACT applied the State Government Notification bearing No. 323 of 2015 and took the income of the injured child as an unskilled labourer, we find that the said notification had come into effect after the date of the accident. On the date of the accident, the Notification dated 06.10.2012 issued by the Government of Orissa, as revised by the Notification dated 16.10.2014, would be applicable. The MACT had fallen in error in taking the income of the injured child as an unskilled labourer. Interestingly, the High Court also found the approach of the MACT to be just and appropriate. Be that as it may, as per the Notification dated 06.10.2012, the wages payable to a skilled worker was fixed at Rs. 190.00 per day. By the Notification dated 16.10.2014, the variable dearness allowance was made payable at the rate of Rs. 2.50 per day w.e.f. 09.10.2014. Therefore, on the date

of the accident, the wages payable to a skilled worker in the State of Orissa works out to Rs. 192.50 per day. The monthly income would thus be Rs. 5,775.00. On this basis, the annual income would be Rs. 69,300.00. Adding 40% towards future prospects, the annual income becomes Rs. 69,300.00 plus 40% of Rs. 69,300.00, which is Rs. 97,020.00. Applying the multiplier of 18, the total future income works out to Rs. 17,46,360.00. Taking the permanent functional disability at 100%, the loss of future earning capacity would be Rs. 17,46,360.00. Accordingly, we determine the compensation payable to the appellant under the head 'loss of future earnings' at Rs. 17,46,360.00.

Attendant charges

58. We next come to the compensation head of 'attendant charges'. MACT observed that the father being in different hospital for his own treatment could not have looked after the child. Mother also would not have been able to take care of the child alone. She must have taken the assistance of one or two attendants for the child. Though the claimant did not file any document regarding attendant charges, it was presumed that one to two family members must have accompanied the injured. Therefore, the

attendants should be paid for the loss of their wages and for the amount(s) they would have spent in hospital for food etc. Accordingly, MACT held that the claimant would be entitled to a sum of Rs. 30,000.00 towards attendant charges.

59. High Court held that a sum of Rs. 1,00,000.00 towards future attendant charges should also be granted.

60. We have already noticed that from the evidence of PW-3, PW-4 and PW-7, it is established that the injured child Shreejita Pattnaik has suffered *post-traumatic myelopathy with paraplegia* resulting in permanent disability to the extent of 90 percent. However, we have held that her functional disability would be 100%. The medical evidence further establishes that Shreejita Pattnaik would remain dependent upon others throughout her life and would require constant care, supervision and assistance.

61. In *Kajal*, this Court found that the method adopted by the High Court in calculating attendant charges for the entire life span without applying the multiplier method was erroneous. This Court was clearly of the view that the multiplier system should be followed not only for determining the compensation on account of loss of income

but also for determining the attendant charges etc. This is because the multiplier system factors in the inflation rate, the rate of interest payable on the lump sum awarded, the longevity of the claimant and also other issues, such as, the uncertainty of life. Out of the various alternative methods, the multiplier system has been recognized as the most realistic and reasonable method. It ensures better justice between the parties and thus results in the award of 'just compensation' within the meaning of the MV Act. In the facts of that case, this Court observed that considering the condition of the injured child, she would require an attendant virtually 24 hours a day. This Court assessed the cost of one attendant at Rs. 5,000.00 per month and held that the claimant would require two attendants. Thus, the monthly expenditure on account of the two attendants would be Rs. 10,000.00. The yearly expenditure would thereafter come to Rs. 1,20,000.00. Applying the multiplier of 18, this Court awarded Rs. 21,60,000.00 towards attendant charges for the entire life of the claimant.

62. This principle was reiterated by this Court in *Baby Sakshi Greola* and held that compensation towards attendant charges should be calculated by taking the wages

payable to a skilled attendant on a full-time basis and by applying the multiplier of 18.

