



2026:DHC:3481



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

% *Date of decision: 25th April 2026*

+ **MAC.APP. 981/2013**

NATIONAL INSURANCE COMPANY LTDAppellant

Through: Ms. Neerja Sachdeva, Advocate.

versus

SH RAJ SINGH & ORSRespondents

Through: Mr. Manish Maini, Ms. Aastha Chauhan, Mr. R.K. Jain, Advocates for Respondent no.1.

(49)

+ **MAC.APP. 335/2014**

SH RAJ SINGH & ORSAppellants

Through: Mr. Manish Maini, Ms. Aastha Chauhan, Mr. R.K. Jain, Advocates.

versus

NATIONAL INSURANCE COMPANY LTDRespondent

Through: Ms. Neerja Sachdeva, Advocate.

CORAM:

HON'BLE MR. JUSTICE ANISH DAYAL

JUDGMENT

ANISH DAYAL, J (ORAL)

1. These cross-appeals have been filed challenging the Award dated 11th September 2013 passed by the Motor Accident Claims Tribunal, Dwarka Courts, New Delhi ('*MACT*') in MACT No.32/2013. MAC.APP. 981/2013



has been filed by the Insurance Company seeking reduction of the compensation, whereas MAC.APP. 335/2014 has been filed by claimant seeking enhancement of compensation.

2. The accident occurred on 21st June 2012 at around 11: 25 PM, when the claimant driving his motorcycle bearing registration no.DL-1S-S-1223 near *Dwarka, New Delhi* suffered a collision with the *Maruti Swift* car bearing registration no.HR-26-AW-9912 (*offending vehicle*), driven by *Mr. Devinder Kumar*. Claim petition was filed, which resulted in award of compensation of *Rs.24,02,832/-* along with interest @7.5% from the date of filing of claim petition till its realization.

3. *Ms. Sachdeva*, on behalf of the insurance company, has raised the following issues:

- i. While the Disability Certificate assessed disability at 60%, *functional disability* was taken by the MACT at 70%.
- ii. Amount of *Rs.80,000/-* each was awarded towards cost of 2 prosthetic and *Rs.50,000/-* for maintenance, whereas there is no evidence led in that respect.
- iii. *Rs. 50,000/-* awarded towards agriculture income; however, there is no evidence to support it. In fact, impugned order mentions that the claimant was Head Constable in the Delhi Police and could not have continued the agriculture work on his own.
- iv. *Future prospects* ought not to have been granted, since in *paragraph 59* of the impugned award it had been noted that the Head Constable is earning the same income as he was earning at the time of the accident.

4. *Mr. Manish Maini*, counsel for the claimant, to counter these



submissions and canvass his plea for enhancement, places the following submissions:

- i. *Functional disability* may be taken at 60%, considering that the Disability Certificate itself certifies permanent disability at 60% with respect to the whole body. Though there was an amputation of the right limb below the knee.
- ii. As regards the prosthetic, he states that, as per the Supreme Court's judgment of *Mohd. Sabeer v. U.P. SRTC* (2023) 20 SCC 774, the amount of Rs.80,000/- was awarded based on the evidence of **PW8, Shri Kapil Kaushik** from *M/s Endolite India Ltd.*, who stated that Rs. 80,000/- are spent on the prosthetic, and the life of prosthetic is about 7 to 8 years. He, therefore, stated that since the age of the injured was 47 years of age at the time of accident, and keeping an average of 70 years of age as per *Mohd. Sabeer (supra)*, he would be required a prosthetic for about 23 years, and, therefore, with the life expectancy of an artificial limb, 7 to 8 years, he would require 4 prosthetics in his lifetime.
- iii. He seeks enhancement of the prosthetic repair amount from Rs.50,000/- to Rs.1,00,000/- for four prosthetics.
- iv. He points out *paragraph 63* of the impugned award, where the income has been first deducted by 50% and then the disability of 70% has been multiplied, which amounts to duplication in the reduction. He states that the impugned order is erroneous in the matter of this calculation.
- v. The income of claimant should have been taken as Rs.31,629/-, including the allowances on account of transport and ration money,



however, deducting the amounts on account of washing and convenience allowance, which will not form part of his income. Accordingly, he should be taken to have benchmark income of *Rs.31,479/-*.

