



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

Special Leave Petition (C) No.27285 of 2025

Hasina Yasmin & Ors.

...Petitioners

Versus

National Insurance Co. Ltd. & Anr.

...Respondents

ORDER

1. The claimants seek enhancement of the award, confined to the conventional heads in consonance with the decision in ***National Insurance Co. Ltd. V. Pranay Sethi***¹.

They also rely on the judgment of this Court in ***Rojalini Nayak & Ors. v. Ajit Sahoo & Ors.***².

2. Learned counsel for the petitioners submits that there were three claimants, the wife and two children, all of whom are entitled to loss of consortium. Even the children are also entitled to loss of filial consortium as has been held in ***Magma General Insurance Co. Ltd. v. Nanu Ram & Ors.***³.

¹ (2017) 16 SCC 680

² CA No.8502 of 2024

³ (2018) 18 SCC 130

The Constitution Bench decision in ***Pranay Sethi***¹ has also permitted the compensation for loss of estate and funeral expenses in case of death in a motor vehicle accident, to be enhanced @ 10% in every three years.

3. Learned counsel for the Insurance Company, however, pointed out that the proposition as laid down in ***Pranay Sethi***¹, for enhancement @10% in every three years can apply only in cases of accidents later to the date of the decision. The standardization can be made applicable to the present case also but, there can be no enhancement @ 10%, computed on a three yearly basis, insofar as the accident which occurred as early as in 1998, as is the case herein.

4. We have noticed the specific paragraph from ***Pranay Sethi***¹ which the cited decision has extracted and we too extract hereunder:

“52. As far as the conventional heads are concerned, we find it difficult to agree with the view expressed in Rajesh [Rajesh v. Rajbir Singh, (2013) 9 SCC 54. It has granted Rs 25,000 towards funeral expenses, Rs 1,00,000 towards loss of consortium and Rs 1,00,000 towards loss of care and guidance for minor children. The head relating to loss of care and minor children

does not exist. Though *Rajesh* [*Rajesh v. Rajbir Singh*, (2013) 9 SCC 54] refers to *Santosh Devi* [*Santosh Devi v. National Insurance Co. Ltd.*, (2012) 6 SCC 421], it does not seem to follow the same. The conventional and traditional heads, needless to say, cannot be determined on percentage basis because that would not be an acceptable criterion. Unlike determination of income, the said heads have to be quantified. Any quantification must have a reasonable foundation. There can be no dispute over the fact that price index, fall in bank interest, escalation of rates in many a field have to be noticed. The court cannot remain oblivious to the same. There has been a thumb rule in this aspect. Otherwise, there will be extreme difficulty in determination of the same and unless the thumb rule is applied, there will be immense variation lacking any kind of consistency as a consequence of which, the orders passed by the tribunals and courts are likely to be unguided. Therefore, we think it seems to fix reasonable sums. It seems to us that reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses should be Rs 15,000, Rs 40,000 and Rs 15,000 respectively. The principle of revisiting the said heads is an acceptable principle. But the revisit should not be fact-centric or quantum-centric. We think that it would be condign that the amount that we have quantified should be enhanced on percentage basis in every three years

and the enhancement should be at the rate of 10% in a span of three years. We are disposed to hold so because that will bring in consistency in respect of those heads.”

5. Having gone through the said paragraph wherein the Constitution Bench was prompted to provide for an enhancement on passage of time, for compensation under the conventional heads, based on the price index, fall in bank interest and escalation of rates in many a field, we find the standard quantum determined as reasonable, as on the year 2017 when the judgment was delivered. The Constitution Bench found reasonable figures on conventional heads to be Rs.15,000/- (Rupees Fifteen Thousand), Rs.40,000/- (Rupees Forty Thousand) and Rs.15,000/- (Rupees Fifteen Thousand), respectively applicable to loss of estate, loss of consortium and funeral expenses.

6. However, even applying the logic of the Constitution Bench insofar as the escalation in price index, reduction of purchasing power and so on, we cannot find the enhancement to be applicable or possible of reliance to claims raised, based on the accidents that occurred prior to

2020; i.e.: three years from 2017 when the first 10% escalation would be applied. The escalation cannot depend upon the date of the order by which the claim petition is finally disposed of, by the Tribunal, by the High Court or by this Court. Many matters, in which the accident occurred in 1998, would have been disposed of prior to 2017, which in any event cannot get any enhancement based on what has been stated by the Constitution Bench in 2017.

7. According to us, the Constitution Bench decision only provided for an enhancement of 10% in every three-year period with respect to accidents which occurred after 2017, the first enhancement being applied in 2020. Otherwise, as is indicated in the cited decision; which we find, with due respect, difficult to accept, the accident in 2010 is applied with a 10% increase when it is disposed of in 2020 and a further 10% increase if the matter is finally disposed of in 2023. This with due respect is not the purport of the decision in ***Pranay Sethi¹***, as we understand it. There cannot be any enhancement made with respect to an accident which occurred in the year 1998, since the compensation for loss of estate and consortium as also expenses incurred for

funeral is as on that date, which has been standardized by ***Pranay Sethi*** at 15,000/-, 40,000/- & 15,000/-, the delay in payment of which is compensated by the interest directed to be paid.

8. We hence respectfully sound a doubt, with all the respect at our command, regarding the enhancement as made in the aforesaid decision to the conventional heads based on ***Pranay Sethi***¹. Being a co-ordinate Bench, we would only refer the matter to a Larger Bench, which we do. The Registry is directed to place the matter before the Hon'ble the Chief Justice of India for appropriate orders.

9. In the meanwhile, we cannot but find the claimants to be entitled to Rs.15,000/- (Rupees Fifteen Thousand) as loss of estate, Rs.15,000/- (Rupees Fifteen Thousand) as funeral expenses. The loss of consortium, insofar as the spouse and two children also has to be computed at the rate of 40,000/- (Rupees Forty Thousand), which would come to a total of Rs.1,20,000/- (Rupees One Lakh Twenty Thousand). The total amount, thus under the conventional heads would be Rs.1,50,000/- (Rupees One Lakh Fifty Thousand). The High Court has granted only Rs.70,000/- (Rupees Seventy

Thousand) under the conventional heads. We hence increase the amount to Rs.1,50,000/- (Rupees One Lakh Fifty Thousand). The interest, considering the long pendency of the case, granted by the High Court would stand enhanced to 8% from the date of application. The Insurance Company shall pay or deposit the amount as enhanced herein before the MACT within a period of two months with interest at the rate of 8% for the whole awarded amount, after deducting what has already been paid, subject to the order in reference, which in turn shall be paid to the claimants.

10. Ordered accordingly.

..... J.
(AHSANUDDIN AMANULLAH)

..... J.
(K. VINOD CHANDRAN)

**NEW DELHI
DECEMBER 17, 2025.**