RESEARCH QUESTION

> *"How does compensation for road accident injury or death work at the Motor Accident Claims Tribunal in India, who can claim, what is the no-fault liability under Section 164 of the Motor Vehicles Act, and what compensation principles have courts laid down?"*

How does compensation for road accident injury or death work at the Motor Accident Claims Tribunal (MACT) in India, who can claim, what is the no-fault liability under Section 164 of the Motor Vehicles Act, and what compensation principles have courts laid down?

TL;DR

Compensation for motor accident injury or death in India is governed by the principle of "just compensation" to restore victims to their pre-accident position. The Supreme Court in *Sidram v. The Divisional Manager, United India Insurance Co. Ltd.* (2022) established that this standard requires factoring in future prospects even for serious non-fatal injuries. While fault-based claims under Section 166 require proving negligence, Section 164 of the Motor Vehicles Act, 1988 provides an absolute, statutory no-fault remedy for death or grievous hurt.

VERIFIED CASES	STATUTES	LATEST RULING
25	5	2025
12 *High Courts* · 13 *SC*		*Calcutta High Court*

CONTENTS

I. Detailed Analysis

KEY PRINCIPLES ESTABLISHED

01 Locus Standi of Non-Dependent Legal Representatives

Any legal representative of the deceased can maintain a claim petition under Section 166 of the Motor Vehicles Act, and their right is not restricted by financial dependency or strict rules of intestate succession, as established in *The Oriental Insurance Co. Ltd. v. Yesodha* (2017).

02 The Concept of 'Just Compensation' as a Fair Measure

The primary duty of the tribunal is to award "just and reasonable" compensation, which must neither be a speculative windfall or bonanza nor a niggardly pittance, as highlighted in *Sajjan Raj Jain v. Singhara Singh* (*MA*/334/2004) (2009).

03 Inclusion of Future Prospects and Career Growth

In assessing the loss of dependency, the court must pragmatically approximate the deceased's future career prospects, promotions, and incremental salary increases rather than relying on a static present income, as seen in *Raj Rani & Ors. v. Oriental Insurance Co. Ltd. & Ors.* (2009).

04 Discretionary Award of Interest Based on Bank Rates

While the Motor Vehicles Act does not prescribe a fixed statutory rate of interest on the compensation awarded, the tribunal must exercise its discretion rationally, typically aligning the interest rate with prevailing bank rates, as held in *Abati Bezbaruah v. Dy. Director General, Geological Survey of India* (2003).

05 Survival of Claims to Subsequent Legal Representatives

The right of a legal representative to seek compensation for the victim's death survives the legal representative's own death and passes on to their own legal heirs, as illustrated in *Saraswathy Amma v. Ashok Kumar* (2015).

06 Strict Prohibition on Routine Application of Split Multipliers

Tribunals and courts should not routinely apply the split multiplier method—which assumes a drop in income after retirement—unless there is specific, corroborative evidence on record justifying such a departure, as held in *Puttamma v. K. L. Narayana Reddy* (2013).

HOW THE COURTS HAVE APPLIED THIS

SUPREME COURT POSITION	The Supreme Court has repeatedly clarified that the structured compensation scheme under Section 163-A (and subsequently Section 164) represents a final, distinct, and statutory no-fault remedy that is mutually exclusive with fault-based claims under Section 166, meaning the claimant must elect their remedy and cannot pursue both, as ruled in *Deepal Girishbhai Soni v. United India Assurance Co. Ltd.* (2004). Furthermore, under fault-based claims, the standard of proof is the preponderance of probabilities, and the insurer cannot evade liability unless it establishes a clear, statutory breach of the policy conditions, as observed in *Guttula Ramu v. Royal Sundaram Alliance Insurance Co. Ltd.* (2023).
HIGH COURT VARIATIONS	High Courts have consistently expanded the class of claimants, holding that even non-dependent relatives such as married daughters or major sons are fully entitled to claim compensation because the statute does not distinguish on the basis of dependency, as determined in *Andhra Pradesh State Road Transport Corporation v. K. Lakshmi* (2023). Additionally, where legal representatives are not dependent, their compensation under Section 166 may be restricted to the statutory no-fault amount to prevent unjust enrichment, as held in *Oriental Insurance Company Ltd. v. Moolchand* (2012).
RECENT EVOLUTION	Post-2019 amendments to the Motor Vehicles Act, courts have affirmed that the principle of "no-fault" liability remains fully active and is manifested in Section 164, which mandates fixed compensation for death or grievous hurt without requiring proof of negligence or wrongful act, as analyzed in *High Court at Calcutta v. Pratik Bhattacharya* (2025).

UNSETTLED AREAS OR CAVEATS

Mutual Exclusivity and Owner's Claims

A significant caveat exists in that the legal representatives of a deceased owner or driver who stepped into the shoes of the owner cannot claim under the no-fault structured formula since the owner cannot be a recipient of compensation where they are the liable party, as decided in *Ningamma & Anr. v. United India Insurance Co. Ltd.* (2009).

Election of Alternative Statutes

If a claimant opts to pursue compensation under the Workmen's Compensation Act, 1923, they are bound by the doctrine of election of remedies and are completely precluded from subsequently seeking benefits or drawing inspiration from the Motor Vehicles Act, 1988, except as specifically saved by Section 167, as established in *National Insurance Company Ltd. v. Mastan* (2005).

II. Statutory Provisions

5 PROVISIONS

SECTION 164, MOTOR VEHICLES ACT, 1988 — PAYMENT OF COMPENSATION IN CASE OF DEATH OR GRIEVOUS HURT, ETC.

Establishes structured, no-fault liability for motor accidents, mandating compensation of five lakh rupees for death and two and a half lakh rupees for grievous hurt without requiring claimants to prove any wrongful act or neglect.

> "(1) Notwithstanding anything contained in this Act or in any other law for the time being in force or instrument having the force of law, the owner of the motor vehicle or the authorised insurer shall be liable to pay in the case of death or grievous hurt due to any accident arising out of the use of motor vehicle, a compensation, of a sum of five lakh rupees in case of death or of two and a half lakh rupees in case of grievous hurt to the legal heirs or the victim, as the case may be.
>
> (2) In any claim for compensation under sub-section (1), the claimant shall not be required to plead or establish that the death or grievous hurt in respect of which the claim has been made was due to any wrongful act or neglect or default of the owner of the vehicle or of the vehicle concerned or of any other person.
>
> (3) Where, in respect of death or grievous hurt due to an accident arising out of the use of motor vehicle, compensation has been paid under any other law for the time being in force, such amount of compensation shall be reduced from the amount of compensation payable under this section." *Cited in*: raised in the research question

SECTION 165, MOTOR VEHICLES ACT, 1988 — CLAIMS TRIBUNALS

Empowers the State Government to constitute Motor Accidents Claims Tribunals to adjudicate claims for compensation arising out of motor vehicle accidents resulting in death, bodily injury, or third-party property damage.