63. Reverting to the facts of this case, the injured child was merely six months old when the accident had occurred. While the permanent disability has been certified at 90 percent, we have already held that her functional disability is 100 per cent. The evidence on record establishes that she would remain dependent on others throughout her life. Taking the attendant charge of one attendant conservatively at Rs. 6,000.00 per month, for two attendants it would be Rs. 12,000.00 per month; the annual expenditure works out to Rs. 1,44,000.00. Applying the multiplier of 18, the compensation payable under this head comes to Rs. 25,92,000.00.

64. Accordingly, we determine the compensation payable under the head of 'attendant charges' to the claimant at Rs. 25,92,000.00.

Pain, suffering and loss of amenities
Loss of marriage prospects

65. MACT awarded a sum of Rs. 5,00,000.00 towards pain, suffering and loss of amenities. Separately

MACT awarded Rs. 2,00,000.00 for loss of marriage prospects of the injured child as the debilitating physical disability has affected her marriage prospects. The High Court, after considering the disability of the injured child, the socio-economic background of her parents and her expected life span, awarded an additional amount of Rs. 15,00,000.00 to be paid to the injured child Shreejita Pattnaik towards loss of future life expectations including marriage prospects and amenities. Thus, MACT had awarded Rs. 7,00,000.00 (Rs. 5,00,000.00 plus Rs. 2,00,000.00) on account of 'pain, suffering and loss of amenities' as well as under the head of 'loss of marriage prospects'. As against the combined compensation of Rs. 7,00,000.00, awarded by the MACT, the High Court granted additional compensation of Rs. 15,00,000.00 by combining the two heads, thus enhancing the compensation to Rs. 22,00,000.00.

66. We enhance the compensation under the aforesaid combined two heads to Rs. 25,00,000.00. We do so for the following reasons. While 'pain and suffering' is a familiar expression in motor accident claims jurisprudence,

it is not capable of any precise definition. In *K.S. Muralidhar Vs. R. Subbulakshmi*¹⁸, this Court, after referring to P. Ramanatha Aiyar's Advanced Law Lexicon, observed that pain and suffering mean physical discomfort and distress. It includes mental and emotional trauma too for which damages can be recovered in an accident claim. Though pain and suffering cannot be measured in monetary terms by applying any arithmetical formulation, the same can, however, be awarded in the form of a conventional award. This Court while acknowledging that there exists no simple formula for converting pain, suffering, loss of function and deprivation into monetary terms, however, held that there are certain factors which are required to be taken into consideration while awarding compensation under the head of pain and suffering viz the age of the injured, the unusual deprivation suffered and the effect thereof on the future life etc. This Court referred to *Kajal* and observed that in cases involving child victims suffering catastrophic disabilities, applying ordinary principles may not adequately compensate the victim.

¹⁸ 2024 SCC Online SC 3385

67. At this stage, it would be apposite to advert to

Kajal where this Court held as follows:

27. One factor which must be kept in mind while assessing the compensation in a case like the present one is that the claim can be awarded only once. The claimant cannot come back to court for enhancement of award at a later stage praying that something extra has been spent. Therefore, the courts or the Tribunals assessing the compensation in a case of 100% disability, especially where there is mental disability also, should take a liberal view of the matter when awarding the compensation. While awarding this amount, we are not only taking the physical disability but also the mental disability and various other factors. This child will remain bedridden for life. Her mental age will be that of a nine-month-old child. Effectively, while her body grows, she will remain a small baby. We are dealing with a girl who will physically become a woman but will mentally remain a 9-month-old child. This girl will miss out playing with her friends. She cannot communicate; she cannot enjoy the pleasures of life; she cannot even be amused by watching cartoons or films; she will miss out the fun of childhood, the excitement of youth; the pleasures of a marital life; she cannot have children who she can love, let alone grandchildren. She will have no pleasure. Her's is a vegetable existence. Therefore, we feel in the peculiar facts and circumstances of the case even after taking a very conservative view of the matter an amount payable for

the pain and suffering of this child should be at least Rs 15,00,000.

