



2026:DHC:6634



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

*Reserved on: 06th August 2026.
Pronounced on: 13th August 2026.
Uploaded on: 14th August 2026.*

CNR No. DLHC010129912019

+ **MAC.APP. 331/2019, CM APPL. 10176/2019 & CM APPL.
13408/2021.**

UNITED INDIA INSURANCE COMPANY LIMITED

.....Appellant

Through: Mr. Amit Kumar Singh, Ms. K
Enatoli Sema & Ms. Rokosieno
Meyase, Advocates.

versus

SHEELENDRA KUMAR & ORS

.....Respondents

Through: Mr. Shekhar Aggarwal, Adv. for
R-1.

CORAM:

HON'BLE MR. JUSTICE ANISH DAYAL

JUDGMENT

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ANISH DAYAL, J.

1. This appeal has been filed by appellant/Insurance Company assailing impugned award dated 01st December 2018, passed by the Motor Accident Claims Tribunal, South-East, Saket Courts, New Delhi [*'MACT/Tribunal'*] in *Suit No. 125/2017*, whereby compensation of Rs.42,02,535/- along with interest @ 9% per annum, was awarded [*'impugned award'*].

2. The aforesaid suit arose out of an accident which occurred on 18th August 2016, and resulted in injuries to *Sheelendra Kumar* [*claimant*]



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herein], when he was travelling on a motorcycle and was hit by the offending vehicle, being the truck bearing registration no. UP-14ET-8490.

3. Mr. Amit Singh, counsel for appellant/Insurance Company, pointed out to the salary slip issued by *Electroserve Centre*, the employer of claimant/injured, who was working as a ‘*Field Surface Installer*’ at *Tata Sky*. The said salary slip recorded that the remuneration of claimant/injured was fixed at Rs.18,000/- per month, along with a conveyance allowance of Rs.3,500/-, and a mobile allowance of Rs. 300/-.

4. The appellant/Insurance Company has challenged the awarded compensation on one issue, i.e. the notional income of claimant/injured being taken at Rs.21,800/- per month. Counsel for appellant/Insurance Company contends that the allowances towards conveyance and mobile, amounting to Rs. 3,800/-, were not deducted from the aforesaid amount, though they ought to have been deducted, and the salary ought to have been taken at Rs. 18,000/- per month, which was the basic salary being paid to claimant/injured as per the salary slip.

5. In this regard, Mr. Amit Singh, counsel for appellant/Insurance Company, has placed reliance upon the decision of the Supreme Court in *National Insurance Co. Ltd. v. Indira Srivastava*, (2008) 2 SCC 763, wherein the Court has held as under:

“19. The amounts, therefore, which were required to be paid to the deceased by his employer by way of perks, should be included for computation of his monthly income as that would have been added to his monthly income by way of contribution to the family as contradistinguished to the ones which were for his benefit. We may, however, hasten to add



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that from the said amount of income, the statutory amount of tax payable thereupon must be deducted.”

(emphasis added)

6. On this basis, he contends that since the allowances towards conveyance and mobile form perks granted for the personal benefit of an employee, the same ought not to be included while determining the notional income of injured/claimant.

7. Countering the same, *Mr. Shekhar Aggarwal*, counsel for claimant/injured, relies upon the decision of this Court in ***New India Assurance Company Ltd. v. Jyoti Prajapati***, 2017 SCC OnLine Del 10117. In this case, the Single Judge, while relying upon ***Indira Srivastava*** (*supra*), considered the conveyance allowance, as per the evidence led, to be regular emolument forming part of the terms and conditions of service and, therefore, included the same in computation of monthly income. It is noted that while ***Indira Srivastava*** (*supra*) was a case of fatal accident, the present case pertains to an injury, as was also the case in ***Jyoti Prajapati*** (*supra*). Therefore, the conveyance allowance and mobile allowance, being perks, ought to be included for the purposes of calculating notional income of injured/claimant.

