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* IN THE HIGH COURT OF DELHI AT NEW DELHI

% *Date of decision: 04th August 2026*

CNR No. DLHC010303052026

+ MAC.APP. 425/2026 & CM APPL. 44194/2026 CM APPL. 44195/2026

THE NEW INDIA ASSURANCE COMPANY LTD Appellant

Through: Mr. Parveen Kumar Mehdiratta & Mr.
Martin Paul Advs.

versus

UMESH KUMAR AND ORS Respondents

Through: Appearance not given.

CORAM:**HON'BLE MR. JUSTICE ANISH DAYAL****JUDGMENT****ANISH DAYAL, J (ORAL)**

1. This appeal has been filed by the Insurance Company, assailing the award dated 05th May 2026 passed by Motor Accident Claims Tribunal, Patiala House Court (*'MACT/Tribunal'*) in MACT Case No.199/2019, whereby a compensation of Rs. 37,30,364 along with interest at 9% per annum was awarded.

2. The accident in question occurred on 26th August 2019, resulting in the death of *Anusha Kaushik*, who was 21 years old on the date of the accident.

3. *Mr. Mehdiratta*, counsel appearing on behalf of the Insurance Company, raises two principal issues *firstly*, that the MACT in Delhi did not have territorial jurisdiction merely because the insurance company had a



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branch office at *Connaught Place*. Since the accident occurred in *Ghaziabad* and the claimants were residents of *Sahibabad*, jurisdiction could not be considered on the basis that there is a branch in the *Connaught Place*.

4. The MACT has dismissed the objection on territorial jurisdiction relying upon the decision of the Supreme Court in *Malathi Sardar v. National Insurance Company Ltd. and Ors.* 2016 3 SCC 43. In the opinion of this Court, the MACT has done so rightly. The Supreme Court has categorically held that hypertechnical objections regarding territorial jurisdiction cannot be raised. The provisions of the Motor Vehicles Act are beneficial pieces of legislation enacted for the benefit of victims of motor vehicle accidents caused by negligent driving. The relevant observations of the Supreme Court in *Malathi (supra)* are extracted below:

“16. The provision in question, in the present case, is a benevolent provision for the victims of accidents of negligent driving. The provision for territorial jurisdiction has to be interpreted consistent with the object of facilitating remedies for the victims of accidents. Hyper technical approach in such matters can hardly be appreciated. There is no bar to a claim petition being filed at a place where the insurance company, which is the main contesting parties in such cases, has its business. In such cases, there is no prejudice to any party. There is no failure of justice. Moreover, in view of categorical decision of this Court in *Mantoo Sarkar (supra)*, contrary view taken by the High Court cannot be sustained. The High Court failed to notice the provision of Section 21 CPC.”

(emphasis added)

5. The approach taken by the insurance company is that the insurer has several branches in Delhi and, therefore, there is no reason for the claim to be instituted before the MACT having jurisdiction over the *Connaught Place*



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branch of the insurer. Needless to say, this is a specious plea and deserves to be rejected.

6. The next issue raised pertains to the quantum of compensation. The deceased had completed *B.Com. (Hons.)* from *Amity University Noida* and was pursuing a *Post Graduate Diploma in Management* and was stated to be earning approximately *Rs. 13,000* per month by providing private tuition. The MACT assessed her income by taking the minimum wages payable to a graduate and adding the income earned from private tuition.

7. *Mr. Mehendiratta* points out to the testimony of **PW3**, the parent of two students who were receiving tuition from the deceased, *Ms. Kaushik*.

8. In his testimony, **PW3** stated that his daughter was pursuing an MBA and his son was pursuing B.Tech. He further deposed that during the academic year 2017-18, when they were studying in Classes XI and IX respectively, they were taking tuition from his *Ms. Kaushik*.

9. During his cross-examination, **PW3** admitted that he did not possess any documentary proof of payment, as the tuition fee had been paid in cash. Relying on this, *Mr. Mehendiratta* contended that the MACT erred in accepting the addition of *Rs.13,000/-* per month towards notional income.

10. This plea may not be sustainable, considering that this Court has held that the assessment of the income of a highly qualified student who is on the threshold of a career has to be based on the *potentiality of income*. Offering tuitions for qualified students is commonplace in order to earn some money on the side to sustain their own livelihood and further studies.

11. The minimum wages applicable to a graduate would, at best, reflect the earning capacity of a person holding a *B.Com. (Hons.)* degree. However, the deceased was also pursuing a *Post Graduate Diploma in Management* from a



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prestigious institution. Therefore, potentiality of income would have to be considered. Even if there was no documentary evidence regarding the tuition fee being paid, the same could reasonably be treated as a relevant benchmark for assessing her income.

12. The Court agrees with the assessment made by the MACT. In this regard, reference may also be made to the decision of the Supreme Court in *Arvind Kumar Mishra v. New India Assurance Co. Ltd.*, (2010) 10 SCC 254, wherein the Supreme Court was considering the claim of an injured person as a final year B. Tech student at Birla Institute of Technology resulting in 70% permanent disablement and being in coma for 2 months. It was opined that since he was a student of a prestigious university, he wouldn't have any difficulty in getting some job in the private sector; there he would also have a chance of promotion and his income was assessed at Rs. 60,000/-.

Relevant paragraph is extracted as under:

“14. On completion of Bachelor of Engineering (Mechanical) from the prestigious institute like BIT, it can be reasonably assumed that he would have got a good job. The appellant has stated in his evidence that in the campus interview he was selected by Tata as well as Reliance Industries and was offered pay package of Rs. 3,50,000 per annum. Even if that is not accepted for want of any evidence in support thereof, there would not have been any difficulty for him in getting some decent job in the private sector. Had he decided to join government service and got selected, he would have been put in the pay scale for Assistant Engineer and would have at least earned Rs. 60,000 per annum. Wherever he joined, he had a fair chance of some promotion and remote chance of some high position. But uncertainties of life cannot be ignored taking relevant factors into consideration. In our opinion, it is fair and reasonable to assess his future earnings at Rs.



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60,000 per annum taking the salary and allowances payable to an Assistant Engineer in public employment as the basis. Since he suffered 70% permanent disability, the future earnings may be discounted by 30% and, accordingly, we estimate upon the facts that the multiplicand should be Rs. 42,000 per annum.”
(emphasis added)

13. In view of the same, the appeal along with all pending application(s), if any, is dismissed.
14. Insurance Company shall deposit the awarded amount with the MACT within the next 4 weeks, which shall be released as per the disbursal directions in the Award.
15. Statutory deposit, if any, be released to the appellant.
16. Judgment be uploaded on the website of this Court.

(ANISH DAYAL)
JUDGE

AUGUST 04, 2026/vs/bp