



2026:DHC:4673



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

**Date of decision: 20<sup>th</sup> May 2026**

+ **MAC.APP. 835/2014**

RELIANCE GENERAL INSURANCE COMPANY LTD

.....Appellant

Through: Mr. Rajeev M. Roy, Advocate  
(*through VC*)

versus

SMT. SIMMY & ORS

.....Respondent

Through: Mr. Shrey Chathly, Advocate for  
respondent Nos. 1 to 3.

**CORAM:**

**HON'BLE MR. JUSTICE ANISH DAYAL**

**JUDGMENT**

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**ANISH DAYAL, J (ORAL)**

1. This appeal has been filed by appellant/Insurance Company, seeking reduction of the compensation awarded by the Motor Accidents Claims Tribunal, Karkardooma Courts, Delhi [*'MACT/Tribunal'*], *vide* Award dated 31<sup>st</sup> May 2014 in *M.A.C Petition No. 174/2012* [*'impugned award'*], whereby compensation of Rs. 41,65,276/- along with interest @ 9% was awarded.

2. The accident occurred on 01<sup>st</sup> September 2012, when *Mr. Rajesh Khattolia* [hereinafter, '*deceased*'] was travelling to *Uttarakhand* along with his friends in an *Alto Car*. Said car fell into a ditch, allegedly due to the rash and negligent driving of its driver [*respondent no.4 herein*], as a



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result of which, deceased died on the spot.

3. The deceased was in the employment of *Tech books International Pvt. Ltd.* as a “Senior Executive” and was earning Rs. 26,621/- per month at time of the accident.

4. *Mr. Rajeev M. Roy*, counsel for appellant/Insurance Company, submits that components of compensation need to be re-aligned with the decision of the Supreme Court in *National Insurance Company v. Pranay Sethi & Ors.* (2017) 16 SCC 680.

5. Considering that the appeal is a continuation of the claim proceedings, the right of appellant/Insurance Company to seek alignment of compensation subsists in this regard, particularly in view of the judgement passed by this Court in *IFFCO Tokio Gen. Ins. Co. Ltd. v. Anil Kumar Kaushik*, 2026 SCC OnLine Del 1378, wherein this Court held that the principles laid down in *Pranay Sethi (supra)* would apply to all pending matters, irrespective of the stage of pendency, including those which are a continuation of or arise out of claim petition . For ease of reference, relevant *paragraphs* of the aforesaid judgement are extracted as under:

*“10. An issue came up for deliberation whether the decision in Pranay Sethi (supra) would have retrospective application to an award which was given prior to 2018. In this regard, reference was made to a decision of Supreme Court in New India Assurance Company v. Sonigra Juhi Uttamchand, 2025 INSC 15, where the Supreme Court stated that the High Court could not be faulted in fixing amounts in excess of the amounts fixed in Pranay Sethi (supra), since the judgment was passed prior to the pronouncement of the judgment in Pranay Sethi (Supra) and stated as under:*



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“9... we are of the view that the Tribunal and the High Court cannot be found at fault with fixing the amounts in excess of the aforesaid amounts fixed by this Court as the award and the judgment of the High Courts were passed prior to the pronouncement of the judgment of this Court in Pranay Sethi's case. But at the same time, it is to be noted that in the decision in M.A. Murthy v. State of Karnataka, this Court held that when in a decision this Court enunciates a principle of law, it is applicable to all cases irrespective of the stage of pendency thereof because it is to be assumed that what is enunciated by this Court is, in fact, the law from inception. We may hasten to add that we shall not be understood to have held that pursuant to enunciation of a principle of law, matters that attained finality shall be reopened solely for the purpose of applying the law thus laid. But at the same time, if the matter is pending, then, irrespective of the stage, the principle cannot be ignored.”

