



2026:DHC:6293



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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of decision: 04th August 2026

CNR No. DLHC014083762018

+ MAC.APP. 979/2018 & CM APPL. 46419/2018

RELIANCE GENERAL INSURANCE CO LTD Appellant

Through: Mr. A.K. Soni, Advocate.

versus

MEENA DEVI & ORS

.....Respondents

Through: Mr. Vivek Kumar Tandon, Ms.
Laxmi Gupta, Ms. Khushi,
Advocates.**CORAM:****HON'BLE MR. JUSTICE ANISH DAYAL****JUDGMENT****ANISH DAYAL, J (ORAL)**

1. This appeal has been filed by the Insurance Company challenging the impugned award dated 01st October 2018 passed by the Motor Accident Claims Tribunal, Rohini Courts, Delhi (*'Tribunal/MACT'*) in MAC Petition No.4180/2016 (Old MAC Petition No.82/2014), which awarded compensation of Rs.50,61,000/- along with 9% interest.

2. The accident in question occurred on 7th April 2014 at 8:45 am near *Village Garhi Wala, District Sonipat*, when a car bearing registration no. DL-4CS-6284 (hereinafter, *'offending vehicle'*), being driven in rash and negligent manner, hit the motorcycle of *Dinesh* (hereinafter, *'deceased'*) from its front, who subsequently succumbed to his injuries.

3. The claim petition was filed by his widow, minor son and parents.



Deceased was serving as a Constable in Delhi Police and as per his salary slip exhibited as **Ex. PW3/1 (colly)**, he was drawing a monthly salary of Rs.35,768/-, which was recorded by the MACT.

4. *Mr. A.K. Soni*, counsel for appellant/Insurance Company, assails the award on the sole issue of deduction of allowances for assessment of notional income. *Mr. Soni*, submits that deduction towards transport allowance at Rs.3,040/-, conveyance allowance at Rs. 75/- and washing allowance at Rs. 75/- ought to have been deducted, since it was personal to the deceased and would not accrue to the benefit of the family.

5. As regards transport allowance and conveyance allowance, reliance may be placed upon the decision of Supreme Court in ***National Insurance Company Ltd. v. Nalini*** 2024 SCC OnLine SC 2252 where the Court held 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. Relevant finding of the Court is extracted as under:

“3. It is apparent from the observations made in the aforesaid decision that the emoluments and the benefits accruing to the deceased under various heads for the purposes of computation of loss of income, which are described by learned counsel for the petitioner-Insurance Company as personal to him to arrive at the dependency factor, ought to be included irrespective of whether they are taxable or not.”

(emphasis added)

6. Reliance may also be placed upon the decision of the Court in ***E. Neeta Devi & Ors. v. Ashwani Kumar & Ors (Bharti Axa General Insurance Co Ltd)***, 2026:DHC:5184 where this Court traversed through various decisions of Supreme Court and culled out principles regarding



deduction of allowances. This Court held that income is not limited to the pay packet and comprises of allowances which are beneficial to the members of the entire family. The relevant discussion of the Court is extracted as under:

“36. Principles which can be culled out from the above decisions are enunciated as under:

...

(ii) Allowances such as transport allowance/conveyance allowance, house rent allowance, provident fund contribution and special allowances which are fixed pro-rata with reference to the basic salary will be included before assessment of future prospects.

...

Needless to say, these are merely illustrative and not exhaustive. However, there is no denying that individual cases would turn on its own peculiar facts.”
(emphasis added)

7. However, washing allowance will be deducted, since it would have been personal to the deceased and would not accrue to the benefit of the family. Therefore, in light of the above discussion this Court is inclined to deduct Rs. 75/- towards washing allowance and include allowances towards transport and conveyance. Accordingly, monthly income of deceased shall be considered at Rs. 35,693/- (Rs. 35,768/- – Rs. 75/-)

8. Additionally, *Mr. Soni*, counsel for appellant/Insurance Company, challenged the award of rate of interest at 9% per annum. Reliance in this regard can be placed upon the judgment of the Supreme Court in ***Kaushnuma Begum (Smt.) & Ors. v. New India Assurance Co. Ltd. & Ors.***, (2001) 2 SCC 9 wherein, while interpreting the powers of the Tribunal under Section 171 of the Motor Vehicles Act, 1988 to award simple interest on compensation from the date of institution of the claim



petition, it was observed that the rate of interest awarded by nationalised banks on fixed deposits ought to serve as the guiding factor while determining the rate of interest payable on compensation amounts.

