



2026:DHC:6118



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

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Date of Decision: 21.07.2026

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**FAO 253/2018****DELHI TRANSPOT CORPORATION**

.....Appellant

Through: Mr. Jyotindra Kumar and Mr.  
Saurabh Shandilya, Advocates with  
Mr. Subhash Chand, Dealing  
Assistant

versus

**CHAMELI DEVI**

...Respondent

Through: Mr. Yashpal Rangi, Advocate

**CORAM:****HON'BLE MR. JUSTICE MANOJ KUMAR OHRI****JUDGMENT (ORAL)****CM APPL. 21697/2018 (delay)**

1. This application has been filed on behalf of the appellant seeking condonation of delay of 115 days in filing the accompanying appeal.
2. For the reasons stated in the application, the same is allowed and the delay is condoned.
3. The present application is disposed of.

**FAO 253/2018 & CM APPLs. 21696/2018 and 60099/2025**

1. The present appeal has been filed by the appellant/employer under Section 30 of the Employee's Compensation Act, 1923 (hereinafter the "EC Act") against the orders dated 02.05.2017 and 10.07.2017 passed by the learned Commissioner Employees Compensation (District – West),



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*Vishwakarma Nagar, Jhilmil Colony, Delhi – 110095* in case no. CWC/WD/81/09/307.

2. *Vide* the first impugned order, the learned Commissioner allowed the claim application filed by the respondent/claimant, thereby awarding compensation of Rs.17,80,873/- along with simple interest @ 12% per annum with effect from 03.05.2017 till its realization.
3. The latter impugned order pertains to the imposition of penalty of Rs.54,224/-, being 10% amount of the compensation amount, upon the appellant.
4. Briefly stated, the original claimant, *Smt. Chameli Devi*, being the widow of late *Sh. Chander Bhan*, had preferred a claim application in the context of an accident that had occurred on 17.05.1998, when the bus driven by late *Sh. Chander Bhan* met with an accident, resulting in fatal injuries to *Sh. Chander Bhan*. An FIR, bearing no. 2127/1998, was registered at P.S. *Najafgarh* under Sections 279/337/304-A IPC.
5. The claimant filed a claim application terming the said accident as having occurred out of and in the course of employment of the deceased with the appellant.
6. The appellant resisted the claim application by contending that it was barred by limitation. It was further contended that the amounts towards gratuity, provident fund, and security deposit, as well as the unpaid salary, had already been paid. It further pressed that a sum of Rs.1,00,000/- was paid to the claimant under the head of 'GPAIS', a scheme prevalent in the organization for payment of compensation in case of death of an employee occurring during the course of employment.
7. The learned Commissioner decided the issue of delay in favour of the



claimant and considered the claim application on merits. The appellant had also raised an objection as to the jurisdiction of the learned Commissioner, which came to be decided against the appellant with reference to Section 21 of the EC Act.

8. In the present appeal, learned counsel for the appellant has raised two-fold contentions. Firstly, that the learned Commissioner erred in deciding the issue of limitation in favour of the claimant. In this regard, it is stated that Section 10(1) of the EC Act provides for limitation. Additionally, it was contended that the claim was not preceded by a notice of the accident. Secondly, that under Section 53 of the Employees' State Insurance Act, 1948, the claimant, having already obtained Rs.1 lakh under 'GPAIS', could not have preferred a claim application under the EC Act.

9. On the other hand, learned counsel for the respondent stated that the limitation was condoned by the learned Commissioner *vide* an earlier order dated 25.05.2016, which was not assailed and thus, became final.

10. On the aspect of the claim application being maintainable despite the claimant having received an amount under the group insurance scheme, learned counsel referred to the decision of the Supreme Court in The Managing Director, KSRTC Vs. P. Chandramouli & Ors.<sup>1</sup>.

11. Before proceeding further, it is worth mentioning that the scope of an appeal under Section 30 of the Act is well settled. The Commissioner is the final authority on questions of fact, and an appeal lies only where the case involves a substantial question of law (Ref: Golla Rajanna & Ors. Vs. Divisional Manager & Anr.<sup>2</sup>)

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<sup>1</sup> 2026 INSC 241

<sup>2</sup> (2017) 1 SCC 45



12. Insofar as the objection as to limitation is concerned, Section 10(1) of the EC Act provides that the claim application has to be filed within 2 years from the date of death, and further the *proviso* appended to the provision empowers the learned Commissioner to entertain any claim notwithstanding that the notice was not given or the claim was not preferred in due time, as provided in the sub-section, if he is satisfied that the failure to give the notice or prefer the claim, as the case may be, was due to sufficient cause. In the present case, the deceased suffered a fatal accident while he was driving a bus owned by the appellant.