> "(1) A State Government may, by notification in the Official Gazette, constitute one or more Motor Accidents Claims Tribunals (hereafter in this Chapter referred to as Claim Tribunal) for such area as may be specified in the notification for the purpose of adjudicating upon claims for compensation in respect of accidents involving the death of, or bodily injury to, persons arising out of the use of motor vehicles, or damages to any property of a third party so arising, or both." *Cited in*: not explicitly cited in the retrieved case snippets

SECTION 168, MOTOR VEHICLES ACT, 1988 — AWARD OF THE CLAIMS TRIBUNAL

Directs the Claims Tribunal to hold an inquiry into claims after notifying the parties and issue an award determining a just amount of compensation to be paid by the insurer, owner, or driver.

> "(1) On receipt of an application for compensation made under section 166, the Claims Tribunal shall, after giving notice of the application to the insurer and after giving the parties (including the insurer) an opportunity of being heard, hold an inquiry into the claim or, as the case may be, each of the claims and, subject to the provisions of section 162 may make an award determining the amount of compensation which appears to it to be just and specifying the person or persons to whom compensation shall be paid and in making the award the Claims Tribunal shall specify the amount which shall be paid by the insurer or owner or driver of the vehicle involved in the accident or by all or any of them, as the case may be." *Cited in*: Koya Shankar v. Andhra Pradesh State Road Transport Corporation, Guttula Ramu v. Royal Sundaram Alliance Insurance Co. Ltd., Oriental Insurance Company Ltd. v. Moolchand, National Insurance Company Ltd. v. Kusuma and Anr., A Eshwarappa v. C.S. Gurushanthappa, K.R. Madhusudhan & Ors. v. Administrative Officer & Anr., National Insurance Company Ltd. v. Mastan, Raj Rani & Ors. v. Oriental Insurance Co. Ltd. & Ors., The New India Assurance Co. Ltd. v. Shweta Dilip Mehta, Andhra Pradesh State Road Transport Corporation v. K. Lakshmi, Saraswathy Amma v. Ashok Kumar

SECTION 166, MOTOR VEHICLES ACT, 1988 — APPLICATION FOR COMPENSATION

Specifies who can apply for compensation before the Claims Tribunal, the jurisdictional options for filing, the six-month limitation period, and the survival of the claim to legal representatives.

> "(1) An application for compensation arising out of an accident of the nature specified in sub-section (1) of section 165 may be made-- (a) by the person who has sustained the injury; or (b) by the owner of the property; or (c) where death has resulted from the accident, by all or any of the legal representatives of the deceased; or (d) by any agent duly authorised by the person injured or all or any of the legal representatives of the deceased, as the case may be: Provided that where all the legal representatives of the deceased have not joined in any such application for compensation, the application shall be made on behalf of or for the benefit of all the legal representatives of the deceased and the legal representatives who have not so joined, shall be impleaded as respondents to the application. Provided further that where a person accepts compensation under section 164 in accordance with the procedure provided under section 149, his claims petition before the Claims Tribunal shall lapse. (2) Every application under sub-section (1) shall be made, at the option of the claimant, either to the Claims Tribunal having jurisdiction over the area in which the accident occurred or to the Claims Tribunal within the local limits of whose jurisdiction the claimant resides or carries on business or within the local limits of whose jurisdiction the defendant resides, and shall be in such form and contain such particulars as may be prescribed (3) No application for compensation shall be entertained unless it is made within six months of the occurrence of the accident. (4) The Claims Tribunal shall treat any report of accidents forwarded to it under section 159 as an application for compensation under this Act. (5) Notwithstanding anything in this Act or any other law for the time being in force, the right of a person to claim compensation for injury in an accident shall, upon the death of the person injured, survive to his legal representatives, irrespective of whether the cause of death is relatable to or had any nexus with the injury or not."
> *Cited in*: National Insurance Company Ltd. v. Kusuma and Anr., K.R. Madhusudhan & Ors. v. Administrative Officer & Anr., The New India Assurance Co. Ltd. v. Shweta Dilip Mehta, Andhra Pradesh State Road Transport Corporation v. K. Lakshmi, Saraswathy Amma v. Ashok Kumar

SECTION 169, MOTOR VEHICLES ACT, 1988 — PROCEDURE AND POWERS OF CLAIMS TRIBUNALS

Vests the Motor Accidents Claims Tribunal with the powers of a Civil Court for taking evidence, enforcing attendance, and discovery of documents.

> "(2) The Claims Tribunal shall have all the powers of a Civil Court for the purpose of taking evidence on oath and of enforcing the attendance of witnesses and of compelling the discovery and production of documents and material objects and for such other purposes as may be prescribed; and the Claims Tribunal shall be deemed to be a Civil Court for all the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973." *Cited in*: raised in the research question, Koya Shankar v. Andhra Pradesh State Road Transport Corporation, Guttula Ramu v. Royal Sundaram Alliance Insurance Co. Ltd., Oriental Insurance Company Ltd. v. Moolchand, National Insurance Company Ltd. v. Kusuma and Anr., A Eshwarappa v. C.S. Gurushanthappa, K.R. Madhusudhan & Ors. v. Administrative Officer & Anr., National Insurance Company Ltd. v. Mastan, Raj Rani & Ors. v. Oriental Insurance Co. Ltd. & Ors., The New India Assurance Co. Ltd. v. Shweta Dilip Mehta, Andhra Pradesh State Road Transport Corporation v. K. Lakshmi, Saraswathy Amma v. Ashok Kumar

