



2026:DHC:768



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

% **Reserved on : 17th January 2026**
Pronounced on : 29th January 2026
Uploaded on : 30th January 2026

+ **MAC.APP. 133/2014**

NEW INDIA ASSURANCE COMPANY LTDAppellant

Through: Mr. Ravinder Singh, Ms. Raveesha
Gupta, Mr. Ritvik Bhardwaj & Ms.
Nishita Kushwaha, Advs.

versus

KAMALA & ORSRespondents

Through: Mr. S.N. Parashar and Mr. Ritik
Singh, Advs. for R-1 & 2.

+ **MAC.APP. 948/2014**

KAMLA & ORSAppellants

Through: Mr. S.N. Parashar and Mr. Ritik
Singh, Advs.

versus

NEW INDIA ASS CO LTDRespondent

Through: Mr. Ravinder Singh, Ms. Raveesha
Gupta, Mr. Ritvik Bhardwaj & Ms.
Nishita Kushwaha, Advs. for R-1.

CORAM:

HON'BLE MR. JUSTICE ANISH DAYAL

JUDGMENT

ANISH DAYAL, J.

1. MAC.APP. 133/2014 has been filed by New India Assurance



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Company Ltd (hereinafter, '*Insurance Company*'), while MAC.APP. 948/2014 are cross objections filed by claimants. For the purposes of reference, parties will be referred to by their name, rather than as appellant/respondent etc.

2. While the Insurance Company seeks correction in the amounts awarded under the *non-pecuniary* heads, namely, *loss of estate, funeral expenses* and *loss of consortium*, along with correction in *future prospects* and multiplier to align itself with the principles enunciated in *National Insurance Co. Ltd. v. Pranay Sethi* (2017) 16 SCC 680 ('*Pranay Sethi*'). Cross-objection raised on behalf of claimants is regarding the application of minimum wages taken for a *matriculate* for the deceased, considering he was a diploma holder in education and was taking tuition classes, therefore, suggesting that the benchmark income should be considered at a higher value, claimed at Rs.20,000-25,000/- per month.

The Incident

3. On 20th October 2012 at about 7:00 p.m., *Sh. Praveen Kumar* (deceased) along with his friend, *Sh. Rakesh* was coming to Gurgaon from Narnaul by motorcycle bearing no HR-26BN-4481. When they reached near flyover, Pool Panchgaon, NH-8, Shiv Mandir, P.S. Manesar, a truck bearing No. RJ-14GD-3650 (offending vehicle) driven by *Sh. Ram Singh* (driver) allegedly at a high speed in a rash and negligent manner hit the motorcycle resulting in a head injury to the deceased, who was declared 'brought dead' at the hospital. *FIR No.301/2012* was registered at *P.S. Bilaspur* under



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Sections 279/337/304A of Indian Penal Code, 1860 (IPC) against the driver. The deceased was 20 years of age and a student of *Diploma in Education* ('*D.Ed.*') and was a tutor at *M/s Praveen Tuition Centre*, claimed to be earning Rs.20,000-25,000/- per month. The claimants *i.e.* parents of deceased filed a claim petition claiming Rs.35,00,000/- along with interest. The driver and owner (*Sh. Gopal Ram Jat*) were proceeded *ex parte* and the matter was contested by the Insurance Company. Objections were raised by Insurance Company regarding the driver not having a valid and effective driving licence and a valid permit. Motor Accidents Claims Tribunal (hereinafter, '*Tribunal*') returned a finding in favour of claimants holding that the deceased suffered fatal injuries, due to rash and negligent driving of the offending vehicle by the driver.

Impugned award

4. While calculating compensation, considering that there was no documentary evidence of the earnings of deceased, minimum wages payable to a *matriculate* at **Rs. 7,254/-** per month, were used as benchmark, on which **50%** was added, since the deceased was less than 40 years and a deduction of **50%** was made towards his personal expenses. Multiplier was adopted on the basis of age of the deceased or the age of claimants, whichever was higher; considering that the claimant/ mother of the deceased was 48 years of age at the time of accident, multiplier of **13** was applied.

5. **Rs.25,000/-** for *funeral expenses*, **Rs.25,000/-** for *loss of love and affection* were also awarded. Total compensation payable was **Rs.8,98,718/-**



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along with an interest of 7.5%.

Analysis

6. Relying upon the principles enunciated in *Pranay Sethi*, read along with *Sarla Verma v. DTC* (2009) 6 SCC 121 (*'Sarla Verma'*) and *Reshma Kumari v. Madan Mohan*, (2013) 9 SCC 65 (*'Reshma Kumari'*), Insurance Company sought correction in the following components of compensation: *future prospects* to be awarded at 40% instead of 50%, *multiplier* should be 18 as applicable against the age of deceased rather than 13 as applicable basis the age of parents, *loss of estate* should be Rs.15,000/-, *funeral expenses* at Rs.15,000/- and *loss of consortium* should be Rs.40,000/- + Rs.40,000/- since there were two parents.