8. Reliance in this regard is also placed upon the decision in ***Manorma Sinha v. Oriental Insurance Co. Ltd.***, 2025 SCC OnLine SC 2241, wherein while taking note of the decisions in ***Indira Srivastava*** (*supra*) and ***National Insurance Co. Ltd. v. Nalini***, 2024 SCC OnLine SC 2252, the Court held that “*emoluments and the benefits accruing to the deceased under various heads for the purposes of computation of loss of income, ought to be included irrespective of whether they are taxable or not*”. Even though the aforesaid decision concerned a fatal



accident, the principle laid down therein would have to be considered in the present context as well.

Analysis and findings

9. As regards the issue of allowances, reference may also be made to the decision of the Supreme Court, in ***Vijay Kumar Rastogi v. Uttar Pradesh State Roadways Transport Corporation***, 2018 SCC OnLine SC 193, wherein the Supreme Court held, “*income*” *should include those benefits, either in terms of money or otherwise, which are taken into consideration for the purpose of payment of income tax or professional tax, although some elements thereof may or may not be taxable due to the exemption conferred thereupon under the statute*”.

10. Further, in ***Kavita Devi v. Sunil Kumar***, 2025 SCC OnLine SC 1639, the Supreme Court observed that the allowances regularly received and used for the benefit of the family must be considered while determining dependency. For ease of reference, relevant portion from ***Kavita Devi*** (*supra*) is extracted as under:

“17. This Court has consistently held in case of the allowances which are included in the component of salary of the deceased, Tribunal has to take into consideration these allowances as they were used for supporting the family. The claimants have to show that these allowances were regularly received and used for the family's benefit. Further, while determining whether the allowances form a part of the salary or not, the Tribunal by looking into the facts of each case and by considering the extent of dependency of the claimants on the salary of the deceased including the allowances, have to determine whether these allowances should be excluded from determination of the income of the deceased. If the answer of the Tribunal is in affirmative, then the allowances may be excluded for determination of loss of dependency. If the Tribunal



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answers the above point in negative, then the Tribunal has to include the allowances for computation of income of the deceased, thus determining the loss of dependency.”

(emphasis added)

11. The aforesaid views are also supported by the decision of the Supreme Court in *National Insurance Co. Ltd. v. Nalini* (*supra*), wherein the Supreme Court, while relying upon *Vijay Kumar Rastogi* (*supra*), observed that allowances under the heads of transport allowance, house rent allowance, provident fund loan, provident fund and special allowance ought to be added while considering the basic salary of victim/deceased. Reference to *National Insurance Co. Ltd. v. Nalini* (*supra*) was also made by the Supreme Court in *Meenakshi v. Oriental Insurance Co. Ltd.*, 2024 SCC OnLine SC 1872.

12. This Court had also taken a detailed view in this regard, in *E. Neeta Devi v. Ashwani Kumar*, 2026:DHC:5184, while deliberating upon the issue of allowances forming part of the income. Though that was also a case of a fatal accident, the Court, while traversing through various decisions of the Supreme Court, held that components which do not accrue to the benefit of the family members may not be included in the assessment of income.

13. From the above discussion what transpires is that, essentially, in cases of fatal accidents, what is required to be considered is the benefit of the income of deceased which would have accrued for the benefit of family members. This is quite distinct from the assessment of notional income in case of an injured claimant, which is meant to determine the income that he would have earned had he continued in his vocation. Therefore, there is no reason why any perks or components forming part



of his salary package ought to be excluded, as in the present case.

14. Accordingly, the plea of appellant/Insurance Company is rejected.

15. *Mr. Shekhar Aggarwal*, counsel for claimant/injured, contends that despite noticing that the claimant/injured required a prosthetic, had purchased the same, and had produced the original invoice of *Rs. 3,20,000/-*, only this amount of *Rs. 3,20,000/-* was awarded towards one prosthetic limb. He contends that since claimant/injured was *21 years* of age on the date of the accident, considering the principles laid down by the Supreme Court in *Mohd. Sabeer v. U.P. SRTC*, (2023) 20 SCC 774, the cost for replacement of the prosthetic limb ought to have been provided.

