



2026 INSC 146

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL Nos.490-491 OF 2026
(Arising out of SLP (Civil) No(s).3255-3256 of 2026)

NATIONAL INSURANCE CO. LTD. ...Appellant(s)

VERSUS

RATHLAVATH CHANDULAL AND OTHERS ...Respondent(s)

O R D E R

Rajesh Bindal, J.

1. Leave granted.
2. The appellant-Insurance Company has approached this Court impugning the order¹ dated 19.11.2025 passed by the High Court² in appeal whereby the award³ passed by the Tribunal⁴ was upheld. Vide the aforesaid order, on account of injuries suffered by the respondent no.1, compensation of ₹2,72,03,416/- awarded to him was upheld. Order⁵ dated 06.01.2026 is also under challenge

1 MACMA No.1503 of 2025

2 High Court for the State of Telangana at Hyderabad

3 MVOP No.1011 of 2021 dated 20.09.2024

4 MACT: CUM: XI Additional Chief Judge, City Civil Courts at Hyderabad

5 I.A. No.4 of 2025

vide which the review application filed by the appellant was dismissed by the High Court.

3. Briefly noticing, the facts of the case are that the respondent no.1 suffered severe injuries in a road accident, which took place on 13.02.2020. He filed a claim petition before the Tribunal seeking compensation of ₹1,00,00,000/-. He was 22 years of age at the time of the accident. His functional disability was assessed as 100%. He was a second year student at Government ITI College at Dindi, Nalwada Distt. Accepting the claim made by the respondent no.1 that he was assisting his father in farming, his income was assessed to be ₹25,000/- per month. While adding the amount under various heads, total compensation of ₹2,72,03,416/- along with interest @ 6% per annum was awarded.

4. Aggrieved against the same, the appellant-Insurance Company preferred appeal before the High Court. On the other hand, the respondent no.1 filed Execution Petition⁶. Attachment of the properties of the appellant by issuance of warrants under Order XXI Rule 43, 64 and 66 of C.P.C. was sought. In the execution proceedings, an undertaking was furnished by the local manager of the appellant-Insurance Company, undertaking to satisfy the award. The High Court dismissed the appeal on the basis of the said

⁶ Execution Petition No.183 of 2025 in MVOP No.1011 of 2021

undertaking. Even the Review Application was dismissed by adopting the same reasoning.

5. Learned counsel for the appellant submitted that the order passed by the Tribunal awarding compensation of ₹2,72,03,416/- was totally perverse as the claim of the respondent no.1 was only to the tune of ₹1,00,00,000/-. While assessing the compensation, despite the fact that the respondent no.1 was a student, his monthly income was taken as ₹25,000/-. Further, keeping in view the functional disability of 100%, total amount was assessed as loss of income. The percentage on account of future prospects was awarded on a higher side. Additionally, compensation towards disability was granted for which there is no discussion in the award passed by the Tribunal. Even under other heads, the compensation awarded is against the settled principles.

6. The appellant had filed the appeal before the High Court impugning the award of the Tribunal. While the same was pending, Execution Petition was filed by the respondent no.1 before the Tribunal where furniture, fixtures and computers of the local office of the appellant were attached. It was under that pressure that the local manager of the company had given the undertaking before the Tribunal to comply with the award within two weeks from the date of the undertaking. The aforesaid undertaking was furnished by him

on 30.10.2025. On the other side, the High Court had adjourned the appeal on 27.10.2025 to 03.11.2025. On the next date of hearing, though notice had not been issued to the respondent/claimant, however, the counsel for the claimant appeared and stated before the Court that the appellant-company had given an undertaking to satisfy the award. The matter was adjourned to 06.11.2025 to enable the counsel to produce the copy of the order. On 19.11.2025, the High Court, noticing that the undertaking had been given by the appellant before the Tribunal regarding compliance of the award, dismissed the appeal without even touching the merits of the controversy.

6.1 Immediately thereafter, the appellant filed a Review Application before the High Court explaining the circumstances under which the manager of the company was forced to give undertaking. It was also pointed out that because of the stress, the officer who was made to give undertaking attempted suicide merely one week after the undertaking was given and ultimately died on 22.11.2025. The High Court, noticing the fact that an undertaking had been furnished by the appellant to comply with the award and the case does not fall within the parameters of the Order XLVII Rule 1 of C.P.C. for review of the order, dismissed the Review Petition vide order dated 06.01.2026.