- vi. A multiplier of 9 has been suggested by *Mr. Maini* on the basis that since he was in his job till retirement, but there would be *loss of future income* since he could have been engaged as a security agency, a multiplier of 9 ought to be taken on the benchmark income along with *future prospects* of 30% to be calculated as per principles of *National Insurance Company Ltd. vs. Pranay Sethi & Ors.* (2017) 16 SCC 680, considering the age at the date of the accident of 47 years.
- vii. The enhancement of the non-pecuniary damages is pleaded on account of *pain and suffering, loss of amenities and disability*. This has been objected to by *Ms. Sachdeva* on the basis that the amounts awarded were sufficient, considering the date of the accident was 2012. However, *Mr. Maini* points out that, as per the decision in *Mohd. Sabeer (supra)*, where *Rs. 2 lakhs* were awarded on these accounts, the accident had taken place in 2009, and, therefore, *Ms. Sachdeva's* submissions may not be tenable.

5. The Court has perused the record and has made an assessment on each of these contentions raised by respective counsel as under:

5.1. As regards the *functional disability*, which was taken at 70% despite Disability Certificate certifying the permanent physical disability at 60%, the MACT's discussion in *paragraph 60,61 and 63* is taken note of. Considering



it was a case of amputation of 1/3rd of the right lower limb, the injured was a Head Constable in Police Department and no doubt physical fitness and mobility was critical for proper service in the Police Department and for further promotions as well. Therefore, the *functional disability* could have been taken at 60% and not increased to 70% in terms of the Disability Certificate and applying the principles of *Raj Kumar v. Ajay Kumar* (2011) 1 SCC 343.

5.2. As regards the amounts awarded for prosthetic including the maintenance, *Ms. Sachdeva* challenges the testimony of **PW8**/Senior Executive (Material Department), *M/s Endolite India Ltd.* In cross-examination, **PW8** had stated that he had no knowledge about the component of artificial limbs and had not taken any special training in any institute. In response, *Mr. Maini* submits that the witness is from a reputed company and has produced receipts of *Rs. 80,000/-*, based on which the MACT computed compensation for the prosthetic limb, exhibited as **Ex. PW-8/1** and **Ex. PW-8/2**. The Court has perused the testimony of **PW-8** and finds no reason to disbelieve the stated expenditure, which is supported by the receipts. In any event, in several decisions concerning prosthetics, higher amounts have been awarded. Further, taking into consideration the decision of the Supreme Court in *Mohd. Sabeer (supra)* and the age of the injured as 47 years, prosthetic replacement would be required for approximately 23 years. Considering a prosthetic lifespan of 7-8 years, the injured would require at least four prosthetics. The MACT has awarded compensation for only two prosthetics; accordingly, this is enhanced to *Rs. 80,000/-* each for four prosthetics. The maintenance amount is also enhanced from *Rs. 50,000/-*



(for two prosthetics) to Rs. 1,00,000/- (for four prosthetics).

5.3. As regards the addition of Rs. 50,000/- as a lump sum towards *agricultural income*, the Court agrees with *Ms. Sachdeva's* contention that there is no evidence in this regard, as is evident from *paragraph 57* of the impugned award. The MACT appears to have added this amount on mere speculation. Accordingly, the same is liable to be deleted from the computation of compensation.