16. In *Mohd. Sabeer (supra)*, the Court has considered *70 years* as the average life expectancy and, taking into account the fact that a prosthetic limb would require replacement *every 5-6 years*, awarded compensation towards the cost of replacement of prosthetic limb. The Supreme Court also considered the amount required towards maintenance of each such prosthetic limb.

17. The principles relating to prosthetic limbs have now been further developed by the decision of the Supreme Court in *Prahlad Sahai v. Haryana Roadways*, 2026 SCC OnLine SC 651. The case concerned a right leg crush injury resulting in amputation below the knee. The claimant therein relied upon the decision in *Mohd. Sabeer (supra)*, to contend that the injured was *32 years of age*; therefore, considering the assumed life expectancy of *70 years*, he would require prosthetic limb(s) for *38 years*. He further contended that since an artificial limb needs to be replaced *every 5 years*, maintenance charges would also have to be



granted.

18. Traversing through the law in this this regard, the Supreme Court, in ***Prahlad Sahai*** (*supra*), recognized a block of ‘5 years’ as the reasonable replacement period for a prosthetic limb. Further, the Supreme Court assumed the life span of the claimant at 70 years and, concluded that the claimant would require seven prosthetic limbs. It, therefore, awarded a consolidated amount of Rs.3,00,000/- per limb on a standard basis for seven limbs. No interest was awarded on this amount, considering that it was being awarded as a consolidated lump sum. Maintenance of the prosthetic limb, at Rs. 15,000/- per annum was also awarded, amounting to Rs. 75,000/- for each block of 5 years. For ready reference, relevant portion from ***Prahlad Sahai*** (*supra*) is reproduced hereinbelow:

“30. As would be clear from the discussion hereinabove, our Court has recognized a block of five years as the reasonable replacement period for a prosthetic limb, and we have followed the same.

31. The appellant was thirty-two years in 2007. Applying an assumed life span of seventy years as the maximum for which as a standard formula compensation for prosthetic limb is awarded and calculating the life of one prosthetic limb as five years, the appellant will need seven prosthetic limbs. Insofar as the price is concerned, the appellant has claimed the 2007 price for the first block with interest @ 9 per cent. Though he has claimed for eight limbs the correct proportion to award would be seven limbs, since the amputation happened on 17.07.2009.

32. We are inclined to award, like in Md. Shabir (supra), a consolidated amount towards the price. We are inclined to grant Rs. 3,00,000/- per limb on a standard basis for seven limbs. In view of the fact that a consolidated amount is being paid, no interest from the date of the accident is



awarded. Considering that the price has been arrived at by broadly applying the case *Md. Shabir (supra)*, which we find reasonable, we are not inclined to proceed on the basis of the notification relied upon by the Insurance Company.

33. We are also inclined to award cost of maintenance of prosthetic limb at Rs. 15,000/- annually. For a block of five years, it would work out to approximately Rs. 75,000/-. We award a consolidated sum of Rs. 5,00,000/- till the assumed life span of seventy years.”

(emphasis added)

19. Accordingly, in the facts and circumstances of this case, considering that the claimant/injured was 21 years of age at the time of the accident, and assuming his life span at 70 years, the Court deems it fit to consider that he would require a prosthetic limb for another 49 years. He would, therefore, require replacement of approximately ‘10’ prosthetic limbs over his lifetime, assuming a replacement period of 5 years.

20. Considering that he has already purchased one limb, the replacement cost for the remaining 9 limbs would have to be considered at Rs.3,20,000/- each, which was the benchmark price for the first limb. Further, following the direction of the Supreme Court, an amount of Rs. 75,000/- for each block of 5 years towards maintenance shall also be taken into consideration.

21. Accordingly, the aforesaid amount shall be calculated at Rs. 36,15,000/-.

22. An additional issue is being considered at the behest of *Mr. Aggarwal*, counsel for claimant/injured, namely, that the *future prospects* were not granted, which ought to have been granted as per the principles enunciated by the Supreme Court in *National Insurance Co. Ltd. v.*



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Pranay Sethi, (2017) 16 SCC 680. The aforesaid contention is accepted, and therefore, addition towards *future prospects* shall be made at 40%.