7. The argument raised is that the manner in which urgency was shown by the Tribunal for execution of the award by way of attachment of the office furniture, fixtures and computers coercing the local officer to give an undertaking before the Tribunal to satisfy the award, was unjustified. Even if that undertaking was given, it had not taken away the right of the Insurance Company to challenge the award on merits. At the most it can be taken to be a case where the award had to be complied with because there was no interim stay granted by the High Court in appeal. The approach of the High Court in not dealing with the appeal on merits, despite the fact that there were patent errors in calculation of compensation awarded to respondent no.1 has caused grave injustice to the appellant. The prayer is that the orders passed by the High Court be set aside and the matter be remitted back to the High Court for consideration afresh on merits.

8. Heard learned counsel for the appellant. As a perusal of the record of the Executing Court was required, we had even called for the same.

9. In the present appeal, the notice has not yet been issued to the respondents namely the claimant, the owner and the

driver of the vehicle. The only contesting party may be the claimant as the award was directed to be satisfied by the appellant vide award dated 20.09.2024. Considering the glaring error in the manner the appeal filed by the appellant had been dealt with without even touching the merits of the controversy, we have proceeded to decide the appeal without issuing notice to the claimant as we have not touched the merits of the controversy and are only proposing to remit the matter back to the High Court for consideration of the appeal on merits after hearing both the parties. For the purpose only, record of the High Court and Executing Court was required to be perused. We have proceeded to pass this order for the reason that the process of issuing notice, effecting service and finally hearing the matter would further delay the disposal of the petition/ appeal by this Court, as a consequence there would be delay in disbursement of compensation to the claimant. We could have decided the appeal itself on merits while going into the amount of compensation awarded under various heads, however, this exercise is required to be done by the High Court being the First Appellate Court and in view of the scope of interference by this Court under Article 136 of the Constitution of India, we deem it fit to proceed to remit the matter to the High Court.

10. From the facts of the case, it is evident that the appeal filed by the Insurance Company was dismissed by the High Court merely referring to an undertaking given by the local manager of the company that it will satisfy the award. That cannot be a reason for not touching the appeal on merits. There was no undertaking given by the manager of the appellant-company that the appeal filed by it impugning the award of the Tribunal will not be pressed on merits. Otherwise he may or may not be person authorized to make a statement even for compliance of the award. The manner in which the execution was pushed and the Tribunal attached the office furnitures, fixtures and computers for execution of the award, speaks of the hurry the Tribunal was in.

11. A perusal of various orders passed by the Tribunal in execution of the award shows that the same was registered on 28.08.2025. Notice was directed to be issued to the Judgment Debtor 2-Insurance Company for 10.10.2025. On the next date of hearing, upon recording that none represented the Insurance Company, it was proceeded against *ex-parte*. The warrant of attachment under Order XXI Rule 43 of C.P.C. was directed to be issued, which were then issued on 22.10.2025. It contained Schedule of properties to be attached. This has reference to

Schedule of properties annexed by the claimant with the Execution Petition filed by him. The case was adjourned to 03.11.2025. On the next date of hearing, counsel for the Insurance Company appeared and filed an application under Order XXI Rule 106 of C.P.C. for setting aside the *ex-parte* order. The case was adjourned to 20.11.2025. There is a report of the Court Bailiff dated 01.11.2025 available on record, wherein it was mentioned that the warrant remained unexecuted. The text of the report is extracted below:

“I, AbdulSamad, Bailiff, City Civil Court, Hyderabad, do hereby solemnly affirm state on oath as follows that it had been to the said JDR Address on date 31.10.2025. There at that time of my visit the JDR office Divisional Manager not available. But office incharge present then I shown the Hon’ble Court warrant and explained about its contents. Accordingly, the present incharge officer persued the warrant but failed to pay the warrant amount. Then as per the orders of the Hon’ble Court when I am going to attach the movable articles the present incharge officer and staff are not allowed me to attach the movable articles and stated that presently not in a position to pay the amount and they will comply the orders and pay the amount within 2 weeks for the same stated reasons issued official letter. As such I could not execute the warrant.

Hence, this warrant “**UN-EXECUTED**”.

(sic)

11.1 On 03.11.2025, in the office report in the execution file, the following noting was given by the office.

“Await Report.

Warrant returned as unexecuted.