68. In so far the present case is concerned, the injured child was only six months old when the accident had occurred. At an age when life had barely commenced, she suffered devastating spinal injuries because of the motor accident resulting in *post-traumatic myelopathy with paraplegia*. The disability is permanent and irreversible.

69. MACT had awarded a sum of Rs. 2,00,000.00 towards 'loss of marriage prospects'. The High Court, as noticed above, enhanced the compensation by combining the above two heads to the tune of Rs. 22,00,000.00. We are of the view that a further enhancement of Rs. 3,00,000.00 making the total compensation under the combined head of 'pain, suffering and loss of amenities as well as loss of marriage prospects' at Rs. 25, 00,000.00 would be justified in the facts of this case.

Medical expenses

70. Upon consideration of the medical bills and vouchers, treatment record and documentary evidence, MACT awarded a sum of Rs. 3,00,000.00 to the claimant

towards 'medical expenses'. The High Court did not interfere with the same.

71. Having perused the materials available on record, we find that the amount awarded towards 'medical expenses' is supported by the evidence and does not warrant further interference. Accordingly, the amount of Rs. 3,00,000.00 awarded by the MACT and affirmed by the High Court under the head of 'medical expenses' is not interfered with.

Future medical treatment

72. We also note that MACT awarded a sum of Rs. 3,00,000.00 as expenses towards 'future medical treatment'. The High Court after taking note of the permanent disability suffered by the injured child and the fact that she would require continued medical care and treatment in future, enhanced the amount under this head to Rs. 5,00,000.00.

73. Having regard to the debilitating nature of the injuries suffered by the injured child and the lifelong medical care and treatment that she would require, we are of the view that the enhanced amount of Rs. 5,00,000.00 appears to be inadequate. We, therefore, further enhance the amount of

compensation on account of 'future medical treatment' by a further amount of Rs. 5,00,000.00 enhancing the total amount of compensation under this head to Rs. 10,00,000.00.

Conveyance and special diet

74. In so far 'conveyance and special diet' is concerned, MACT awarded a sum of Rs. 50,000.00 to the claimant. The High Court did not interfere with the said amount. Having regard to the extensive nature of treatment undergone by the injured child and the prognosis that she would require medical care and attention, including treatment, for the rest of her life for which we have enhanced the amount of compensation under the head 'future medical treatment', we are of the view that commensurate with the same, the compensation under the head of 'conveyance and special diet' should be enhanced to Rs. 2,00,000.00. We order accordingly.

75. Thus, the compensation payable to the appellant under the various heads is re-determined as under:

Sl. No.	Head of Compensation	Amount Awarded(in rupees)
1	Loss of income/future earning	17,46,360.00
2	Attendant charges	25,92,000.00
3	Pain, suffering and loss of amenities as well as loss of marriage prospects	25,00,000.00
4	Medical expenses	3,00,000.00
5	Expenses for future medical treatment	10,00,000.00
6	Conveyance and special diet	2,00,000.00
	Total Compensation	83,38,360.00

76. Accordingly, the compensation payable to the appellant by the insurance company stands enhanced from Rs. 45,40,800.00 to Rs. 83,38,360.00. Appellant shall also be entitled to interest at the rate of 9% per annum from the date of filing of the claim petition till realization.

77. Respondent No. 2 i.e. M/s New India Assurance Company Limited is directed to deposit the entire amount of compensation as determined supra alongwith accrued interest within a period of six weeks from the date of receipt of a copy of this judgment before the 3rd Motor Accident Claims Tribunal, Cuttack which shall thereafter disburse

the same to the appellant-claimant after following the due procedure.

78. Impugned judgment of the High Court is modified to the aforesaid extent. Appeal is accordingly allowed. However, there shall be no order as to cost.

.....J.
[UJJAL BHUYAN]

.....J.
[N.V. ANJARIA]

**NEW DELHI;
AUGUST 03, 2026.**