7. To this correction, counsel for claimants/*Mr. Parashar* stated that they had no quarrel, considering that principles of *Pranay Sethi* have to be applied at this stage.

8. However, an objection was taken by counsel for Insurance Company regarding the grant of *future prospects*, in that the deceased was neither in permanent employment nor was he holding any regular salary post. No documentary evidence was presented by claimants that he was working as a tutor at *M/s Praveen Tuition Centre* and was a student of D.Ed.

9. To the contrary, counsel for claimants canvassing their cross objection contended that proof was filed before the court, regarding the D.Ed. as also the testimony of PW-1/mother of deceased (*Sh. Kamla*), who stated that the



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deceased was earning Rs.20,000-25,000/- per month. On this basis, it was claimed that minimum wages applied of a *matriculate* were not commensurate with his vocation or the income that he would earn in future after completing D.Ed. Grant of compensation towards future prospects was in consonance with settled principles and the objection of insurance company was untenable.

10. He embellished his arguments by stating that the educational qualifications and professional degree of the deceased have to be considered and not whether he had a consistent job, since the idea is to deal with 'potentiality'.

11. As regards the other components which were sought correction of by the insurance company, he had no quarrel.

12. In support of his submissions, he relied upon the evidence of PW-1/Kamla who stated that her son was a student of D.Ed. in K.D. College of Education, Dadri-Narnaul Road, Pali, Mahendergarh, Haryana and was a tutor, running a tuition centre in the name and style of *M/s Praveen Tuition Centre* earning Rs.20,000-25,000/- per month. He was not only studying, but also running the tuition centre at home and, therefore, earning these amounts. He had the potential for increase in income over passage of time.

13. Reliance was also placed on the marksheet in the Secondary Examination attached at Ex.PW-1/3, as well as the admission card of the D.Ed. course at *K.D. College of Education, Narnaul*.



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14. Further, the certificate issued by the *K.D. College of Education* was on record stating that the deceased was a student in said college and had good character.

15. In her cross-examination, PW-1/Kamla stated that she did not have any evidence with respect to the claim that the deceased was earning Rs.25,000/-.

16. Having considered the respective contentions of parties, this Court is cognizant of the fact that the basic principle is to award a just and reasonable compensation. The Constitutional Bench of Supreme Court in *Pranay Sethi* emphasized that “*just compensation*” under Section 168 of the Motor Vehicle Act 1988 must rest on fairness, reasonableness and equity, avoiding both windfall gains and inadequate awards. The assessment must be grounded in proven age and income, followed by application of the appropriate multiplier as standardized in *Sarla Verma* and affirmed in *Reshma Kumari*. The Court stressed pragmatic and uniform computation, including future prospects, to ensure proximity to real loss. Relevant paragraph is extracted as under:

“55. Section 168 of the Act deals with the concept of “just compensation” and the same has to be determined on the foundation of fairness, reasonableness and equitability on acceptable legal standard because such determination can never be in arithmetical exactitude. It can never be perfect. The aim is to achieve an acceptable degree of proximity to arithmetical precision on the basis of materials brought on record in an individual case. The conception of “just compensation” has to be viewed through the prism of fairness,



reasonableness and non-violation of the principle of equitability. In a case of death, the legal heirs of the claimants cannot expect a windfall. Simultaneously, the compensation granted cannot be an apology for compensation. It cannot be a pittance. Though the discretion vested in the tribunal is quite wide, yet it is obligatory on the part of the tribunal to be guided by the expression, that is, “just compensation”. The determination has to be on the foundation of evidence brought on record as regards the age and income of the deceased and thereafter the apposite multiplier to be applied. The formula relating to multiplier has been clearly stated in Sarla Verma [Sarla Verma v. DTC, (2009) 6 SCC 121 : (2009) 2 SCC (Civ) 770 : (2009) 2 SCC (Cri) 1002] and it has been approved in Reshma Kumari [Reshma Kumari v. Madan Mohan, (2013) 9 SCC 65 : (2013) 4 SCC (Civ) 191 : (2013) 3 SCC (Cri) 826] . The age and income, as stated earlier, have to be established by adducing evidence. The tribunal and the courts have to bear in mind that the basic principle lies in pragmatic computation which is in proximity to reality. It is a well-accepted norm that money cannot substitute a life lost but an effort has to be made for grant of just compensation having uniformity of approach. There has to be a balance between the two extremes, that is, a windfall and the pittance, a bonanza and the modicum. In such an adjudication, the duty of the tribunal and the courts is difficult and hence, an endeavour has been made by this Court for standardisation which in its ambit includes addition of future prospects on the proven income at present. As far as future prospects are concerned, there has been standardisation keeping in view the principle of certainty, stability and consistency. We approve the principle of “standardisation” so that a specific and certain multiplicand is determined for applying the multiplier on the basis of age.”