III. Cases Discussed

25 CASES · SUMMARY TABLE

#	CASE TITLE	COURT	YEAR	KEY HOLDING
01	*Sajjan Raj Jain v. Singhara Singh* (MA/ 334/2004) CGHC010051212004	HIGH COURT OF CHHATTISGARH	2009	Compensation must be just, reasonable, and equitable, rather than a windfall or bonanza.
02	*Sajjan Raj Jain v. Singhara Singh* (MA/ 326/2004) CGHC010089692004	HIGH COURT OF CHHATTISGARH	2009	Affirms that motor accident compensation cannot be a windfall or bonanza.
03	*United India Insurance Co. Ltd. v. Kaushalya Devi* DLHC010645782006	HIGH COURT OF DELHI	2007	Adherence to the structured formula for motor accident claims is strictly mandatory.
04	*Ningamma & Anr. v. United India Insurance Co. Ltd.* ESCR010012122009	SUPREME COURT OF INDIA	2009	Owner or borrower of a vehicle cannot claim compensation under Section 163-A.
05	*Guttula Ramu v. Royal Sundaram Alliance Insurance Co. Ltd.* APHC010503622016	HIGH COURT OF ANDHRA PRADESH	2023	Compensation must cover disability, medical expenses, pain, suffering, and future prospects.
06	*National Insurance Company Ltd. v. Mastan* ESCR010006062005	SUPREME COURT OF INDIA	2005	Claimant must elect remedy between Motor Vehicles Act and Workmen's Compensation Act.
07	*Abati Bezbaruah v. Dy. Director General, Geological Survey of India* ESCR010000212003	SUPREME COURT OF INDIA	2003	Tribunals have wide discretion to award interest based on prevailing bank rates.
08	*United India Insurance Co. Ltd. v. Pushpaben wd/o. Rampal Adiwal* GJHC240057542001	HIGH COURT OF GUJARAT	2003	Section 163-A provides structured, no-fault compensation as an alternative to fault-based claims.
09	*High Court at Calcutta v. Pratik Bhattacharya* WBCHCA0114152025	CALCUTTA HIGH COURT	2025	Section 164 continues the core principle of no-fault liability post-2019 amendment.
10	*The Oriental Insurance Co. Ltd. v. Yesodha* HCMA010109972014	MADRAS HIGH COURT	2017	Right to claim compensation belongs to legal representatives, independent of financial dependency.
11	*National Insurance Company Ltd. v. Kusuma and Anr.* ESCR010000292011	SUPREME COURT OF INDIA	2011	Compensation for an unborn child's death must be just, not a wild guess.

#	CASE TITLE	COURT	YEAR	KEY HOLDING
12	*Chairman, Thiruvalluvar Transport Corporation v. Consumer Protection Council* ESCR010001311995	SUPREME COURT OF INDIA	1995	Accident claims fall exclusively under Claims Tribunal's jurisdiction, ousting other forums.
13	*Koya Shankar v. Andhra Pradesh State Road Transport Corporation* APHC010258712019	HIGH COURT OF ANDHRA PRADESH	2023	Standard of proof is preponderance of probabilities, not beyond reasonable doubt.
14	*Andhra Pradesh State Road Transport Corporation v. K. Lakshmi* HCMA010485292020	MADRAS HIGH COURT	2023	Legal representatives, including married daughters and major sons, have locus to claim.
15	*Sidram v. The Divisional Manager, United India Insurance Co. Ltd.* ESCR010004992022	SUPREME COURT OF INDIA	2022	Just compensation includes future prospects in serious injury cases causing permanent disablement.
16	*K.R. Madhusudhan & Ors. v. Administrative Officer & Anr.* ESCR010003672011	SUPREME COURT OF INDIA	2011	Split multiplier method is rejected in the absence of specific evidence or reasons.
17	*A Eshwarappa v. C.S. Gurushanthappa* ESCR010000322010	SUPREME COURT OF INDIA	2010	Minimum no-fault compensation must be paid independently of fault-based liability.
18	*United India Insurance Co. Ltd. v. Sunil Kumar & Anr.* ESCR010000482017	SUPREME COURT OF INDIA	2017	Insurer cannot plead victim's negligence as a defense under Section 163-A.
19	*Machindranath Kernath Kasar v. D.S. Mylarappa* ESCR010013452008	SUPREME COURT OF INDIA	2008	Motor accident claims require establishing liability unless opting for structured no-fault schemes.
20	*Oriental Insurance Company Ltd. v. Moolchand* CGHC010020272008	HIGH COURT OF CHHATTISGARH	2012	Non-dependent legal representatives' compensation is limited to the statutory no-fault amount.
21	*The New India Assurance Co. Ltd. v. Shweta Dilip Mehta* HCBM010132852008	BOMBAY HIGH COURT	2009	Multiplier method ensures uniformity and certainty in determining loss of future income.
22	*Deepal Girishbhai Soni v. United India Assurance Co. Ltd.* ESCR010001912004	SUPREME COURT OF INDIA	2004	Structured formula and fault-based claims are separate, mutually exclusive, final remedies.
23	*Saraswathy Amma v. Ashok Kumar* KLHC010379882014	HIGH COURT OF KERALA	2015	Right of a legal representative to seek compensation survives their death.
24	*Puttamma v. K. L. Narayana Reddy* ESCR010002612013	SUPREME COURT OF INDIA	2013	Reaffirms that split multipliers should not be routinely applied under Section 166.

#	CASE TITLE	COURT	YEAR	KEY HOLDING
25	*Raj Rani & Ors. v. Oriental Insurance Co. Ltd. & Ors.* ESCR010010652009	SUPREME COURT OF INDIA	2009	Future career prospects must be considered when calculating dependency loss.

IV. Case Details

25 CASE FILES

01 Sajjan Raj Jain v. Singhara Singh (MA/334/2004)

HIGH COURT OF CHHATTISGARH · 2009-02-02 · MA/334/2004

This matter concerned two appeals for the enhancement of compensation awarded following the deaths of two students in a motor vehicle accident involving a truck. The claimants, parents of the deceased, argued that the Tribunal had incorrectly assessed the monthly income of the deceased and applied an insufficient multiplier. The High Court rejected these arguments, observing that even if it adopted the higher notional income suggested by the appellants, the calculation of dependency using established legal principles would not result in a higher compensation amount than what was already awarded. Emphasizing that compensation must be just and reasonable rather than a windfall, the Court found no merit in the appeals and dismissed them at the admission stage.

HELD The High Court held that the Claims Tribunal has a statutory obligation to award compensation that is "just and reasonable," rather than a windfall or bonanza. Since the calculated dependency based on proper legal principles did not exceed the awarded sum, the court declined to enhance the award.

> “Thelawinrelationtoawardingcompensationinaccidentcases iswellsettled.UndertheMotorVehiclesAct,1988theTribunalsare underobligationtoaward“justandreasonable”compensationtothe genuineclaimantsafterdeterminingthefactumofaccidentasalso thefacturnofrashandnegligentactonthepartofdriverofthe offendingvehicle.Ithastobeborneinmindthatthecompensation isnotexpectedtobewindfallforthevictim.Thestatutoryprovisions clearlycommunicatethatthecompensationmustbejustandit cannotbeabonanza.”