13. The first impugned order records that the claimant had filed an application under Section 5 of the Limitation Act, wherein it was stated that she had initially engaged one *Sh. B. D. Sharma*, Advocate, who, on account of his busy schedule, assigned the case to one *Sh. S. R. Divedi*, Advocate, who was an expert dealing in service matters. The claimant claimed that upon repeated follow-up, the said counsel assured her that the case would be filed within time. It was only later that the claimant came to know that *Sh. Divedi* had expired. Efforts were made thereafter to trace the file, and though the same could be traced, it contained no documents. Left with no choice, the claimant had to engage another counsel, who then filed the claim application.

14. This Court also notes that the claimant, *Smt. Chameli Devi*, was the widow of *Sh. Chander Bhan* and a resident of *Village & Post Jahidpur, P.S. & District Jhajjar, Haryana*. The accident had taken place in *Delhi* and the claim application was to be filed within the jurisdiction of the Courts at *Delhi*. It is not to be re-emphasized that in such a case, an application

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seeking condonation of delay is to be considered liberally, provided sufficient cause is shown by the claimant. In the present case, in the considered opinion of this Court, the learned Commissioner made no mistake in allowing the condonation of delay application. The challenge thereto is meritless and rejected.

15. Insofar as the second contention that no prior notice of the accident was given is concerned, it is observed that no such contention was raised before the learned Commissioner. Even otherwise, the *proviso* to Section 10(1) of the EC Act empowers the learned Commissioner to entertain the claim without any prior notice. It cannot be overlooked that the deceased was plying a bus owned by the appellant itself.

16. Coming now to the contention that the receipt of an amount under a group insurance scheme would debar a claimant from filing a claim application under the provisions of the EC Act, a gainful reference may be made to the decision of the Supreme Court in Helen C. Rebello (Mrs) & Ors. Vs. Maharashtra State Road Transport Corporation & Anr.<sup>3</sup>, wherein the Court noted that amounts received on account of contributions made by the deceased would not disentitle the concerned claimant(s) from seeking compensation under the Motor Vehicles Act on account of injury or death.

The relevant extract is as under:

*“32. So far as the general principle of estimating damages under the common law is concerned, it is settled that the pecuniary loss can be ascertained only by balancing on one hand, the loss to the claimant of the future pecuniary benefits that would have accrued to him but for the death with the 'pecuniary advantage which from whatever source comes to him by reason of the death. In other words, it is the balancing of loss and gain of the claimant occasioned by the death. But this has to change its colour to the extent a statute intends to do. Thus, this has to be interpreted in the*

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<sup>3</sup> (1999) 1 SCC 90



light of the provisions of the Motor Vehicles Act, 1939. It is very clear, to which there could be no doubt that this Act delivers compensation to the claimant only on account of accidental injury or death, not on account of any other death. Thus, the pecuniary advantage accruing under this Act has to be deciphered, correlating with the accidental death. The compensation payable under the Motor Vehicles Act is on account of the pecuniary loss to the claimant by accidental injury or death and not other forms of death. If there is natural death or death by suicide, serious illness, including even death by accident, through train, air flight not involving a motor vehicle, it would not be covered under the Motor Vehicles Act. Thus, the application of the general principle under the common law of loss and gain for the computation of compensation under this Act must correlate to this type of injury or death, viz., accidental. If the words 'pecuniary advantage' from whatever source are to be interpreted to mean any form of death under this Act, it would dilute all possible benefits conferred on the claimant and would be contrary to the spirit of the law. If the 'pecuniary advantage' resulting from death means pecuniary advantage coming under all forms of death then it will include all the assets moveable, immovable, shares, bank accounts, cash and every amount receivable under any contract. In other words, all heritable assets including what is willed by the deceased etc. This would obliterate both, all possible conferment of economic security to the claimant by the deceased and the intentions of the legislature. By such an interpretation, the tortfeasor in spite of his wrongful act or negligence, which contributes to the death, would have in many cases no liability or meagre liability. In our considered opinion, the general principle of loss and gain takes colour of this statute, viz., the gain has to be interpreted which is as a result of the accidental death and the loss on account of the accidental death. Thus, under the present Act, whatever pecuniary advantage is received by the claimant, from whatever source, would only mean which comes to the claimant on account of the accidental death and not other forms of death. The constitution of the Motor Accident Claims Tribunal itself under Section 110 is, as the section states;

*'...for the purpose of adjudicating upon claims for compensation in respect of accidents involving the death of, or bodily injury to, ....'*

33. Thus, it would not include that which the claimant receives on account of other forms of deaths, which he would have received even apart from accidental death. Thus, such pecuniary advantage would have no correlation to the accidental death for which compensation is computed. Any amount received or receivable not only on account of the accidental death but that which would have come to the claimant even otherwise, could not be construed to be the 'pecuniary advantage', liable for deduction. However, where the employer insures his employee, as against injury or death arising out of an accident, any amount received out of such



insurance on the happening of such incident may be an amount liable for deduction. However, our legislature has taken note of such contingency through the proviso of Section 95. Under it the liability of the insurer is excluded in respect of injury or death, arising out of and in the course of employment of an employee.

