$~17

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

% ***Date of Decision: 11.07.2025***

\+ **MAC.APP. 356/2023**

MANJU DEVI .....Appellant

Through: Mr. Manish Maini and Ms. Anjali Singh, Advocates

versus

M/S CHOLAMANDALAM GENERAL INSURANCE COMPANY LTD. .....Respondent

Through: Ms. Suman Bagga, Advocate for R-1

CORAM:
HON'BLE MS. JUSTICE TARA VITASTA GANJU

TARA VITASTA GANJU, J.: (Oral)

1. The present Appeal has been filed on behalf of the Appellant under Section 173 of the Motor Vehicle Act, 1988 [hereinafter referred to as the "MV Act"] impugning the judgment dated 29.03.2023 [hereinafter referred to as "Impugned Award"] passed by the learned Presiding Officer, MACT-01 (South-West District), Dwarka Courts, New Delhi. By the Impugned Award, a sum of Rs. 34,46,000/-/ has been awarded to the Appellant along with interest at the rate of 9% per annum.

2. Learned Counsel appearing on behalf of the Appellant submits that the challenge in the present Appeal is restricted to four grounds. Firstly, that the multiplier of 11 has been used instead of 13 as is set out in terms of the ***National Insurance Co. Ltd. v. Pranay Sethi***[1]**.** Secondly, that the deduction of family pension which has been made by the learned Trial Court while awarding the compensation has wrongly been done. Thirdly, that the increase of future income has been assessed at 10% instead of 30% in terms

of ***Pranay Sethi*** case. Lastly, it is contended that the learned Tribunal has wrongly not granted *pendente lite* and future interest on the awarded amount and has only granted interest on a part thereof.

3. Learned Counsel appearing on behalf of the Respondent fairly concedes that so far as concerns the aspect of wrongful deduction of family pension, this Court has in its recent judgment dated 15.04.2025 in **MAC. APP. 883/2018** captioned ***United India Ins Co. Ltd. v. Hem Kumari Devi & Ors.***[2] while relying on the judgment of Supreme Court in ***Mrs. Helen C. Rebellow & ors. v. Maharashtra State Road Transport Corpn. & Anr.***[3] held that amounts such as provident fund, family pension, life insurance proceeds, and other financial assets cannot be deducted from compensation awarded under the MV Act. It was held by this Court that these amounts arise from independent sources like contractual entitlements or service conditions, and not from the accident itself. These benefits are the result of the deceased's own contributions or employment terms and are payable irrespective of the cause of death, whereas compensation under the MV Act is statutory compensation and payable due to the tortfeasor's negligence without any contribution from the deceased. Since there is no direct nexus or co-relation between these amounts and the compensation for accidental death, they are not "pecuniary advantages" liable to be deducted. The relevant extract of the ***Mrs. Helen*** case is below:

> *"35. Broadly, we may examine the receipt of the provident fund which is a deferred payment out of the contribution made by an employee during the tenure of his service. Such employee or his heirs are entitled to receive this amount irrespective of the accidental death. This amount is secured, is*

---

[1] (2017) 16 SCC 680
[2] 2025:DHC:3702
[3] (1999) 1 SCC 90

certain to be received, while the amount under the Motor Vehicles Act is uncertain and is receivable only on the happening of the event, viz., accident, which may not take place at all. Similarly, family pension is also earned by an employee for the benefit of his family in the form of his contribution in the service in terms of the service conditions receivable by the heirs after his death. The heirs receive family pension even otherwise than the accidental death. No co-relation between the two. Similarly, life insurance policy is received either by the insured, or the heirs of the insured on account of the contract with the insurer, for which insured contributes in the form of premium. It is receivable even by the insured, if he lives till maturity after paying all the premiums, in the case of death insurer indemnifies to pay the sum to the heirs, again in terms of the contracts for the premium paid. Again, this amount is receivable by the claimant not on account of any accidental death but otherwise on insured's death. Death is only a step or contingency in terms of the contract, to receive the amount. Similarly any cash, bank balance, shares, fixed deposits, etc. though are all a pecuniary advantage receivable by the heirs on account of one's death but all these have no co-relation with the amount receivable under a statute occasioned only on account of accidental death. How could such an amount come within the periphery of the Motor Vehicles Act to be termed as 'pecuniary advantage' liable for deduction. When we seek the principle of loss and gain, it has to be on similar and same plane having nexus inter se between them and not to which, there is no semblance of any co-relation. ***The insured (deceased) contributes his own money for which he receives the amount has no corelation to the compensation computed as against tortfeasor for his negligence on account of accident. As aforesaid, the amount receivable as compensation under the Act is on account of the injury or death without making any contribution towards it, then how can fruits of an amount received through contributions of the insured be deducted out of the amount receivable under the Motor Vehicles Act****. The amount under this Act, he receives without any contribution. As we have said the compensation payable under the Motor Vehicles Act is statutory while the amount receivable under the life insurance policy is contractual.*

36. As we have observed, ***the whole scheme of the Act, in relation to the payment of compensation to the claimant, is a beneficial legislation****. The intention of the legislature is made more clear by the change of language from what was in the Fatal Accidents Act, 1855 and what is brought under Section 110-B of the 1939 Act. This is also visible through the provision of Section 168(1) under the Motor Vehicles Act, 1988 and Section 92-A of the 1939 Act which fixes the liability on the owner of the vehicle even on no fault. It provides that where the death or permanent disablement of any person has resulted from an accident in spite of no fault of the owner of the vehicle, an amount of compensation fixed therein is payable to the claimant by such owner of the vehicle. Section 92-B ensures that the claim for*

compensation under Section 92-A is in addition to any other right to claim compensation in respect whereof (sic thereof) under any other provision of this Act or of any other law for the time being in force. ***This clearly indicates the intention of the legislature which is conferring larger benefit on the claimant. Interpretation of such beneficial legislation is also well settled. Whenever there be two possible interpretations in such statute, then the one which subserves the object of legislation, viz., benefit to the subject should be accepted****. In the present case, two interpretations have been given of this statute, evidenced by two distinct sets of decisions of the various High Courts. We have no hesitation to conclude that the set of decisions, which applied the principle of no deduction of the life insurance amount, should be accepted and the other set, which interpreted to deduct, is to be rejected. For all these considerations, we have no hesitation to hold that such High Courts were wrong in deducting the amount paid or payable under the life insurance by giving a restricted meaning to the provisions of the Motor Vehicles Act basing mostly on the language of English statutes and not taking into consideration the changed language and intents of the legislature under various provisions of the Motor Vehicles Act, 1939."*

[Emphasis supplied]

4. Thus, the contention of the Appellant that the amount of pension has wrongly been deducted is merited and deserves to be allowed.

5. So far as concerns the remaining three contentions of the Appellant are concerned, the parties jointly agree that they shall attempt settling the matter in the Pre-Sitting Lok Adalat.

6. For this purpose, the parties shall appear before the Secretary, Delhi High Court Legal Services Committee on 22.07.2025 at 2:30 PM.

7. List before Court on 03.12.2025.

8. The parties shall act based on the digitally signed copy of the order.

TARA VITASTA GANJU, J

JULY 11, 2025
g.joshi/ha