HIGH COURT OF CHHATTISGARH · 2009 | SOURCE CGHC010051212004

02 Sajjan Raj Jain v. Singhara Singh (MA/326/2004)

HIGH COURT OF CHHATTISGARH · 2009-02-02 · MA/326/2004

This case involved two appeals filed by the parents of two deceased individuals, Sheetal Jain and Neelesh Jain, who died in a motor vehicle accident involving a truck. The appellants sought an enhancement of the compensation awarded by the Motor Accident Claims Tribunal. They argued that the Tribunal had incorrectly assessed the income of the deceased and applied a low multiplier. Upon review, the Court found that even if it adopted the appellants' suggested notional income, the application of appropriate multipliers based on legal precedents would not result in a higher compensation amount than what was already awarded. Consequently, the High Court determined the original awards were just and reasonable, dismissing the appeals for lacking merit.

HELD The High Court reiterated that the fundamental criterion under the Act is the award of "just" compensation, reflecting equitability, fairness, reasonableness, and non-arbitrariness based on the facts and circumstances.

> “Thelawinrelationtoawardingcompensationinaccidentcases iswellsettled.UndertheMotorVehiclesAct,1988theTribunalsare underobligationtoaward“justandreasonable”compensationtothe genuineclaimantsafterdeterminingthefactumofaccidentasalso thefactumofrashandnegligentactonthepartofdriverofthe offendingvehicle.Ithastobeborneinmindthatthecompensation isnotexpectedtobewindfallforthevictim.Thestatutoryprovisions clearlycommunicatethatthecompensationmustbejustandit cannotbeabonanza.”

HIGH COURT OF CHHATTISGARH · 2009 | SOURCE CGHC010089692004

03 United India Insurance Co. Ltd. v. Kaushalya Devi

HIGH COURT OF DELHI · 2007-03-14 · MAC.APP./898/2006

This appeal concerned the assessment of compensation under Section 163-A of the Motor Vehicles Act, 1988. The court examined whether a Motor Accident Claims Tribunal could grant compensation exceeding the statutory annual income limit of Rs. 40,000 specified in the Second Schedule, and whether future income increases could be considered in such assessments. Relying on Supreme Court precedent, the court held that compensation must strictly adhere to the structured formula under the Act and cannot exceed the limits set by the Second Schedule. Consequently, the court reduced the compensation awarded by the lower tribunal to reflect the deceased's actual proven income and an appropriate multiplier.

HELD The High Court observed that Section 163-A provides a distinct structured formula that has an overriding effect. It serves as a final scheme where the compensation is determined strictly on the basis of a structured formula, unlike Section 140 which provides only a fixed interim amount.

> “Section 163-A which has an overriding effect provides for special provisions as to payment of compensation on structured formula basis. Sub- section (1) of Section 163-A contains non-obstante clause in terms whereof the owner of the motor vehicle or the authorized insurer is liable to pay in the case of death or permanent disablement due to accident arising out of the use of motor vehicle, compensation, as indicated in the Second Schedule, to the legal heirs or the victim, as the case may be, Sub-section (2) of Section 163-A is in pari materia Sub-section (3) of Section 140 of the Act.”

HIGH COURT OF DELHI · 2007 | SOURCE DLHC010645782006

04 Ningamma & Anr. v. United India Insurance Co. Ltd.

SUPREME COURT OF INDIA · 2009-05-13 · 2009 INSC 803

The case concerns whether the legal representatives of a deceased who died while driving a borrowed vehicle in a single-vehicle accident are entitled to compensation under Section 163-A of the Motor Vehicles Act. The High Court had dismissed the claim, reasoning that the deceased was not a third party and that the section did not apply to such incidents. The Supreme Court observed that whether the claimants can recover compensation involves unresolved factual questions, including the applicability of the insurance policy terms and the driver's negligence. Consequently, the Court remanded the matter to the High Court for a fresh decision on the merits, emphasizing that claimants should not be deprived of just compensation if a valid legal basis exists.

HELD The Supreme Court held that the owner or the legal representatives of the deceased owner (including borrowers stepping into their shoes) cannot claim compensation under Section 163-A, because the liability to pay compensation is on the owner themselves. However, a claim under Section 166 can be maintained if the legal representatives prove the deceased was not negligent.

> “When an application of the aforesaid nature claiming A compensation under the provisions of Section 166 is received, the Tribunal is required to hold an enquiry into the claim and then proceed to make an award which, however, would be subject to the provisions of Section 162, by determining the amount of compensation, which is found to be just. Person or B persons who made claim for compensation would thereafter be paid such amount. When such a claim is made by the legal representatives of the deceased, it has to be proved that the deceased was not himself responsible for the accident by his rash and negligent driving.”

SUPREME COURT OF INDIA · 2009 | SOURCE ESCR010012122009

05 Guttula Ramu v. Royal Sundaram Alliance Insurance Co. Ltd.

HIGH COURT OF ANDHRA PRADESH · 2023-06-20 · MACMA/389/2016

This case involved cross-appeals arising from a motor vehicle accident claim. The claimant sustained multiple fractures and permanent disability after an auto-rickshaw hit his motorcycle. The Motor Accidents Claims Tribunal awarded compensation, but the insurance company challenged its liability, arguing that the driver held only a learner's license and breached policy conditions. The claimant sought an enhancement of the compensation amount. The High Court reviewed the claims under Section 163-A of the Motor Vehicles Act, which allows for compensation based on a structured formula without needing to prove negligence. The Court affirmed the liability of the insurer and upheld the Tribunal's decision, finding the compensation awarded was just and reasonable given the evidence provided.

HELD The Court held that "just compensation" under Section 168 must cover multiple heads including pain, suffering, trauma, loss of future income, medical expenses, and loss of expectation of life. It must be determined through a pragmatic approximation without mathematical exactitude.

> “Therefore, Section 168 of the Motor Vehicles Act, 1988(for brevity 'the Act') stipulates that there should be grant of "just compensation". Thus, it becomes a challenge for a court of law to determine "just compensation" which is neither a bonanza nor a windfall, and simultaneously, should not be a pittance”

HIGH COURT OF ANDHRA PRADESH · 2023 | SOURCE APHC010503622016

06 National Insurance Company Ltd. v. Mastan

SUPREME COURT OF INDIA · 2005-12-09 · 2005 INSC 611

The case addressed whether an insurer, in proceedings under the Workmen's Compensation Act, 1923, is limited by the specific defences available under the Motor Vehicles Act, 1988. The court held that the two statutes are self-contained codes and that a claimant must elect to pursue compensation under one or the other, but not both. By choosing the forum of the Workmen's Compensation Act, a claimant cannot invoke provisions of the Motor Vehicles Act, 1988, that are not expressly incorporated. Consequently, the restrictions on insurer defences found in the Motor Vehicles Act do not automatically apply to proceedings under the 1923 Act, and the doctrine of election precludes the claimant from seeking the benefits of both regimes simultaneously.