34. This is based on the principle that the claimant for the happening of the same incidence may not gain twice from two sources. This, it is excluded thus, either through the wisdom of the legislature or through the principle of loss and gain through deduction not to give gain to the claimant twice arising from the same transaction, viz., the same accident. It is significant to record here in both the sources, viz., either under the Motor Vehicles Act or from the employer, the compensation receivable by the claimant is either statutory or through the security of the employer securing for his employee but in both cases he receives the amount without his contribution. How thus an amount earned out of one's labour or contribution towards one's wealth, savings, etc. either for himself or for his family which such person knows under the law has to go to his heirs after his death either by succession or under a Will could be said to be the 'pecuniary gain' only on account of one's accidental death. This, of course, is a pecuniary gain but how this is equitable or could be balanced out of the amount to be received as compensation under the Motor Vehicles Act. There is no correlation between the two amounts. Not even remotely. How can an amount of loss and gain of one contract be made applicable to the loss and gain of another contract. Similarly, how an amount receivable under a statute has any correlation with an amount earned by an individual. Principle of loss and gain has to be on the same plane within the same sphere, of course, subject to the contract to the contrary or any provisions of law.

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 correlation 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 correlation. The insured (deceased) contributes his own money for which he receives the amount which has no correlation 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.

36. As we have observed, the whole scheme of the Act, in relation to the payment of compensation to the claimant, is a beneficial legislation. The intention of the legislature is made more clear by the change of language from what was in the Fatal Accidents Act, 1855 and what is brought under Section 110-B of the 1939 Act. This is also visible through the provision of Section 168(1) under the Motor Vehicles Act, 1988 and Section 92-A of the 1939 Act which fixes the liability on the owner of the vehicle even on no fault. It provides that where the death or permanent disablement of any person has resulted from an accident in spite of no fault of the owner of the vehicle, an amount of compensation fixed therein is payable to the claimant by such owner of the vehicle. Section 92-B ensures that the claim for compensation under Section 92-A is in addition to any other right to claim compensation in respect whereof (sic thereof) under any other provision of this Act or of any other law for the time being in force. This clearly indicates the intention of the legislature which is conferring larger benefit on the claimant. Interpretation of such beneficial legislation is also well settled. Whenever there be two possible interpretations in such statute, then the one which subserves the object of legislation, viz., benefit to the subject should be accepted. In the present case, two interpretations have been given of this statute, evidenced by two distinct sets of decisions of the various High Courts. We have no hesitation to conclude that the set of decisions, which applied the principle of no deduction of the life insurance amount, should be accepted and the other set, which interpreted to deduct, is to be rejected. For all these



*considerations, we have no hesitation to hold that such High Courts were wrong in deducting the amount paid or payable under the life insurance by giving a restricted meaning to the provisions of the Motor Vehicles Act basing mostly on the language of English statutes and not taking into consideration the changed language and intents of the legislature under various provisions of the Motor Vehicles Act, 1939.”*

17. Recently, the Supreme Court in Managing Director, KSRTC (supra), while reiterating the said view, held that the amounts received by the deceased under employer-provided group insurance or other contractual or social security benefits cannot be treated as “pecuniary advantages” liable to be deducted from the compensation awarded under the Motor Vehicles Act, 1988. It was held that such benefits arise out of independent contractual relationships and lack the requisite nexus with the statutory compensation payable for death in a motor vehicle accident. The principle of balancing loss and gain cannot, therefore, be invoked to diminish the statutory entitlement of the claimant to just compensation.

18. Even the Coordinate Bench of this Court in Subhash Chander Sachdeva & Anr. Vs. Bochu Venkateshwar Rao & Ors (United India Insurance Co. Ltd.)<sup>4</sup>, while considering an award under the MV Act, observed that the amounts received under group life insurance schemes were not to be deducted while considering the claim application under the MV Act.

19. This Court, being bound by the guiding principles laid down by the Supreme Court and the persuasive decision of the Coordinate Bench, and also keeping in view the limited scope of an appeal under Section 30 of the Act, finds no reason to interfere with the impugned orders.

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<sup>4</sup> 2024:DHC:124



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20. Accordingly, the present appeal fails. The amounts awarded under the impugned orders be released, if not already done so.

21. The present appeal is, accordingly, dismissed. Pending applications shall stand closed.

**MANOJ KUMAR OHRI**  
**(JUDGE)**

**JULY 21, 2026**  
*pmc*