



\$~52

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

CNR No. DLHC010405572026

+ **MAC.APP. 568/2026, CM APPL. 58280/2026, CM APPL. 58281/2026 & CM APPL. 58282/2026.**

UNIVERSAL SOMPO GENERAL INSURANCE CO. LTD.

.....Appellant

Through: Mr. Pankaj Seth, Advocate.

versus

MANISH SAHA AND ORS.

.....Respondents

Through:

CORAM:

HON'BLE MR. JUSTICE ANISH DAYAL

ORDER

%

31.08.2026

1. This appeal has been filed by the Insurance Company, challenging the award dated 29th May 2026 passed by Motor Accident Claims Tribunal, Dwarka Courts (*'MACT/Tribunal'*) passed in MACT No. 122/2021, awarding *Rs. 14,01,000/-* with interest at 7.5% per annum in relation to the injury suffered by a 6-year-old in the accident which occurred on 14th October 2019.
2. The minor was walking on the road when a *Maruti Wagon R* car bearing registration no. UP 32DB 0795, allegedly driven in a negligent manner, rammed over the minor's leg, resulting in serious injuries.
3. A claim petition was subsequently filed, and the MACT held that the



injuries had been caused due to the rash and negligent driving of the offending vehicle.

4. On the issue of functional disability, the MACT recorded that the claimant had suffered deformity of the left ankle and foot, with 44% permanent disability in relation to the left lower limb.

5. The MACT, taking into account the various aspects of the matter, including the age of the claimant and the nature of disability, considered the functional disability at 22%.

6. For the purpose of computing the loss of future earning capacity, the MACT applied the settled principles of law by taking the minimum wages of a skilled worker, applying a multiplier of '18', and assessed the *loss of future income*.

7. *Mr. Pankaj Seth*, counsel for Insurance Company, contends that as per the decision in ***Master Mallikarjun v Divisional Manager, the National Insurance Company Ltd. & Anr***, (2014) 14 SCC 396, which has been considered by the MACT in *paragraph 32.1*, compensation in cases involving minors should ordinarily be confined to actual expenses incurred towards treatment, attendant charges, transportation, and non-pecuniary damage and general percentage has been given to award compensation.

8. This aspect has been considered by the Court in various decisions, including in ***Rubi Devi & Anr. v. The New India Assurance Com. Ltd. & Ors.*** 2026:DHC:3674, where the previous law in this regard has been usefully traversed and it was concluded as under:

“30.3. Thirdly, the Supreme Court in its various decisions has applied minimum wages of skilled worker, along with future prospect at 40% and a multiplier of 18, in case a minor below 15 years of



age”

(emphasis added)

9. The MACT also took note of the subsequent decision of the Supreme Court in **Hitesh Nagjibhai Patel v. Bababhai Nagjibhai Rabari & Anr.** 2025 INSC 1070, wherein it was held that compensation under the head of *loss of future income* ought to be computed by adopting, at the very least, the minimum wages payable to a skilled worker.

10. *Mr Pankaj Seth*, states that the claimant was only a 6-year-old child and not a 14-year-old minor, and therefore it could not be said with certainty that he would eventually earn wages as that of skilled worker.

11. In the opinion of this Court, this submission is exactly the unpredictability which is taken care of by the standardisation of compensation on the basis of the multiplier. There should be no reason why death of a 6-year-old be considered on a different footing than a 14-year-old or a 10-year-old. Accepting the insurance company’s perspective would be to add various layers of subjectivity in a jurisprudence which leans towards standardization and objectivity than discretion and arbitrariness.

12. The same has also been noted by this Court in its judgment in **Rubi Devi** (*supra*). Relevant paragraphs are extracted as under:

“22. In this regard, it is necessary to trace back the origin of multiplier. Recognition of this principle was made in *Madhya Pradesh State Road Transport Corporation, Bairagarh, Bhopal v. Sudhakar & Ors.*, (1977) 3 SCC 64, the Court, while referring to an English decision in *Mallet v. McMonagle*, [1970] A.C. 166, wherein the significance and scope of this principle was emphasised in the following terms:

“4. A method of assessing damages, usually followed in England, as appears



from Mallet v. McMonagle, is to calculate the net pecuniary loss upon an annual basis and to “arrive at the total award by multiplying the figure assessed as the amount of the annual ‘dependency’ by a number of ‘year’s purchase’, (p. 178) that is, the number of years the benefit was expected to last, taking into consideration the imponderable factors in fixing either the multiplier or the multiplicand. The husband may not be dependant on the wife’s income, the basis of assessing the damages payable to the husband for the death of his wife would be similar. Here, the lady had 35 years of service before her when she died. We have found that the claimant’s loss reasonably works out to Rs 50 a month i.e. Rs 600 a year. Keeping in mind all the relevant facts and contingencies and taking 20 as the suitable multiplier, the figure comes to Rs 12,000. The Tribunal’s award cannot therefore be challenged as too low though it was not based on proper grounds. In a decision of the Kerala High Court relied on by the appellant to which one of us was a party, the same method of assessing compensation was adopted.”