(emphasis added)

11. Further reliance was placed upon *MM Murthy v. State of Karnataka*, (2003) 7 SCC 517, where the Supreme Court held as under:

“8. The learned counsel for the appellant submitted that the approach of the High Court is erroneous as the law declared by this Court is presumed to be the law at all times. Normally, the decision of this Court enunciating a principle of law is applicable to all cases irrespective its stage of pendency because it is assumed that what is enunciated by the Supreme Court is, in fact, the law from inception. The doctrine of prospective over-ruling which is a feature of American jurisprudence is an exception to the normal principle of law, was imported and applied for the first time in *L.C. Golak Nath v. State of Punjab* (1967 SCC OnLine SC 14 : AIR 1967 SC 1643). In *Managing Director, ECIL, Hyderabad v. B. Karunakar* ((1993) 4 SCC 727) the view was adopted. Prospective over-ruling is a part of the principles of constitutional canon



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*of interpretation and can be resorted to by this Court while superseding law declared by it earlier. It is a device innovated to avoid reopening of settled issues, to prevent multiplicity of proceedings, and to avoid uncertainty and avoidable litigation. In other words, actions taken contrary to the law declared prior to the date of declaration are validated in larger public interest. The law as declared applies to future cases. (See Ashok Kumar Gupta v. State of U.P. (1997) 5 SCC 201, Baburam v. C.C. Jacob (1999) 3 SCC 362 : 1999 SCC (Cri) 433). It is for this Court to indicate as to whether the decision in question will operate prospectively. In other words, there shall be no prospective over-ruling, unless it is so indicated in the particular decision. It is not open to be held that the decision in a particular case will be prospective in its application by application of the doctrine of prospective over-ruling. The doctrine of binding precedent helps in promoting certainty and consistency in judicial decisions and enables an organic development of the law besides providing assurance to the individual as to the consequences of transactions forming part of the daily affairs. That being the position, the High Court was in error by holding that the judgment which operated on the date of selection was operative and not the review judgment in Ashok Kumar Sharma's case No. II. All the more so when the subsequent judgment is by way of Review of the first judgment in which case there are no judgments at all and the subsequent judgment rendered on review petitions is the one and only judgment rendered, effectively and for all purposes, the earlier decision having been erased by countenancing the review applications. The impugned judgments of the High Court are, therefore, set aside.”*

*(emphasis added)*

**12.** *In Kanishk Sinha v. The State of West Bengal, 2025 INSC 278, the Supreme Court has further reviewed the issue as under:*



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“3. ...Now the law of prospective and retrospective operation is absolutely clear. Whereas a law made by the legislature is always prospective in nature unless it has been specifically stated in the statute itself about its retrospective operation, the reverse is true for the law which is laid down by a Constitutional Court, or law as it is interpreted by the Court. The judgment of the Court will always be retrospective in nature unless the judgment itself specifically states that the judgment will operate prospectively. The prospective operation of a judgment is normally done to avoid any unnecessary burden to persons or to avoid undue hardships to those who had bona fide done something with the understanding of the law as it existed at the relevant point of time. Further, it is done not to unsettle something which has long been settled, as that would cause injustice to many.”

(emphasis added)

13. Considering that the appeal is a continuation of the claim proceedings, these principles enunciated by the Supreme Court would squarely apply.

14. MV Act is a beneficial legislation. Courts have consistently applied the principles of Pranay Sethi (supra) to align the elements of compensation in order to provide standardization which has been the bulwark of the decision in Pranay Sethi (supra).”

(emphasis added)

6. Accordingly, considering that the deceased was 41 years of age, future prospects awarded at 30% by the Tribunal shall be taken as 25% in terms of the decision of the Supreme Court in **Pranay Sethi (supra)**.

Relevant paragraphs in this regard are extracted hereinbelow:

“59.3. While determining the income, an addition of 50% of actual salary to the income of the deceased towards future prospects, where the deceased had a permanent job and was below the age of 40 years, should be made. The addition should be 30%, if the age of the deceased was between 40 to



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50 years. In case the deceased was between the age of 50 to 60 years, the addition should be 15%. Actual salary should be read as actual salary less tax.

