



2025:DHC:10993



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**% ***Decided on: 06.12.2025***+ **MAC.APP. 755/2014 & CM APPL. 13490/2014****RELIANCE GENERAL
INSURANCE COMPANY LTD****.....Appellant****Through: Mr. Rajeev M. Roy & Mr. P.
Srinivasan, Advocates.****versus****MAHESH PRASAD & ORS****.....Respondents****Through: Mr. Avadhesh K. Tiwari,
Advocate for R-1 to 4.****CORAM:****HON'BLE MR. JUSTICE PRATEEK JALAN****PRATEEK JALAN, J. (ORAL)**

1. The present appeal has been preferred by the appellant – Reliance General Insurance Company Ltd. [“Insurance Company”], against the award dated 21.04.2014 in M.A.C. Petition No. 133/2011, arising from the death of Mr. Shyam Bihari in a motor vehicle accident on 28.04.2011. The Tribunal awarded compensation of Rs. 32,73,400/- to the heirs of the deceased [respondent Nos. 1 to 4 herein], together with interest at the rate of 9% per annum.

2. As recorded in the order dated 15.11.2025, the present appeal raises a single ground, namely, the computation of loss of dependency by including 50% of the deceased's last drawn income towards future prospects. It is contended that in accordance with the judgment of the Constitution Bench of the Supreme Court in *National Insurance Co. Ltd.*



v. *Pranay Sethi*¹, the enhancement under the head of future prospects cannot exceed 40%.

3. The deceased was a businessman, aged about 24 years. The Tribunal assessed his annual income at Rs. 1,68,264/-, and applied an addition of 50% towards future prospects, bringing the total to Rs. 2,52,396/-. In this context, the relevant extract of *Pranay Sethi* reads as follows:

“59.3. While determining the income, an addition of 50% of actual salary to the income of the deceased towards future prospects, where the deceased had a permanent job and was below the age of 40 years, should be made. The addition should be 30%, if the age of the deceased was between 40 to 50 years. In case the deceased was between the age of 50 to 60 years, the addition should be 15%. Actual salary should be read as actual salary less tax.

59.4. In case the deceased was self-employed or on a fixed salary, an addition of 40% of the established income should be the warrant where the deceased was below the age of 40 years. An addition of 25% where the deceased was between the age of 40 to 50 years and 10% where the deceased was between the age of 50 to 60 years should be regarded as the necessary method of computation. The established income means the income minus the tax component.”²

4. An addition of 50% towards future prospects, as contemplated in the said judgment, applies only to persons in permanent employment. Businesspersons are to be dealt with under paragraph 59.4, which provides for an addition of 40% towards future prospects for a deceased of the age below 40 years, as in the present case.

5. In view of the above, Mr. Avadhesh K. Tiwari, learned counsel for the respondent Nos. 1 to 4 [claimants before the Tribunal], accepts that

¹ (2017) 16 SCC 680 [hereinafter “*Pranay Sethi*”].

² Emphasis supplied.



the compensation amount may be recomputed on this basis.

6. Since this is the sole ground of challenge, the compensation for loss of dependency is hereby recomputed as follows:

Sr. No.	Heads	Awarded by the Tribunal	Awarded by the Court
1.	Annual income	Rs. 1,68,264/-	Rs. 1,68,264/-
2.	Addition for future prospects	50% of Rs.1,68,264/- = Rs. 84,132/-	40% of Rs. Rs.1,68,264/- = Rs. 67,305.60/-
3.	Income after addition of future prospects	Rs. 2,52,396/-	Rs. 2,35,570/-
4.	Deduction for Personal Expenses	1/3 rd of Rs. 2,52,396/- = Rs. 84,132/-	1/3 rd of Rs. 2,35,570/- = Rs. 78,523/-
5.	Contribution to Family	Rs. 2,52,396 – 84,132 = Rs. 1,68,264/-	Rs. 2,35,570 – 78,523 = Rs. 1,57,047/-
6.	Applicable multiplier (18)	Rs.1,68,264/- x 18	Rs.1,57,047/- × 18
Total for Loss of Dependency		Rs. 30,28,752/-	Rs. 28,26,846/-

7. In view of the above re-computation, the total compensation payable on account of loss of dependency stands reduced to Rs. 28,26,846/-, i.e. a reduction of Rs.2,01,906/-.

8. During the pendency of this appeal, the Insurance Company deposited the entire awarded amount with the Registrar General of this Court, and 60% thereof has been released to the respondents Nos. 1 to 4,



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in accordance with the directions contained in the impugned award. Having regard to the fact that more than eleven years have elapsed since the passing of the award, the Registry is directed to release the balance amount lying in deposit.

9. Out of the said amount, the difference of Rs. 2,01,906/- resulting from the present re-computation, alongwith the proportionate accrued interest, shall be released in favour of the Insurance Company. The remaining balance shall be released to respondents Nos. 1 to 4 in the same proportion as indicated in paragraph 35 of the impugned award, together with the corresponding accrued interest.

10. The appeal stands disposed of with the aforesaid directions.

11. The Registry is directed to refund the statutory deposit to the Insurance Company.

12. The next date of hearing, i.e., 11.12.2025, before the Pre-Sitting Lok Adalat, stands cancelled.

PRATEEK JALAN, J

DECEMBER 6, 2025

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