5.4. On the issue of assessment of income, *Mr. Maini* contends that only *Washing Allowance* and *Conveyance Allowance* ought to be deducted, whereas *Transport Allowance* and *Ration Money* should not be deducted. The Court is inclined to accept this submission in view of the decisions of the Supreme Court in *Manorma Sinha & Anr. v. The Divisional Manager, Oriental Insurance Company Ltd & Anr.* 2025 INSC 1237, *Kavita Devi & Ors. v. Sunil Kumar & Anr.* 2025 INSC 938 and *Meenakshi v. Oriental Insurance Co. Ltd.*, 2024 SCC OnLine SC 1872. The Supreme Court has clearly held that income will include the various allowances which are part and parcel of amounts which are for the benefit of the family and on which tax has been paid. Accordingly, the benchmark income would be taken at Rs.31,479/-.

5.5. On the issue raised by *Ms. Sachdeva* that no *future prospects* ought to be granted since the injured continued as a Head Constable, the law is well settled that, for an injured person in public sector job, who would retire on superannuation, post-retirement loss of income must be computed by applying a multiplier of '9', considering retirement at 60 years of age. In this regard reliance may be made decisions of this Court in *Desh Raj Singh*



Gautam v. Sunil Kumar & Ors. 2016:DHC:4159, ***Rajbir Singh v. National Insurance Company Ltd. & Ors.*** 2024:DHC:9034 and ***Govind Singh Mauni v. Tej Bhan & Ors.*** 2026:DHC:1020. In fact, this Court in its assessment in ***Govind Singh Mauni*** (*supra*), considered the issue of loss of potentiality to earn post-retirement for which compensation must be taken into account. Accordingly, *future prospects* at 30% should be granted since the injured was 47 years of age at the time of accident for calculation of *loss of future income*.

6. *Ms. Sachdeva* further contends that the pension receivable post-retirement ought to be deducted. However, this issue has been settled by the Supreme Court in ***Hanumantharaju B (Dead) by LRs v. M. Akram Pasha & Anr.***, 2025 INSC 682, wherein it has been categorically held in *paragraph 19* as under:

19. It is also now well settled that the amount of compensation is to be calculated on the basis of last drawn salary of the injured/deceased in respect of salaried persons and pension and such retirement benefits enjoyed cannot be deducted for computing the income, these being statutory rights receivable by the employee or his legal heirs irrespective of any unforeseen incident of accidents, fatal injuries etc. and such pensionary benefit is not directly relatable to the motor accident. Hence, pensionary benefit could not have been treated as “pecuniary advantage” liable to be deducted for the purpose of computation of compensation within the scope of Motor Vehicles Act, 1988. For this proposition of law, we may refer to the decision in Vimal Kanwar & Ors. v. Kishore Dan & Ors. (2013) 7 SCC 476, wherein this Court, by referring to the earlier decision in Helen C. Rebello v. Maharashtra SRTC (1999) 1 SCC 90, held as follows:-

“19. The aforesaid issue fell for consideration before this



Court in Helen C. Rebello v. Maharashtra SRTC [(1999) 1 SCC 90: 1999 SCC (Cri) 197]. In the said case, this Court held that provident fund, pension, insurance and similarly any cash, bank balance, shares, fixed deposits, etc. are all a “pecuniary advantage” receivable by the heirs on account of one's death but all these have no correlation with the amount receivable under a statute occasioned only on account of accidental death. Such an amount will not come within the periphery of the Motor Vehicles Act to be termed as “pecuniary advantage” liable for deduction. The following was the observation and finding of this Court: (SCC pp. 111-12, para 35)

“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 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 the 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, the insurer indemnifies to pay the sum to the heirs, again in terms of the contract for the premium paid. Again, this amount is receivable by the claimant not on



account of any accidental death but otherwise on the 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 correlation 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 a similar and same plane having nexus, inter se, between them and not to which there is no semblance of any co-relation. The insured (the deceased) contributes his own money for which he receives the amount which has no co-relation to the compensation computed as against the tortfeasor for his negligence on account of the 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 the 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."