As pay the amount within 2 weeks along with
undertaking letter. (Kept in file)” (sic)

11.2 The case was further adjourned to 20.11.2025. Office report dated 20.11.2025 records “undertaking letter filed”. Thereafter, the Court passed the following order:

“Undertaking letter filed.

Undertaking memo put up before Regular Officer.

Call on 24.11.2025.” (sic)

11.3 On the next date of hearing, i.e. 24.11.2025, the Executing Court recorded that the appeal preferred by the Insurance Company were dismissed. As the amount was not deposited as per the direction given by the High Court, fresh warrant under Rule 43 (Order XXI Rule 43 of C.P.C.) was issued. The order reads as under:

“EA is pending.

Memo filed decree holder that appeal preferred by JD-2 was dismissed and JD-2 failed to deposit the amount as per direction of the Hon’ble High Court of

Telangana.

Hence issue R 43 warrant on process.

Call on 17.12.2025.” (sic)

12. At this stage, we deem it appropriate to reproduce the order passed by the High Court on 19.11.2025, dismissing the appeal:

“2. Counsel appearing for the appellant has produced the undertaking dated 31.10.2025 given by the appellant before the Tribunal on 03.11.2025 which specifically records that the appellant will comply with the award in its entirety within a period of two weeks from the date of the undertaking. The said undertaking is taken on record.

3. We find no reason to keep the Appeal pending in view of the undertaking dated 31.10.2025 given by the appellant to the Tribunal.

4. MACMA.No.1503 of 2025, along with all connected applications, is accordingly dismissed. There shall be no order as to costs.”

12.1 A perusal of the aforesaid order shows that the appeal was dismissed merely noticing the factum of undertaking submitted by the Insurance Company before the Executing Court. Thereafter, the execution remained pending waiting for execution of warrants.

12.2 The Insurance Company immediately preferred an application for review of the order dated 19.11.2025 passed by the High Court. The plea taken was that the undertaking dated 31.10.2025 was given by the officer of the company after being pressurized by the Court Bailiff and in fact the officer of the Insurance Company who was coerced to give an undertaking had attempted suicide on 10.11.2025 and subsequently expired on 22.11.2025. Even though the counsel for the claimant sought time to file counter, however, the Court proceeded to decide the Review Application. The High Court was of the view that the undertaking having been furnished by the Insurance Company for compliance of the award, the appeal was rightly dismissed and no case for review of the order was made out.

13. From the aforesaid events, which have taken place during the short duration of time, between 22.10.2025, when the warrant was issued and on 19.11.2025, when the appeal was dismissed, in our opinion, where the amount awarded to the claimant was running into crores of rupees ultimately about 3 times the amount claimed by him, the High Court should not have shut its eyes merely recording that an undertaking had been given by the manager of the Insurance Company to satisfy the award. No doubt

the amount of compensation to be assessed and awarded by the Tribunal and the High Court can be more than the amount claimed, yet the High Court should have gone into the facts in detail and considered the circumstances under which the undertaking was given and also whether the amount of compensation awarded was in accordance with law.

13.1 Immediately after filing of the Execution Petition, warrant for attachment for properties as mentioned in the Schedule annexed with the Execution Petition was issued. It is evident therefrom that the entire office furniture, fixtures and computers were attached. The result would have been paralyzing the working of the company. There were other modes to recover the amount. One of them could be attachment of the accounts of the Insurance Company but for reasons best known to the Executing Court, the process of attachment of the office furniture, fixtures and computers was adopted, apparently without application of any judicial mind.

13.2 The fact cannot be lost sight of that the appellant-Insurance Company is a public sector undertaking. Whatever may be the amount of compensation awarded, it was not difficult to recover the same from it. The question here is regarding the fairness of the procedure adopted, which in our view, the Executing Court as well as the High Court has failed to adhere to.

14. From the facts of the case, it is evident that the High Court had not even given opportunity to the Insurance Company to address the appeal on merits. The appeal was initially listed on 27.10.2025. On that day, it was adjourned to 03.11.2025. On the next date, delay in filing of the appeal was condoned and without there being any notice issued in the appeal statement of counsel for the claimant was recorded that an officer of the Insurance Company has given the undertaking before the Tribunal that the Insurance Company will pay 100% of the awarded amount. Even if that is so, the High Court should have considered the appeal on merits and seen whether the same requires interference. The statement of the counsel for the claimant, as referred to above, could have been relevant for consideration of prayer for stay.