(emphasis added)

17. In *Sarla Verma*, the Supreme Court underscored that “*just compensation*” must be fair, equitable and consistent, and cannot vary arbitrarily merely because different tribunals perceive different amounts as just. It emphasised that compensation must be objectively assessed, guided by uniform principles to avoid unpredictability and disparity. The Court reiterated that similar facts must yield awards within a consistent range.

Relevant paragraphs are extracted as under:

“16. Compensation awarded does not become “just compensation” merely because the Tribunal considers it to be just. For example, if on the same or similar facts (say the deceased aged 40 years having annual income of Rs 45,000 leaving his surviving wife and child), one Tribunal awards Rs 10,00,000 another awards Rs 5,00,000, and yet another awards Rs 1,00,000, all believing that the amount is just, it cannot be said that what is awarded in the first case and the last case is just compensation. “Just compensation” is adequate compensation which is fair and equitable, on the facts and circumstances of the case, to make good the loss suffered as a result of the wrong, as far as money can do so, by applying the well-settled principles relating to award of compensation. It is not intended to be a bonanza, largesse or source of profit.

17. Assessment of compensation though involving certain hypothetical considerations, should nevertheless be objective. Justice and justness emanate from equality in treatment, consistency and thoroughness in adjudication, and fairness and uniformity in the decision-making process and the decisions. While it may not be possible to have mathematical precision or identical awards in assessing compensation, same or similar facts should lead to awards in the same range. When the factors/inputs are



the same, and the formula/legal principles are the same, consistency and uniformity, and not divergence and freakiness, should be the result of adjudication to arrive at just compensation. In Susamma Thomas [(1994) 2 SCC 176 : 1994 SCC (Cri) 335] , this Court stated: (SCC p. 185, para 16)

“16. ... 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.””

(emphasis added)

18. While the corrections to computation sought to align itself with the principles enunciated in **Pranay Sethi** and must be done, the open issue relates to benchmark income applied for the deceased. While the Tribunal has applied minimum wages of a *matriculate*, the claimants claimed that he was earning Rs.20,000-25,000/- per month in running his own tuition centre.

19. From a perusal of Ex.PW-1/3, where educational certificates of the deceased are presented collectively by PW-1, it can be seen that they contain the certificate of passing of Secondary Examination, admission card of D.Ed. Regular Examination for 1st semester in April 2011, 2nd semester in October 2011 and 3rd semester in April 2012.

20. While ascertaining the compensation granted to legal heirs of a deceased student who was yet to complete his education, the Apex Court in **Meena Pawaia v. Ashraf Ali** (2021) 17 SCC 148 held that income of a student who had a bright future ahead, cannot be considered to be the same



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or less than a skilled labourer earning minimum wages. Relevant paragraphs in this regard are extracted as under:

“10. While awarding the future economical loss, when the deceased died at the young age of 21-22 years and was not earning at the time of death/accident, as per catena of decisions of this Court, the income for the purpose of determining the future economic loss is always done on the basis of guesswork considering many circumstances, namely, the educational qualification and background of the family, etc. Therefore looking to the educational qualification and the family background and as observed hereinabove, the deceased was having a bright future studying in the 3rd year of civil engineering, we are of the opinion that the income of the deceased at least ought to have been considered at least Rs 10,000 per month, more particularly considering the fact that the labourers/skilled labourers were getting Rs 5000 per month even under the Minimum Wages Act in the year 2012.”

(emphasis added)

21. There can be, therefore, no doubt that he was pursuing a D.Ed. Diploma. Whether he was running a tuition centre is not completely clear, since no documentary evidence has been filed in that regard. Only the statement of the mother is available.

22. Considering that the only evidence placed before Court was regarding him passing the Class 10th Matriculate Examination, the Tribunal was possibly right in adopting the minimum wages of a *matriculate*. However, the evidence of him pursuing Diploma in Education was also available, meaning thereby, that he was seeking to equip himself further for working in



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the teaching profession and, therefore, one must account for the attempts and pursuits of the deceased to be self-employed and earn additional income, which must be included for while assessing his income.

23. In addition, upon the testimony of mother that he was running his tuition centre with specifics about name of tuition centre and that he was running the centre from his home, which testimony remained unrebutted, it may be relevant to consider a more reasonable amount in order to calculate the benchmark income.