HELD The Supreme Court held that Section 167 of the Motor Vehicles Act incorporates the doctrine of election of remedies. A claimant who is entitled to seek compensation under both the Motor Vehicles Act and the Workmen's Compensation Act must choose one forum and is precluded from claiming under both.

> “On the establishment of a Claims Tribunal in tenns of Section 165 of the Motor Vehicles Act, 1988, the victim of a motor accident has a right to apply for compensation in tenns of Section 166 of that Act before that Tribunal. On the establishment of the Claims Tribunal, the jurisdiction of the Civil Court to entertain a claim for compensation arising out of a motor accident, stands ousted by Section .175 of that Act.”

SUPREME COURT OF INDIA · 2005 | SOURCE ESCR010006062005

07 Abati Bezbaruah v. Dy. Director General, Geological Survey of India

SUPREME COURT OF INDIA · 2003-02-14 · 2003 INSC 92

This case concerned an appeal against a compensation award following a fatal motor vehicle accident. The appellant challenged the quantum of compensation and the interest rate awarded by the High Court. The Supreme Court examined the determination of loss of dependency, emphasizing that while structured formulas under the Motor Vehicles Act should guide calculations, courts should aim for a 'just and fair' award based on the victim's future prospects and age. The Court increased the compensation by adjusting the annual income estimate and maintained the applied multiplier. Regarding interest, the Court clarified that there is no fixed statutory rate under the Motor Vehicles Act; interest is discretionary and should typically reflect the prevailing bank rate at the time.

HELD The Supreme Court held that the rate of interest on motor accident compensation awards depends on the facts of each case and should normally reflect the prevailing bank rate, modifying the rate in this instance to 9% per annum. It also affirmed that structured formulas should not ordinarily be deviated from.

> “Rate of interest on compensation/Award would depend upon the facts and circumstances of each case. Award of interest would normally depend upon the bank rate prevailing at the relevant time. The amount of interest should, having regard to the facts and circumstances of the case, be paid at the rate of 9% per annum.”

SUPREME COURT OF INDIA · 2003 | SOURCE ESCR010000212003

08 United India Insurance Co. Ltd. v. Pushpaben wd/o. Rampal Adiwal

HIGH COURT OF GUJARAT · 2003-10-15 · FA/3688/2001

This appeal concerned a challenge to a motor accident compensation award granted by the Motor Accident Claims Tribunal. The claimants sought relief under Section 163-A of the Motor Vehicles Act, which allows for no-fault liability compensation based on a structured formula. During the appeal, the claimants opted to withdraw their pending application under Section 166 and accepted the tribunal's award as a full and final settlement, rendering the core of the insurance company's appeal infructuous. The High Court upheld the award but modified the interest rate. Citing precedent, the court reduced the interest payable on the compensation from 12% per annum to 9% per annum, calculated from the date of the application until realization.

HELD The High Court held that the structured formula under Section 163-A was introduced to pay compensation without long-drawn litigation, eliminating the requirement to plead or prove wrongful act, neglect, or default, and serving as a social security alternative to fault-based claims.

> “If such affected claimant opts for accepting the lump-sum compensation based on structured formula, he would get relief at the earliest. It also gives vital advantage of not pleading or establishing any wrongful act or neglect or default of the owner of the offending vehicle or vehicles.”

HIGH COURT OF GUJARAT · 2003 | SOURCE GJHC240057542001

09 High Court at Calcutta v. Pratik Bhattacharya

CALCUTTA HIGH COURT · 2025-03-10 · MAT/343/2025

This case involved a challenge to a multiple-choice question in a recruitment examination for District Judges. The writ petitioner contested the accuracy of a question regarding 'no fault' liability under the Motor Vehicles Act, 2019, leading the Single Bench to order the award of marks for the disputed question. The High Court Administration appealed this decision. The Division Bench held that judicial review of examination questions is limited and that courts should not substitute their opinion for that of the selection committee or engage in academic scrutiny. Finding no material error and noting that the challenged legal principle remained relevant post-amendment, the Court set aside the Single Bench order, emphasizing that in cases of doubt, benefit should be given to the examination authority.

HELD The High Court held that the principle of "no-fault" liability was not done away with by the 2019 amendments. Section 164 operates on the hallmark of no-fault principles, as the claimant is not required to plead or establish wrongful act, neglect, or default of the vehicle owner or driver.

> “Upon cursory reading of the provision, as above, it manifests that section 164 though not explicitly categorized under ‘no fault’ liability, however, it operates in conjunction with provisions that do establish ‘no fault’ liability. Claims under section 164 can be pursued without establishing the wrongful act or negligence of the Vehicle owners or driver, which is hallmark of principles of ‘no fault’ liability.”

CALCUTTA HIGH COURT · 2025 | SOURCE WBCHCA0114152025

10 The Oriental Insurance Co. Ltd. v. Yesodha

MADRAS HIGH COURT · 2017-01-02 · CMA/1329/2014

The appellant insurance company challenged a motor accident compensation award, arguing that the policy did not cover the deceased, who was the rider of the insured vehicle. The court dismissed the appeal, noting that the insurer failed to produce the relevant terms and conditions of the insurance policy, thereby failing to discharge its burden of proof. Additionally, the court clarified that a father is entitled to seek compensation for the death of his son regardless of whether he is named in a legal heir certificate. The court emphasized that the right to claim compensation under the Motor Vehicles Act is based on the status of a legal representative, not merely on inheritance status or dependency.

HELD The High Court held that the entitlement to compensation under the Motor Vehicles Act is distinct from intestate succession. The right of legal representatives to file an application is an enlarged, substantive right that does not depend solely on financial dependency, as loss to the estate remains a compensable factor.

> “Originally, dependency had been considered as a criteria for awarding compensation, but dependency of a legal heir is not the "be all end all" criteria for claiming compensation. ... Still later, the Honourable Supreme Court held that even if there was no dependency, there is a loss to the estate and a person who is a legal representative but not dependent can yet be a beneficiary of the estate.”