14.1 We cannot lose sight of the fact that it was the first appeal against the award of the Tribunal, which is open for consideration before the High Court on law as well as on facts. But the High Court having failed to exercise its jurisdiction had merely been swayed by the fact that the undertaking had been given by the Insurance Company to satisfy with the award. This, at most, can be considered a case where in appeal filed by the Insurance Company, no stay is granted and as a result the judgment-debtor is to satisfy

the award. Even in that eventuality, the appeal could not have been dismissed merely on that ground and had to be considered on merits by the High Court.

15. For the reasons mentioned above, the appeals are allowed. The impugned orders passed by the High Court are set aside and the matter is remitted back to the High Court for consideration afresh. We request the High Court to expedite the hearing of the appeal and decide the same preferably within a period of six months.

16. We make it clear that in case the respondents are aggrieved of the order being passed by this Court, they shall be at liberty to move appropriate application before this Court for recall of this order. As was informed at the time of hearing of the appeal that the amount of compensation has not yet been paid to the respondent no.1, we direct that a sum of ₹1,00,00,000/- shall be released by the appellant-company in favour of respondent no.1 by transfer thereof in his bank account, the particulars thereof will be furnished by him to the local office of the Insurance Company. For payment of amount to the claimants, the direction issued by this Court in ***Parminder Singh versus Honey Goyal and Others***⁷ be kept in view. Needful shall be done within four weeks from the date

⁷ 2025 INSC 361: (2025) 9 SCC 539

bank account particulars are furnished to the office of the Insurance Company.

17. Before parting with the order, we are constrained to notice that on a perusal of the records sent by the Tribunal, we found that the entire order sheets were handwritten. This is despite the fact that the Government of India has spent thousands of crores of rupees in computerization of the Courts throughout the country. The e-Courts project was started way back in the year 2007 and we are running into third phase thereof. In that situation, we do not find any justification for the orders of the Tribunal to be handwritten, which otherwise are also not legible. Infact, we had to call for a typed copy thereof. Even the name of the officers or their UID numbers have also not been mentioned where they had put their initials on the order sheets. In the absence thereof, either it is impossible to identify the officer or anyone may have to put in extra efforts to find out the same from the records as to who was posted in that Court at a particular time.

18. In case, the computers have been provided to the Tribunals, the High Court shall examine and find out as to why the orders were not being typed on computers. In case the computers have not been provided, the reasons therefor need to be examined and immediate appropriate action is required to be taken. We cannot

loose sight of the fact that the entire Court system is moving towards 'paperless Courts', which means from bottom to top.

19. A copy of the order passed by this Court be sent to the Registrar General of the High Court for placing the same before Hon'ble the Chief Justice of the High Court. In addition, it may be sent to the Registrar Generals of other High Courts as well for placing the same before the Hon'ble the Chief Justices for taking appropriate corrective steps, if required.

20. Pending application(s), if any, shall also stand disposed of.

.....J.
(RAJESH BINDAL)

.....J.
(VIJAY BISHNOI)

NEW DELHI;
January 23, 2026.

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s). 3255-3256/2026

[Arising out of impugned final judgment and orders dated 19-11-2025 in MACMA No. 1503/2025 and dated 06-01-2026 in IA No. 4/2025 in MACMA No. 1503/2025 passed by the High Court for The State of Telangana at Hyderabad]

NATIONAL INSURANCE CO. LTD.

Petitioner(s)

VERSUS

RATHLAVATH CHANDULAL & ORS.

Respondent(s)

(IA No. 22282/2026 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT)

Date : 23-01-2026 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE RAJESH BINDAL
HON'BLE MR. JUSTICE VIJAY BISHNOI

For Petitioner(s) :

Ms. Meenakshi Arora, Sr. Adv.
Ms. Hetu Arora Sethi, AOR
Mr. Rahul Jain, Adv.
Mr. Sanidhya Kumar, Adv.
Ms. Kanak Bathwal, Adv.

For Respondent(s) :

UPON hearing the counsel the Court made the following
O R D E R

Leave granted.

The appeals are allowed in terms of the signed
Reportable order.

Pending application shall also stand disposed of.

(ANITA MALHOTRA)
AR-CUM-PS

(AKSHAY KUMAR BHORIA)
COURT MASTER

(Signed Reportable order is placed on the file.)