

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

FAO-5370-2022 (O&M)

THE NEW INDIA ASSURANCE CO LTD

.....Appellant

vs.

NEETA AND ORS

.....Respondents

Reserved on:- 16.01.2026

Pronounced on:- 21.01.2026

Uploaded on:- 22.01.2026

Whether only the operative part of the judgment is pronounced?

NO

Whether full judgment is pronounced?

YES

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

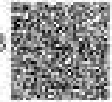
Present: Ms. Mallika Dhillon, Advocate
for Mr. S.S. Sidhu, Advocate
for the appellant.

Mr. Kapish Singla, Advocate
for respondent Nos. 1 and 2.

Mr. Ketan Antil, Advocate
for respondent No.3.

SUDEEPTI SHARMA J.

1. The present appeal has been preferred against the award dated 27.09.2022 passed by the learned Motor Accident Claims Tribunal, Sonapat (for short, 'the Tribunal') in the claim petition filed under Section 166 of the Motor Vehicles Act, 1988, wherein, the appellant insurance company was held liable to pay the compensation to the claimants/respondents to the tune of Rs.5,60,000/- along with interest @ 9% per annum, on the ground of quantum of compensation to be on higher side.



2. As sole issue for determination in the present appeal is confined to quantum of compensation awarded by the learned Tribunal, a detailed narration of the facts of the case is not required to be reproduced here for the sake of brevity.

SUBMISSIONS OF LEARNED COUNSEL FOR THE PARTIES

3. Learned counsel for the appellant-Insurance Company vehemently argues that learned Tribunal has wrongly applied the multiplier of 17 instead of 15. She further contends that multiplier of 15 ought to be applied in cases wherein the compensation is assessed for death or injury sustained by minor in motor vehicle accident. Accordingly, she prays that the present appeal be allowed and amount of compensation be reduced as per latest law.

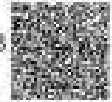
4. Per contra, learned counsel for respondents/claimants contends that the learned Tribunal has wrongly applied the multiplier of 17, however, as per the settled law, the appropriate multiplier should be 18. He therefore, prays that the present appeal be dismissed.

5. I have heard learned counsel for the appellant and perused the whole record of this case with his able assistance.

6. So far as the contention raised by the appellant–insurance company that the learned Tribunal erred in applying a multiplier of 17, instead of 15 as allegedly prescribed for minors is concerned the said contention is wholly misconceived and devoid of merit.

7. The Hon’ble Supreme Court has, in a catena of judgments, consistently held that in cases involving death or permanent disability of minors, the multiplier applicable is not to be mechanically restricted to 15.

Rather, for victims below the age of 18 years, the multiplier of 18 has been



judicially approved for the purpose of computing just and reasonable compensation.

8. In this regard, reliance is rightly placed on the judgment of the Hon'ble Supreme Court in **Kajal v. Jagdish Chand, (2020) 4 SCC 413**, wherein the Apex Court authoritatively held that in the case of a minor victim, the appropriate multiplier would be 18.

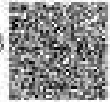
9. The relevant extract of **Kajal's case (supra)** is reproduced as under:-

“20. Both the courts below have held that since the girl was a young child of 12 years only notional income of L 15,000/- per annum can be taken into consideration. We do not think this is a proper way of assessing the future loss of income. This young girl after studying could have worked and would have earned much more than L 15,000/- per annum. Each case has to be decided on its own evidence but taking notional income to be L 15,000/- per annum is not at all justified. The appellant has placed before us material to show that the minimum wages payable to a skilled workman is L 4846/- per month. In our opinion this would be the minimum amount which she would have earned on becoming a major. Adding 40% for the future prospects, it works to be L 6784.40/- per month, i.e., 81,412.80 per annum. Applying the multiplier of 18 it works out to L 14,65,430.40, which is rounded off to L 14,66,000/- ”

10. Further, the Hon'ble Supreme Court, in its recent pronouncement in **Hitesh Nagjibhai Patel v. Bababhai Nagjibhai Rabari, 2025 INSC 1070**, while placing reliance upon the decision in **Kajal's case (supra)**, once again applied the multiplier of 18 in the case of a minor victim.

11. The relevant extract of **Hitesh Nagjibhai Patel's case (supra)** is reproduced as under:-

“10. Adverting to the facts at hand, the appellant was an 8-year-old child at the time of the accident. In view of the above exposition of law, we must advert to the prevailing minimum wages, which for the skilled ones, as in the year of accident, i.e., 2012, in Gujarat would be Rs.227.85p.



per day, therefore, in the interest of justice, we deem it appropriate to determine the income of the appellant as Rs.6,835.5p. per month, rounding off to Rs.6,836/- per month.

11. Coming to the assessment of disability suffered by the appellant, he sustained grievous and life-altering injuries on the head and left leg, resulting in a brain haemorrhage and amputation of the left lower limb. Upon examination of the disability certificate and other medical documents, as also considering the nature, extent and impact of the injuries, the High Court in para 6.4 of the impugned judgment, quantified the permanent functional disability of the appellant at 90%. Taking into account the direct correlation between the injuries sustained and the consequent loss of permanent functional disability suffered by the appellant, we are in agreement with the finding of the High Court that the permanent functional disability stands rightly fixed at 90%.

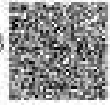
12. Lastly, with a view of awarding just and fair compensation, in the attending facts and circumstances of the case, we are also inclined to enhance the compensation towards other pecuniary heads in accordance with the settled principle of law.

x x x x x x x x

*14. As can be seen, there is a great difference between the compensation as awarded by the Courts below and the compensation payable as per law. We are constraint to observe that appeals to the High Court as well as to this Court were entirely avoidable, since the law had been amply clarified well before the order of the Tribunal was made on 17.10.2021 by way of the judgment rendered by this Court in **Kajal** (supra) decided on 05.02.2020. Both the Courts were duty-bound to keep abreast with the law as clarified by this Court, ensuring that the judgments and orders passed by them are entirely in order therewith.*

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 matric 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.”

12. In view of the aforesaid settled position of law, the application of a multiplier of 17 by the learned Tribunal cannot, by any stretch of reasoning,



be said to suffer from any legal infirmity or perversity. On the contrary, the same is well within the permissible judicial parameters and does not warrant any interference by this Court.

13. Consequently, the present appeal, being devoid of merit, is dismissed.

14. The statutory amount of Rs.25,000/- deposited by the appellant-Insurance Company at the time of admission of the appeal, is ordered to be refunded to them.

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

21.01.2026

Ayub

**(SUDEEPTI SHARMA)
JUDGE**

Whether speaking/non-speaking : Yes/No
Whether reportable : Yes