(emphasis added)

23. The Supreme Court, in the case of U.P. State Road Transport Corporation & Ors. v. Trilok Chandra & Ors., (1996) 4 SCC 362, justified the application of multiplier method in the following manner:

“13. It was rightly clarified that there should be no departure from the multiplier method on the ground that Section 110-B, Motor Vehicles Act, 1939 (corresponding



to the present provision of Section 168, Motor Vehicles Act, 1988) envisaged payment of 'just' compensation since the multiplier method is the accepted method for determining and ensuring payment of just compensation and is expected to bring uniformity and certainty of the award made all over the country."

(emphasis added)

24. In *General Manager, Kerala S.R.T.C vs Susamma Thomas*, 1994 SCC (2) 176, the Supreme Court held that multiplier is based on the deceased's age and not on the age of the dependents and set a maximum multiplier limit. The Court also held multiplier method is logically sound and legally well established and recorded as under:

"16. It is necessary to reiterate that the multiplier method is logically sound and legally well-established. There are some cases which have proceeded to determine the compensation on the basis of aggregating the entire future earnings for over the period the life expectancy was lost, deducted a percentage therefrom towards uncertainties of future life and award the resulting sum as compensation. This is clearly unscientific. For instance, if the deceased was, say 25 years of age at the time of death and the life expectancy is 70 years, this method would multiply the loss of dependency for 45 years virtually adopting a multiplier of 45 and even if one-third or one-fourth is deducted therefrom towards the uncertainties of future life and for immediate lump sum payment, the effective multiplier would be between 30 and 34. This is wholly impermissible. We are, aware that some



decisions of the High Courts and of this Court as well have arrived at compensation on some such basis. These decisions cannot be said to have laid down a settled principle. They are merely instances of particular awards in individual cases. The proper method of computation is the multiplier, method. Any departure, except in exceptional and extraordinary cases, would introduce inconsistency of principle, lack of uniformity and an element of unpredictability for the assessment of compensation. Some judgments of the High Courts have justified a departure from the multiplier method on the ground that Section 110-B of the Motor Vehicles Act, 1939 insofar as it envisages the compensation to be 'just', the statutory determination of a 'just' compensation would unshackle the exercise from any rigid formula. It must be borne in mind that the multiplier method is the accepted method of ensuring a 'just' compensation which will make for uniformity and certainty of the awards. We disapprove these decisions of the High Courts which have taken a contrary view. We indicate that the multiplier method is the appropriate method, a departure from which can only be justified in rare and extraordinary circumstances and very exceptional cases.

(emphasis added)

25. In *Sarla Verma (supra)*, the Supreme Court standardised the application of multiplier.

26. Reference may also be made to *Reshma Kumari (supra)*, wherein the Court, while endorsing



the principles laid down in Sarla Verma (supra), advocated for a standardized application of multipliers to ensure consistency and fairness in the award of compensation.

27. *The Court in Reshma Kumari (supra) emphasized on standardisation introduced in Sarla Verma (supra) to reduce inconsistencies and arbitrariness in compensation awards. The Court also underlined the need to align multipliers with Indian economic realities.*

28. Accordingly, it can be noted that the application of the multiplier method is aimed at establishing a structured formula for determining compensation by multiplying the annual loss of dependency or multiplicand with an appropriate factor or multiplier based on the age of the victim. Moreover, there is no distinction in the application of the multiplier between cases of death and injury. The objective is to standardise the assessment of compensation by applying a fixed multiplier for victims within the same age group, rather than making the process complex."

(emphasis added)

13. Accordingly, the Insurance Company's appeal is not tenable and is accordingly dismissed. Pending applications, if any, are rendered infructuous.

14. Statutory deposit, if any, be refunded.

15. Order be uploaded on the website of this Court.

ANISH DAYAL, J

AUGUST 31, 2026/RK/bp