



IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

FAO-864-2019 (O&M)
Date of Decision : 08.09.2025

New India Assurance Company Limited ... Appellant(s)
Versus
Kulwant Kaur & Ors ... Respondent(s)

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Satpal Dhamija, Advocate for the appellant.
Mr. Sapan Dhir, Advocate for respondent Nos.1 and 2.

ALKA SARIN, J. (Oral)

1. The only challenge in the present appeal to the impugned award dated 07.07.2018 passed by the Motor Accident Claims Tribunal, Chandigarh (hereinafter referred to as ‘Tribunal’) is on the ground that a split multiplier method ought to have been applied by the Tribunal while awarding the compensation to the claimants.
2. Since the factum of the accident is not in dispute, the facts are not being adverted to for the sake of brevity.
3. The Tribunal in the present case had awarded the following compensation :

Sr. No.	Heads	Compensation Awarded
1	Assessed monthly income – Income Tax	[₹71,340 – 5,200] = ₹66,140/-
2	Annual income	[₹66,140 x 12] = ₹7,93,680/-
3	Future prospects 30%	[₹7,93,680 + 2,38,104] = ₹10,31,784/-

4	Deduction 1/3 rd	[₹10,31,784 – 3,43,928] = ₹6,87,856/-
5	Multiplier of 13	[₹6,87,856 x 13] = ₹89,42,128/-
6	Funeral expenses	₹15,000/-
7	Loss of estate	₹15,000/-
8	Consortium	₹40,000/-
9	Total Compensation	₹90,12,128/-
	Interest	7% per annum

4. Learned counsel for the appellant-Insurance Company has contended that the date of birth of the deceased was 04.09.1965 and he died at the age of 50. He was to retire at the age of 58 and was only left with about 08 years of service from the date of the accident i.e. 23.05.2015, hence, while assessing the compensation the Tribunal should have applied a split multiplier method.

5. *Per contra* learned counsel for respondent Nos.1 and 2 would contend that the matter is no longer *res integra* and the same stands settled by the Supreme Court in the case of **R. Valli & Ors. vs. Tamil Nadu State Transport Corporation Ltd. [2022(1) RCR (Civil) 867]**.

6. Heard.

7. The only grievance of the appellant-Insurance Company in the present case is that the determination of compensation ought to have been made after applying the split multiplier method as the deceased was left with about 08 years of service as on the date of the accident. The Supreme Court in the case of **R. Valli** (supra) has held as under :

“11. Thus, we find that the method of determination of compensation applying two multipliers is clearly erroneous and run counter to the judgment of this Court in Pranay Sethi, affirming the judgment in Sarla Verma.

Since the deceased was 54 years of age on the date of incident, therefore, the suitable multiplier would be 11 as per the judgment of this Court in Sarla Verma approved by this Court in Pranay Sethi.”

8. Further, in the case of **N. Jayasree & Ors. vs. Chola mandalam MS General Insurance Company Ltd.** [2021(4) RCR (Civil) 642] the Supreme Court, after considering the judgment in **Reshma Kumari & Ors. vs. Madan Mohan & Anr.** [(2013) 9 SCC 65] and in **K.R. Madhusudhan & Ors. vs. Administrative Officer & Anr.** [(2011) 4 SCC 689] held as under:

“28. From the above discussion it is clear that at the time of calculation of the income, the Court has to consider the actual income of the deceased and addition should be made to take into account future prospects. Further, while the evidence in a given case may indicate a different percentage of increase, standardization of the addition for future prospects should be made to avoid different yardsticks being applied or different methods of calculation being adopted. In Pranay Sethi, the Constitution Bench has directed addition of 15% of the salary in case the deceased was between the age of 50 to 60 years as a thumb rule, where a deceased had a permanent job. In view of the above, the High Court was not justified in applying split multiplier in the instant case.”

9. In view of the law settled by the Supreme Court, the argument of the appellant-Insurance Company that compensation in the present case ought to have been determined after applying the split multiplier method cannot be accepted.

10. No other point has been argued.

11. In view of the discussion above, the appeal being devoid of any merits is accordingly dismissed. Pending applications, if any, also stand disposed off.

08.09.2025

Yogesh Sharma

(**ALKA SARIN**)

JUDGE

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: YES/NO