**59.4.** In case the deceased was self-employed or on a fixed salary, an addition of 40% of the established income should be the warrant where the deceased was below the age of 40 years. An addition of 25% where the deceased was between the age of 40 to 50 years and 10% where the deceased was between the age of 50 to 60 years should be regarded as the necessary method of computation. The established income means the income minus the tax component.”

(emphasis added)

7. Similarly, the amount awarded towards *loss of love and affection* shall stand deleted in view of the decision of the Supreme Court in ***United India Insurance Co. Ltd. v. Satinder Kaur*** (2021) 11 SCC 780. *Loss of consortium*, for three family members shall be taken at Rs. 40,000/- per family member, which totals up to Rs.1,20,000/-. *Loss of estate and funeral expenses*, shall both be taken at Rs. 15,000/- each. Multiplier adopted at ‘14’ is in consonance with the decision of the Supreme Court in ***Sarla Verma v DTC*** (2009) 6 SCC 121.

8. Accordingly, the compensation shall be re-computed as under:

S. NO.	HEADS	AWARDED BY THE TRIBUNAL	AWARDED BY THIS COURT
1	Annual Income of deceased (A) (less Income Tax)	Rs. 3,23,934/- (Monthly income @ Rs. 26,993.6)	Rs. 3,23,934/- (Monthly income @ Rs. 26,993.6)
2	Add Future Prospects (B)	30%	25%
3	Less Personal expenses of the deceased (C)	Rs. 1,40,367/-	Rs. 1,34,968/-
4	Annual loss of dependency	Rs. 2,80,734/-	Rs. 2,69,937/-



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	(D)		
5	Multiplier (E)	14	14
6	Total loss of dependency (Dx12xE = F)	Rs. 39,30,276/-	Rs. 37,79,118/-
7	Medical expenses (G)	Nil	Nil
8	Compensation for loss of consortium (H)	Rs. 1,00,000/-	Rs. 1,20,000/-
9	Compensation for loss of love and affection (I)	Rs. 1,00,000/-	Nil
10	Compensation for loss of estate (J)	Rs. 10,000/-	Rs. 15,000/-
11	Compensation towards funeral expenses (K)	Rs. 25,000/-	Rs. 15,000/-
<b>Total compensation (F+G+H+I+J+K = L)</b>		<b>Rs.41,65,276</b>	<b>Rs.39,29,118</b>
<b>Interest</b>		<b>9%</b>	<b>9%</b>

9. Accordingly, the compensation is reduced by *Rs.2,36,158/-*.

10. *Vide* order dated 15<sup>th</sup> September 2014, this Court had directed appellant/Insurance Company to deposit the compensation amount before the Registrar General of this Court and release 75% of the same in favour of the claimants. The balance amount was directed to be kept in a fixed deposit returns [**FDRs**] with *UCO Bank, Delhi High Court Branch*, initially for one year along with a provision for renewal.

11. The balance compensation, in terms of the revised computation, be released to the claimants in accordance with the scheme stipulated in the impugned award, and the reduced amount be refunded to the Insurance Company, along with accrued interest.

12. *Mr. Shrey Chathly*, counsel appears on behalf of claimants;



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counsel for respondent nos. 4 and 5, the driver and the owner respectively, were sought to be served through substituted service but have not appeared and have, therefore, been proceeded *ex-parte*.

13. It is noted that the *recovery rights* granted to the Insurance Company, against respondent no.4 and 5/driver and owner respectively, as provided in *paragraph 29* of the Tribunal award, shall subsist.

14. Accordingly, the appeal has been disposed of.

15. Pending applications, if any, are rendered infructuous.

16. Statutory deposit, if any, shall be refunded to appellant/Insurance Company.

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

**(ANISH DAYAL)**  
**JUDGE**

**MAY 20, 2026/RK/ya+tk**