24. Tackling the question of computing the income of an injured person in the absence of documentary evidence to support his claim, the Apex Court in ***Chandra v. Mukesh Kumar Yadav*** (2022) 1 SCC 198 held that merely because claimants were unable to produce documentary evidence to show the monthly income of deceased, would not justify adoption of lowest tier of minimum wage while computing the income. Relevant paragraphs are extracted as under:

“9. It is the specific case of the claimants that the deceased was possessing heavy vehicle driving licence and was earning Rs 15,000 per month. Possessing such licence and driving of heavy vehicle on the date of accident is proved from the evidence on record. Though the wife of the deceased has categorically deposed as AW 1 that her husband Shivpal was earning Rs 15,000 per month, same was not considered only on the ground that salary certificate was not filed. The Tribunal has fixed the monthly income of the deceased by adopting minimum wage notified for the skilled labour in the year 2016. In absence of salary certificate the minimum wage



notification can be a yardstick but at the same time cannot be an absolute one to fix the income of the deceased. In absence of documentary evidence on record some amount of guesswork is required to be done. But at the same time the guesswork for assessing the income of the deceased should not be totally detached from reality. Merely because the claimants were unable to produce documentary evidence to show the monthly income of Shivpal, same does not justify adoption of lowest tier of minimum wage while computing the income. There is no reason to discard the oral evidence of the wife of the deceased who has deposed that late Shivpal was earning around Rs 15,000 per month.”

(emphasis added)

25. This view was recently re-affirmed by the Apex Court in *Nur Ahamad Abdulsab Kanavi v. Abdul Munaf* 2025 SCC OnLine SC 284, wherein the claimant’s monthly income was adjudged at Rs. 10,000 after taking into account the oral evidence of PW/1 (wife of injured) which was not discarded in the absence of material evidence on record.

26. In the opinion of this Court, a figure of **Rs.10,000/-** can be taken as the income of deceased rather than purely taking the minimum wages.

27. Accordingly, the impugned award shall stand modified and the compensation recalculated will be as under:

S. No.	Heads of compensation	Awarded by the Tribunal	Awarded by this Court
1	Income of deceased (A)	Rs. 7,254	Rs. 10,000
2	Add Future Prospects (B)	Rs. 3,627	Rs. 4,000
3	Less Personal expenses of the	Rs. 5,440.5	Rs. 7,000



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	deceased (C)		
4	Monthly loss of dependency [(A +B)-C = D]	Rs. 5,440.5	Rs. 7,000
5	Annual loss of dependency (Dx12)	Rs. 65,286	Rs. 84,000
6	Multiplier (E)	13	18
7	Total loss of dependency (Dx12xE = F)	Rs. 8,48,718	Rs. 15,12,000
8	Medical expenses (G)	-	-
9	Compensation for loss of consortium (H)	-	Rs. 80,000 (40,000 x 2)
10	Compensation for loss of love and affection (I)	Rs. 25,000	-
11	Compensation for loss of estate (J)	-	Rs. 15,000
12	Compensation towards funeral expenses (K)	Rs. 25,000	Rs. 15,000
13	Total compensation (F+G+H+I+J+K = L)	Rs. 8,98,718	Rs. 16,12,000
14	Rate of Interest Awarded	7.5%	7.5%
15	Total amount of enhancement	Rs. 7,13,282	

Conclusion

28. *Vide* order dated 10th February, 2014, this Court had granted a stay on the execution of impugned award, subject to deposit of the entire awarded amount along with upto date interest accrued thereon with the Registrar General of this Court within a period of five weeks.

29. On deposit, the Registrar General was to release 80% of the awarded amount in favour of the respondents/claimants as per the terms and conditions fixed by the Tribunal through UCO Bank, High Court of Delhi Branch. Registrar General was further directed to keep rest of the amount in the form of an interest-bearing FDR with UCO Bank, Delhi High Court Branch, New Delhi initially for a period of one year to be renewed periodically.



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30. In view of the above observations, each of these Appeals are partially allowed and the compensation awarded is enhanced by Rs. 7,13,282/- at an interest of 7.5% per annum. Appellant/Insurance Company is directed to deposit the said amount before the Registrar General of this Court within a period of 4 weeks from today.

31. The amount already deposited with the Registrar General of this Court, along with the recomputed amount shall be disbursed as per the directions specified in *paragraph 45* of the impugned award.

32. The Registrar General of this Court shall ensure that the amounts are disbursed to the claimants after due verification and upon their furnishing necessary bank account particulars.

33. Appeals are accordingly disposed of. Pending applications, if any, are rendered infructuous.

34. Statutory deposit, if any, be refunded to Appellant/Insurance Company.

35. Judgment be uploaded on the website of this Court.

**ANISH DAYAL
(JUDGE)**

JANUARY 29, 2026/MK/sp