Thus, this Court has categorically held that any amount receivable on account of PF, pension or insurance cannot be deducted from the salary of the victim for the purpose of determining the income or loss of earning for calculating compensation. This principle was reiterated in Reliance General Insurance Co. Ltd. v. Shashi Sharma & Ors. (2016) 9 SCC 627 and National Insurance Company Ltd. v. Birender &



Ors. (2020) 11 SCC 356.

(emphasis supplied)

7. As regards *pain & suffering, loss of amenities of life and loss due to disfigurement*, the MACT has already awarded Rs.1,00,000/- for each component. These amounts are not being disturbed.

8. Accordingly, the compensation is recomputed as under:

S. no	Heads of Compensation	Awarded by the Court
Pecuniary Loss		
1.	Expenditure on treatment (A)	Rs.1,05,772/-
2.	Expenditure on special diet (B)	Rs. 7,500/-
3.	Expenditure of conveyance and special diet (C)	Rs. 7,500/-
4.	Attendant Charges (D)	Rs. 21,060/-
5.	Income of injured per month (E)	Rs.31,479/-.
6.	Future prospects @ 30% (F)	Rs. 9,443.7/-
7.	Loss of income (G) 246 days	Rs. 2,58,128/- (Rs. 1049.3 x 246)
8.	Functional disability (H)	60%
9.	Multiplier (I)	9
10.	Loss of future income [(E+F) x 12 x H x I]= J	Rs. 26,51,791/-
11.	Agricultural Income	Nil
Non-Pecuniary Loss		
12.	Pain and suffering (K)	Rs. 1,00,000/-
13.	Loss of Amenities of Life (L)	Rs. 1,00,000/-
14.	Disfigurement (M)	Rs. 1,00,000/-



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15.	Total (A+B+C+D+G+J+K+L+M= N	Rs. 33,51,751/-
16.	Interest	7.5%
17.	Prosthetic Limb	Rs. 3,20,000/-
18.	Annual Maintenance	Rs.1,00,000/-

Directions

9. The compensation granted by the Tribunal is Rs. 24,08,832/-. For the aforesaid reasons, compensation has been enhanced by Rs. 9,42,919/-.

10. By order dated 30th October 2013, this Court had passed directions for deposit of entire compensation amount along with accrued interest before the Registrar General of this Court and release of 50% of deposited amount in favour of claimant, in terms of directions of MACT in the impugned award. Balance amount along with accrued interest deposited with the Registrar General of this Court shall be released to the claimant as per the directions of MACT.

11. Enhanced amount along with 7.5% interest per annum from the date of filing the petition shall be deposited before MACT within a period of four weeks. It is directed that a lump sum amount of Rs.3,00,000/- shall be released to the claimant from the deposit of enhanced amount within a period of two weeks thereafter. Remaining enhanced amount, along with accrued interest, shall be kept in Fixed Deposit Receipts (**FDRs**) of Rs. 25,000/- each for periods of 1 month, 2 months, 3 months and so on, in succession as maybe calculated. Interest accruing on said FDRs shall be credited to the designated Savings Bank Account of claimant. The amount of FDRs on maturity would be released to the Savings Bank Account of claimant upon due verification.



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12. The said amount for the prosthetic limb and annual maintenance will be deposited by the Insurance Company within a period of four weeks before the MACT which will be kept in an interest-bearing fixed deposit, the same will be disbursed to the claimant only on production of original invoice/purchase document issued by authorized seller of prosthetic limb. Further, cost towards annual maintenance shall also be disbursed on production of invoice. If any amounts remain unutilized, the Insurance Company will be entitled to withdraw the same along with accrued interest.
13. Appeals stand disposed of in above terms. Pending applications, if any, are rendered infructuous.
14. Copy of this judgement shall also be sent to concerned bank.
15. Statutory deposit be refunded to the Insurance Company.
16. Judgment be uploaded on the website of this Court.

(ANISH DAYAL)
JUDGE

APRIL 25, 2026/ak/zb