MADRAS HIGH COURT · 2017 | SOURCE HCMA010109972014

11 National Insurance Company Ltd. v. Kusuma and Anr.

SUPREME COURT OF INDIA · 2011-08-23 · 2011 INSC 600

This case concerns the determination of compensation under the Motor Vehicles Act, 1988, following an accident where a pregnant woman lost her child in utero. The Motor Accident Claims Tribunal awarded compensation for the loss of the unborn child and the mother's pain and suffering, which the High Court subsequently enhanced. The Supreme Court considered whether this compensation was 'just' as required by Section 168 of the Act. While noting that the lower courts failed to provide a reasoned basis for the specific quantum of the award, the

Supreme Court declined to interfere, concluding that remanding the case after so many years would be excessively harsh on the claimant.

HELD The Supreme Court held that Section 168 casts an obligation on the Tribunal to determine compensation that is "just", denoting equity, fairness, and reasonableness. While tribunals have wide discretion, the exercise must be carried out rationally by accepted legal standards, avoiding both wild guesswork and windfall awards.

> “The word "just" connotes something which is equitable, fair and reasonable, conforming to rectitude and justice and not arbitrary. ... The amount of compensation awarded is not expected to be a windfall or bonanza for the victim or his dependent, as the case may be, but at the same time it should not be niggardly or a pittance.”

SUPREME COURT OF INDIA · 2011 | SOURCE ESCR010000292011

12 Chairman, Thiruvalluvar Transport Corporation v. Consumer Protection Council

SUPREME COURT OF INDIA · 1995-02-09 · 1995 INSC 107

This case involved a dispute over whether the National Consumer Disputes Redressal Commission had the jurisdiction to award compensation for a fatal motor vehicle accident, or if such claims fell exclusively under the purview of the Motor Accident Claims Tribunal. The Supreme Court ruled that the Motor Vehicles Act is a special law specifically designed to handle accident-related compensation claims. Consequently, the general provisions of the Consumer Protection Act did not apply, as the fatal injury did not constitute a deficiency in service under that Act. The Court held that the National Commission lacked the jurisdiction to entertain the complaint, affirming that claims of this nature must be adjudicated by the Claims Tribunal constituted under the Motor Vehicles Act.

HELD The Supreme Court held that the Claims Tribunal has exclusive jurisdiction under the Motor Vehicles Act, 1988 to adjudicate motor accident claims, and Section 175 specifically ousts the jurisdiction of Civil Courts. Consequently, alternative forums such as the Consumer Forum cannot award accident compensation.

> “Section 165 provides that a State Government may, by notification in the Official Gazette, constitute one or more Motor Accident Claims Tribunal... for the purpose of adjudicating upon claims for compensation in respect of accidents involving the death of, or bodily injury to, persons... Section 175 next provides that where any Claims Tribunal has been constituted for any area, no Civil Court shall have jurisdiction to entertain any question relating to any claim”

SUPREME COURT OF INDIA · 1995 | SOURCE ESCR010001311995

13 Koya Shankar v. Andhra Pradesh State Road Transport Corporation

HIGH COURT OF ANDHRA PRADESH · 2023-05-10 · MACMA/818/2019

The petitioner, a pillion rider on a motorcycle, sustained severe injuries, including the amputation of his right leg, after being struck by an Andhra Pradesh State Road Transport Corporation bus. The Motor Accident Claims Tribunal awarded him compensation for his injuries and permanent disability. The corporation appealed, arguing that the tribunal failed to account for contributory negligence by the motorcycle rider and contested the calculation of the petitioner's income and future prospects. The High Court upheld the tribunal's award, noting that the corporation failed to prove any negligence on the part of the petitioner himself. It affirmed that in motor vehicle accident claims, cases are decided on the preponderance of probabilities rather than beyond reasonable doubt, and rejected the argument regarding contributory negligence.

HELD The High Court emphasized that determining "just compensation" under Section 168 requires a broad-based, pragmatic approach covering physical pain, trauma, loss of future income, medical bills, and loss of life's amenities, acknowledging that mathematical exactitude is not possible.

> “Therefore, Section 168 of the Motor Vehicles Act, 1988(for brevity "the Act") stipulates that there should be grant of “just compensation”. Thus, it becomes a challenge for a court of law to determine “just compensation” which is neither a bonanza nor a windfall, and simultaneously, should not be a pittance”

HIGH COURT OF ANDHRA PRADESH · 2023 | SOURCE APHC010258712019

14 Andhra Pradesh State Road Transport Corporation v. K. Lakshmi

MADRAS HIGH COURT · 2023-06-20 · CMA/1629/2021

This appeal concerned a motor accident compensation claim filed by the legal heirs of the deceased. The appellant, a transport corporation, challenged the award on the grounds that a married daughter and an adult son should not be considered dependents and argued that the deduction for personal expenses should have been higher than the one-fourth applied by the tribunal. The Madras High Court rejected these arguments, holding that legal representatives, whether or not they are financially dependent, are entitled to claim compensation under the Motor Vehicles Act. The Court confirmed that the tribunal correctly applied established precedents regarding deductions for personal expenses and upheld the original award.

HELD The High Court held that Section 166 of the Motor Vehicles Act does not distinguish between dependent and non-dependent legal representatives, permitting all legal representatives (including adult sons and married daughters) to maintain a claim for compensation.

> “The provisions have to be ordinarily understood in a simple meaning and in clear terms it postulate that all the legal representatives can maintain a claim under Section 166 of Motor Vehicles Act. ... When the basic provision under Motor Vehicles Act namely Section 166 mandates that if some of the legal representatives have not joined in the application for compensation, the legal representatives who have not so joined shall be impleaded as respondents”

MADRAS HIGH COURT · 2023 | SOURCE HCMA010485292020

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Sidram v. The Divisional Manager, United India Insurance Co. Ltd.

SUPREME COURT OF INDIA · 2022-11-16 · 2022 INSC 1204

The claimant, aged 19 at the time of a road accident, suffered permanent disability due to paraplegia. The lower tribunal and High Court awarded compensation that the Supreme Court deemed insufficient. The Court emphasized that compensation must be 'just,' covering not only immediate financial losses but also future prospects, medical needs, attendant care, and the loss of life's amenities, regardless of the absence of documentary evidence for every expense. The Court highlighted that courts must be mindful of the physical, mental, and social devastation caused by such injuries. Consequently, the Supreme Court enhanced the total compensation to Rs. 21,78,600 to better reflect the claimant's long-term needs and the impact on his life.

HELD The Supreme Court held that "just compensation" must restore the victim as closely as possible to their pre-accident position. It ruled that claimants who suffer permanent disablement from serious injuries are entitled to receive compensation for future prospects, correcting the erroneous view that future prospects only apply in fatal cases.