23. Accordingly, the revised compensation shall be calculated as under:

S. no	Heads of Compensation	Awarded by Tribunal	Awarded by the Court
Pecuniary Loss			
1.	Compensation towards medical bills (A)	Rs. 1,07,535/-	Rs. 1,07,535/-
2.	Expenditure on conveyance and special diet (B)	Rs. 1,00,000/-	Rs. 1,00,000/-
3.	Cost of artificial limb (C)	Rs. 3,20,000/-	Awarded as a separate amount
4.	Attendant charges (D)	Rs. 50,000/-	Rs. 50,000/-
5.	Income of injured per month (E)	Rs. 21,800/-	Rs. 21,800/-
6.	Loss of income (F)	Rs. 3,70,600/-	Rs. 3,70,600/-
7.	Future Prospects (G)	Not granted	Rs. 30,520/- [@40%]
8.	Functional Disability (H)	50%	50%
9.	Multiplier (I)	18	18
10.	Loss of Future Income (J)	Rs. 23,54,400/-	Rs. 32,96,160/-
Non-pecuniary loss			
11.	Mental and physical shock (K)	Rs. 1,00,000/-	Rs. 1,00,000/-
12.	Pain and suffering (L)	Rs. 1,00,000/-	Rs. 1,00,000/-
13.	Loss of amenities (M)	Rs. 2,00,000/-	Rs. 2,00,000/-
14.	Disfiguration (N)	Rs. 2,00,000/-	Rs. 2,00,000/-
15.	Loss of marriage prospects (O)	Rs. 2,00,000/-	Rs. 2,00,000/-
16.	Loss of expectation of life span on account of	Rs. 1,00,000/-	Rs. 1,00,000/-

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	disability (P)		
17.	Total [A + B + C+ D + F + J+ K+L+M+N+O+P]	Rs. 42,02,535/-	Rs. 48,24,295/-
18.	Enhanced compensation	Rs. 6,21,760/-	
19.	Interest	9%	9%

Directions

24. Accordingly, the compensation shall stand enhanced by **Rs.6,21,760/-** [*‘enhanced amount’*].

25. Enhanced amount along with 9% 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. 2,00,000/- shall be released in favour of the claimant/injured from the deposit of enhanced amount, 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/injured. The amount of FDRs on maturity would be released to the Savings Bank Account of claimant/injured upon due verification.

26. *Vide* order dated 8th March 2019, this Court directed appellant/Insurance Company to deposit the entire awarded amount along with the accrued interest before the concerned Tribunal.

27. Furthermore, by order dated 22nd September 2021, this Court had directed that 100% of the amount awarded under the head of pecuniary losses, including towards *treatment, conveyance and special diet, nursing and attendant charges, and cost of artificial limb*, as well as non-



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pecuniary losses towards *mental and physical shock, pain and sufferings, loss of amenities in life, disfiguration and loss of marriage prospects* be released to the claimant/injured. 50% of the amount awarded towards *loss of income and loss of future prospects* was also directed to be disbursed to the claimant/injured as per the scheme of disbursal.

28. Accordingly, the remaining amount along with accrued interest, if not already released, shall be released in favour of claimant/injured as per the directions passed by the MACT *vide* impugned award.

29. Amounts towards prosthetic limbs, calculated at Rs. 36,15,000/-, shall be deposited by appellant/Insurance Company before the MACT within a period of *six weeks* as a separate amount, not garnering interest for the period which has passed since the date of the accident. The amount, shall, however, be kept in an interest-bearing FDR.

30. Amounts towards prosthetic limbs shall be released only upon production of a verified original invoice and proof of payment from an authorised and reputed vendor.

31. Statutory amount be refunded to appellant/Insurance Company.

32. Accordingly, the appeal is disposed of.

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

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

(ANISH DAYAL)
JUDGE

AUGUST 13, 2026/MK/ya