9. Considering that the rate of interest in 2013-14 was 9.10% and in 2014-15 was 8.5%; the MACT has correctly granted an interest rate of 9% since the claim petition was filed in April 2014. Therefore, *Mr. Soni's* submission, in this regard, is rejected.

10. Further, considering that there were 4 claimants, loss of consortium shall be granted at Rs. 1,60,000/- (Rs. 40,000/- x 4) in view of the decision of Supreme Court in *United India Insurance Co. Ltd. v. Satinder Kaur*, (2021) 11 SCC 780.

11. Income tax for the relevant Assessment Year 2015-16 and corresponding Financial Year 2014-15 was that, annual income upto Rs. 2,50,000/- was exempted and annual income above Rs. 2,50,000 till Rs. 5,00,000/- was taxable at 10%.

12. Accordingly, considering that annual income of deceased is Rs. 4,28,316/- (Rs. 35,693 x 12). After deduction of income tax, the annual income of deceased comes up to Rs. 4,10,484/- (Rs. 4,28,316/- – Rs. 17,832/-).

13. Accordingly, revised compensation is as under:

Sl. No.	Heads	Awarded by the Tribunal	Awarded by this Court
1	Income of deceased (A) Less: Income Tax	Rs. 4,11,294/-	Rs. 4,10,484/-
2	Add: Future Prospects (B)	Rs. 1,23,388.2/-	Rs. 1,23,145/-
3	Less: Personal expenses of deceased (C)	Rs. 1,78,227.4/-	Rs. 1,77,876/-
4	Loss of dependency (A+B)-C=D	Rs. 3,56,454.8/-	Rs. 3,55,753/-



5	Multiplier (E)	14	14
6	Total loss of dependency (D x E)= (F)	Rs. 49,90,368/-	Rs. 49,80,542/-
7	Compensation for loss of consortium (G)	Rs. 40,000/-	Rs. 1,60,000/-
8	Compensation for loss of estate (H)	Rs. 15,000/-	Rs. 15,000/-
9	Compensation towards funeral expenses (I)	Rs. 15,000/-	Rs. 15,000/-
10	Total compensation (F+G+ H+I) = (J)	Rs. 50,61,000/- (Rs. 50,60,368/- rounded off)	Rs. 51,71,000/- (Rs. 51,70,542/- rounded off)
11	Rate of Interest Awarded	9%	9%

14. For aforesaid reasons, compensation has been enhanced by Rs. 1,10,000/- (“**enhanced amount**”).

15. Enhanced amount along with 9% interest per annum from the date of filing the petition shall be deposited before the Registrar General of this Court within a period of four weeks. Same shall be released as lumpsum to the claimants in apportionment as directed by the MACT.

16. By order dated 2nd November 2018, this Court had directed the Insurance Company to deposit the entire originally awarded amount before the Registrar General of this Court, and the amount to directed be kept in an annual interest-bearing fixed deposit receipts (**‘FDR’**) with automatic renewals. Thereafter, by order dated 25th July 2019, this Court directed release of 40% of the deposited amount. Remaining amount from the original compensation shall continue to be disbursed as per the directions of MACT.

17. Appeal is disposed of in the above terms.

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

19. Copy of this judgment be sent to the concerned MACT/bank for



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information and compliance.

20. Statutory deposit, if any, shall be refunded to appellant/Insurance Company, only if the order of deposit has been complied with.

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

(ANISH DAYAL)
JUDGE

AUGUST 4, 2026/ak/sp