> “It is now a well settled position of law that even in cases of permanent disablement incurred as a result of a motor-accident, the claimant can seek, apart from compensation for future loss of income, amounts for future prospects as well. ... There is no justification to exclude the possibility of compensation for future prospects in accident cases involving serious injuries resulting in permanent disablement.”

SUPREME COURT OF INDIA · 2022 | SOURCE ESCR010004992022

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16 K.R. Madhusudhan & Ors. v. Administrative Officer & Anr.

SUPREME COURT OF INDIA · 2011-02-18 · 2011 INSC 137

This case concerns a claim for compensation following a fatal motor vehicle accident. The deceased was a 53-year-old Senior Assistant at the Karnataka Electricity Board. The Motor Accident Claims Tribunal awarded compensation based on his salary at the time of death, but the High Court reduced this amount by applying a 'split multiplier' method, assuming his income would decrease significantly after retirement. On appeal, the Supreme Court held that the High Court erred. It ruled that while standard guidelines generally preclude adding future prospects for those over 50, this case presented exceptional, evidence-backed circumstances regarding guaranteed salary increments and promotions. The Court set aside the High Court's decision and restored a higher compensation, rejecting the unjustified application of a split multiplier.

HELD The Supreme Court held that while the *Sarla Verma* rule generally restricts future prospects for victims over 50 years of age, departures can be made in exceptional cases where concrete evidence of definite salary increments is present. It also rejected the routine application of a "split multiplier".

> “The law regarding addition in income for future prospects has been clearly laid down in Sar/a Varma case. In the said case, the Court held that there should be no addition to income for future prospects where the age of the deceased is more than 50 years. ... However, the Bench held that a departure can be made In rare and exceptional cases involving special circumstances.”

SUPREME COURT OF INDIA · 2011 | SOURCE ESCR010003672011

17 A Eshwarappa v. C.S. Gurushanthappa

SUPREME COURT OF INDIA · 2010-08-18 · 2010 INSC 524

This case concerns the entitlement to 'no-fault' compensation under Section 140 of the Motor Vehicles Act, 1988, following a fatal car accident. The Motor Accidents Claims Tribunal had rejected the claimants' petition for compensation, including the no-fault award, on the grounds that the driver had taken the vehicle without authorization and that the request was made too late in the proceedings. The Supreme Court of India held that Section 140 is intended to provide immediate relief in motor accidents regardless of fault, provided an accident involving the use of a motor vehicle occurred. The Court ruled that the Tribunal erred in denying the claim based on procedural delays or the driver's unauthorized use of the vehicle and directed the insurance company to pay the mandated no-fault compensation.

HELD The Supreme Court held that the statutory liability under Section 140 is a public policy measure designed to provide immediate succour to the injured or heirs of the deceased. This minimum statutory award must be paid quickly, independently of fault-based claims under Section 166.

> “All that is required to attract the liability under section 140 is an accident arising out of the use of a motor vehicles(s) leading to the death or permanent disablement of any person.”

SUPREME COURT OF INDIA · 2010 | SOURCE ESCR010000322010

18 United India Insurance Co. Ltd. v. Sunil Kumar & Anr.

SUPREME COURT OF INDIA · 2017-11-24 · 2017 INSC 1143

The Supreme Court addressed whether an insurer can raise the defense of negligence in a compensation claim filed under Section 163A of the Motor Vehicles Act, 1988. The Court held that compensation under this section is based on a structured formula and constitutes a final award under a no-fault liability regime. Consequently, allowing the insurer to plead negligence would be contrary to the legislative intent, which seeks to provide quick relief without the long-drawn process of proving fault. The court concluded that insurers are prohibited from raising a defense of negligence by the victim in such proceedings.

HELD The Supreme Court held that in proceedings under Section 163-A of the Motor Vehicles Act, which provides a structured no-fault regime, the insurer cannot raise the defense of negligence on the part of the victim. Doing so would defeat the statutory intent of providing speedy, final relief.

> “From the above discussion, it is clear that grant of compensation under Section 163-A of the Act on the basis of the structured formula is in the nature of a final award and the adjudication thereunder is required to be made without any requirement of any proof of negligence of the driver/owner of the vehicle(s) involved in the accident.”

SUPREME COURT OF INDIA · 2017 | SOURCE ESCR010000482017

19 Machindranath Kernath Kasar v. D.S. Mylarappa

SUPREME COURT OF INDIA · 2008-04-29 · 2008 INSC 556

The appellant, a bus driver, filed a claim for injuries sustained in a collision with a truck. Simultaneously, passengers of the bus filed their own claims. The Motor Accident Claims Tribunal consolidated these cases and found the bus driver solely responsible for the accident due to rash and negligent driving. While the transport corporation accepted the awards for the passengers, the bus driver appealed the dismissal of his own claim. The Supreme Court held that since the bus driver was effectively a party to the passenger claims and failed to challenge the adverse findings regarding his negligence in those proceedings, he was bound by those determinations. The court affirmed the lower decisions, noting that the findings were based on solid evidence.

HELD The Supreme Court analyzed the statutory context of third-party risk under Section 149 and the filing of applications under Section 166. It noted that the insurer may avoid its liability only under the specific statutory contingencies outlined in Section 149(2).

> “Section 149 imposes duties on insurers to satisfy judgments and' awards against persons insured in respect of third party risks. The insurer having regard to sub-Section (2) of Section 149 of the Act would be entitled to avoid its liability in one of the contingencies specified therein.”

SUPREME COURT OF INDIA · 2008 | SOURCE ESCR010013452008

20 Oriental Insurance Company Ltd. v. Moolchand

HIGH COURT OF CHHATTISGARH · 2012-08-24 · MAC/203/2008

This appeal concerned a motor accident claim following the death of Motiram. The Tribunal had initially awarded compensation of Rs.1,06,000 to the deceased's legal heirs, despite finding that the claimants were not financially dependent on the deceased. The insurance company appealed, arguing that compensation should be limited to the 'no fault liability' amount as the claimants were not dependents. The High Court held that while legal representatives are entitled to compensation regardless of dependency, the quantum for non-dependent heirs is limited to the statutory fixed amount under Section 140 of the Motor Vehicles Act. Consequently, the court reduced the total compensation to Rs.50,000, payable with 6% interest.

HELD The High Court held that while non-dependent legal representatives can maintain a claim, the quantum of compensation is confined to the statutory minimum flowing from the "No Fault Liability" provision (Section 140), as they did not suffer a loss of dependency.

> “Therefore, even if there is no loss of dependency the claimant if he or she is a legal representative will be entitled to compensation, the quantum of which shall be not less than the liability flowing from Section 140 of the Act.”

HIGH COURT OF CHHATTISGARH · 2012 | SOURCE CGHC010020272008

21 The New India Assurance Co. Ltd. v. Shweta Dilip Mehta

BOMBAY HIGH COURT · 2009-12-14 · FA/1262/2008

This case involved a claim for enhanced compensation by a girl who was rendered 80-90 percent paraplegic at age 11 following a motor accident caused by the negligent maintenance of a truck. While the Motor Accidents Claims Tribunal awarded compensation, the claimant appealed for an increase, arguing the initial amount was inadequate. The High Court affirmed that compensation must be 'just' and considered factors like the victim's age, the permanent nature of her disability, the loss of childhood pleasures, and the impairment of future life prospects. The Court upheld the findings on liability, noting the accident resulted from the truck's mechanical failure. It increased the compensation for 'physical pains and mental shock' and 'loss of amenities of life' to better reflect the victim's lifelong suffering and limited mobility, emphasizing that damages for such injuries are not purely arithmetic but must be rational and based on the specific circumstances of the claimant.

HELD The High Court held that the multiplier method is designed to bring uniformity and certainty to awards of compensation for the loss of future earnings. It noted that the structured formula must serve as a safer guide for courts in determining just awards under the Motor Vehicles Act.

> “The Hon’ble Apex Court has held that the Multiplier Method ensures a ‘just’ compensation, while making for uniformity and certainty of awards, and has frowned upon High Courts which had deviated from the method, especially for claims made u/s 163-A of the Motor Vehicles Act.”

BOMBAY HIGH COURT · 2009 | SOURCE HCBM010132852008

22 Deepal Girishbhai Soni v. United India Assurance Co. Ltd.

SUPREME COURT OF INDIA · 2004-03-18 · 2004 INSC 184

This case concerns whether compensation awarded under Section 163-A of the Motor Vehicles Act, 1988, is a final award or merely an interim payment that can be supplemented by a claim under Section 166. The Court held that proceedings under Section 163-A and Section 166 are distinct, independent, and final remedies. A claimant must elect to pursue either one or the other, but cannot pursue both simultaneously. The Court affirmed that Section 163-A provides a structured, no-fault compensation scheme for victims with an annual income up to Rs. 40,000, and that any award granted under this section represents a final settlement of the claim.

HELD The Supreme Court held that Section 163-A and Section 166 are distinct, independent, and final remedies. A claimant must elect to pursue their claim under one or the other, as Section 163-A provides a comprehensive, final no-fault structured scheme that is not interim in nature.

> “Section 163-A was, thus, enacted for grant of immediate relief to a section of people whose annual income is not more than Rs. 40,000/- ... An award made thereunder, therefore, shall be in full and final settlement of the claim as would appear from the different columns contained in the Second Schedule appended to the Act. The same is not interim in nature.”

SUPREME COURT OF INDIA · 2004 | SOURCE ESCR010001912004

23 Saraswathy Amma v. Ashok Kumar

HIGH COURT OF KERALA · 2015-04-07 · OP (MAC)/161/2014

The case involved a dispute over whether the legal heirs of a deceased mother were required to be impleaded in a motor vehicle accident claim. The mother, who was a legal heir of the accident victim, was alive at the time of the victim's death but passed away while the compensation claim was pending before the Motor Accidents Claims Tribunal. The court held that because the mother had a legitimate claim to compensation as a legal representative under the Motor Vehicles Act, that right survived her death and passed to her legal heirs. Consequently, the Tribunal's order requiring the petitioners to implead the mother's legal heirs was upheld, as they are entitled to the compensation the mother would have received for the period she survived.

HELD The High Court observed that the term "legal representative" is wider than "legal heir" under the Motor Vehicles Rules, and any person who suffers injury, loss of dependency, consortium, or support is entitled to claim under Section 166.

> “Section 166 confers right of a claim to the “legal representatives” while Section 163A confines it to “legal heirs”. Hence, it was laid down that under Section 166 any person who suffered injury could make a claim and it was a matter of evidence as to whether a person suffered an injury by reason of the loss of dependency.”

HIGH COURT OF KERALA · 2015 | SOURCE KLHC010379882014

24 Puttamma v. K. L. Narayana Reddy

SUPREME COURT OF INDIA · 2013-12-09 · 2013 INSC 814

This case clarifies the principles for calculating motor accident compensation under the Motor Vehicles Act, 1988. The court held that the split multiplier method should not be applied in a routine manner for claims filed under Section 166, emphasizing that the structured formula in the Second Schedule is intended for Section 163A claims and is not binding on Section 166 proceedings. Furthermore, the court criticized the Second Schedule as outdated and urged the Central Government to update it to reflect current inflation and life expectancy. The Supreme Court set aside the High Court's perverse decision to apply a split multiplier and failed to account for future salary prospects, ultimately increasing the compensation awarded to the victims' dependents.

HELD The Supreme Court held that for fault-based claims under Section 166, the multiplier method based on *Sarla Verma* and *Reshma Kumari* must be used. It ruled that split multipliers must not be routinely applied under Section 166 without specific evidence.

> “We, therefore, hold that in absence of any specific reason and evidence on record the Tribunal or the Court should not apply split multiplier in routine course and should apply multiplier as per decision of this Court in the case of Sar/a Verma(supra) as affirmed in the case of Reshma Kumari (supra).”

SUPREME COURT OF INDIA · 2013 SOURCE ESCR010002612013

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25 Raj Rani & Ors. v. Oriental Insurance Co. Ltd. & Ors.

SUPREME COURT OF INDIA · 2009-05-06 · 2009 INSC 714

This case concerned a claim for compensation following the death of an Assistant Engineer in a motor vehicle accident. The claimants challenged the quantum of compensation awarded by the lower courts, which had improperly applied deductions for lump sum payment and failed to adequately account for the deceased's future promotion prospects and gross salary. The Supreme Court of India held that the deceased's future career prospects must be considered when determining dependency loss, as he was slated for promotion. The Court also corrected the calculation method, ruling against double-deducting personal expenses and rejecting the deduction for lump sum payment. Ultimately, the Court increased the compensation, while maintaining the 50% reduction for contributory negligence on the part of the deceased driver.

HELD The Supreme Court held that the tribunal's duty is to award "just compensation" under Section 166. It must determine the proper quantum regardless of whether specific pleas were raised, including considerations of career advancements and promotions.

> “Section 166 of the Act speaks about grant of just compensation. The court's duty being to award just compensation, it will try to arrive at the said finding irrespective of the fact as to whether any plea in that behalf was raised by the claimant or not.”

SUPREME COURT OF INDIA · 2009 SOURCE ESCR010010652009