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

Reserved on : 12th October 2026
Pronounced on : 19th November 2026
Uploaded on : 20th November 2026

\# **CNR No. DLHC010397082025**

\+ **MAC.APP. 399/2025 & CM APPL. 11474/2026**

SHUBHAM TYAGI .....Appellant

Through: Mr. Piyush Sharma, Mr. Hansraj Singh, Ms. Priyanka Sanyal & Mr. Anuj Kumar Sharma, Advs.

versus

SH. SATISH GUPTA AND ANOTHER .....Respondents

Through: Mr. Dhananjay Gupta & Mr. Abhishek Pandey, Advs. for Respondent no.1.

\# **CNR No. DLHC010121002026**

\+ **MAC.APP. 210/2026**

SATISH GUPTA .....Appellant

Through: Mr. Dhananjay Gupta & Mr. Abhishek Pandey, Advs.

versus

SHUBHAM TYAGI AND ANR .....Respondents

Through: Mr. Piyush Sharma, Mr. Hansraj Singh, Ms. Priyanka Sanyal & Mr. Anuj Kumar Sharma, Advs. for Respondent no.1.

CORAM:
HON'BLE MR. JUSTICE ANISH DAYAL

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JUDGMENT

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ANISH DAYAL, J.

1. These cross-appeals have been filed assailing impugned awards dated 01st June 2024 and 16th December 2024, passed by the Motor Accident Claims Tribunal, Central, Tis Hazari Courts, Delhi [hereinafter, '***MACT/Tribunal'***] in *MACT No. 1099/2017* [hereinafter, '***impugned awards***'].

2. *Vide* award dated 01st June 2024, compensation of *Rs. 20,84,863/-*, along with interest at the rate of 8% per annum, was awarded to the injured/claimant, namely *Shubham Tyagi*. However, pursuant thereto, an application was moved by the injured/claimant under Section 114 of the Code of Civil Procedure, 1908 [hereinafter, '***CPC***'] read with Section 151 of the CPC and 169(1) of the Motor Vehicles Act, 1988 ['hereinafter, '***MV Act***'], seeking review and modification of the aforesaid award on the ground that the Tribunal did not award any amount towards the cost of prosthetic limb. Accordingly, *vide* award dated 16th December 2024, the Tribunal, after going through the material on record, awarded an additional sum of *Rs. 20,00,000/-*, along with interest at the rate of 8% per annum, to the injured/claimant in this regard.

3. *MAC.APP. 399/2025* has been filed by injured/claimant seeking enhancement of the compensation awarded whereas *MAC.APP. 210/2026* has been filed by driver-cum-owner challenging the *recovery rights* granted to the Insurance Company.

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The Incident

4. These impugned awards arise out of an accident which occurred on 24th September 2016, when the injured/claimant, along with his cousin, was returning from their sister's house in *Meerut, Uttar Pradesh* [hereinafter '***U.P.***'] to their house in *Burari*, *Delhi*, on their motorcycle. Upon reaching in front of the *Chunmun Hotel* in *Baleni*, *Distt. Baghpat*, *U.P.*, their motorcycle was hit by an Indica Car bearing registration no. *HR-05F-7171* [hereinafter '***offending vehicle***'], which was being driven rashly and negligently.

5. As a result, injured/claimant, along with his cousin, fell down on the road and sustained grievous injuries, resulting in '*85% permanent disability with respect to the right upper limb*'.

Submissions on behalf of the driver-cum-owner

6. *Mr. Dhananjay Gupta*, counsel for driver-cum-owner, contended that there is no dispute regarding the offending vehicle being covered under the Insurance Policy issued by the *National Insurance Company Ltd*. [*Insurance Company herein*].

7. In the written statement filed by the Insurance Company, liability was sought to be avoided on the ground that the offending vehicle was being driven by the driver-cum-owner without a valid and effective permit and fitness certificate.

8. In this regard, *Mr. Dhananjay Gupta*, counsel for driver-cum-owner, raised the following points for consideration:

i) The offending vehicle was a *Tata Indica car*, a private vehicle, and was not even registered as a commercial vehicle.

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ii) One-Time Tax [hereinafter, '***OTT'***] had been paid for the offending vehicle, as is done for a private vehicle, instead of the yearly tax required to be paid for a commercial vehicle. Reliance in this regard is placed upon **Ex.PW1/14**.

iii) The registration number of the offending vehicle, being *HR-05F-7171*, bears the Code '***05'***, which is issued to private vehicles, while Code '***45'*** is issued to commercial vehicles by the Registered Transport Office, Karnal.

iv) The Insurance Company did not take any plea relating to the permit in the written statement filed by it, but admitted the existence of the Insurance Policy.

v) Insurance Company produced the Investigator's Report, which only speaks of the absence of a Registration Certificate [hereinafter, '***RC'***] and a valid fitness certificate, on the ground that the vehicle was *15 years* old, but does not make any mention of the lack of a permit.

vi) The defence was raised for the first time in the evidence led by them before the MACT.

vii) The issue of '*fitness*' is not a statutory defence available to the Insurance Company under Section 149(2) of the Motor Vehicles Act, 1988, though the issue of permit is, which, in any case, was neither pleaded nor made out.

viii) As regards the fitness certificate, **Ex.PW1/14** [*Owner's vehicle Report*] did not specify a period or the number of years for which the offending vehicle was to ply on the road or require a fitness certificate.

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ix) All documents relating to the offending vehicle had been filed with the Insurance Company along with the proposal form and, only after examining the same, the Insurance Policy, exhibited as **Ex.R2W1/1**, had been issued by the Insurance Company

x) The Insurance Company was to lead evidence in its possession to prove that the offending vehicle was being plied without the fitness certificate; there being no such evidence, an adverse inference ought to be drawn against the Insurance Company.

Submissions on behalf of the Insurance Company

9. *Mr. C.S. Parashar*, counsel for Insurance Company, did not press the issue of the offending vehicle being a commercial vehicle. Accordingly, the submissions of *Mr. Dhananjay Gupta*, counsel for driver-cum-owner in *MAC.APP. 210/2026* need not be addressed.

10. However, *Mr. C.S. Parashar* then drew the attention of this Court to the evidence by way of an affidavit of **R2W1**, *Raghunath Pawar*, Assistant Manager (Legal) of the Insurance Company, who stated that *Satish Gupta* [*driver-cum-owner*] had obtained the Insurance Policy fraudulently by suppressing material facts of having sold the offending vehicle in 2005. He further stated that the Insurance Policy was valid from 26th December 2015 to 25th December 2016.

11. *Mr. C.S. Parashar* therefore contended that *Satish Gupta* [*driver-cum-owner*] had ceased to be the owner of the offending vehicle way back in 2005 itself and, accordingly, had no insurable interest in the offending vehicle on the date when the Insurance Policy was procured.

12. *Mr. C.S. Parashar* further contended that non-disclosure of material facts or representation of a fact, which was false in some

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material particulars, would amount to a fraud and, therefore, render the policy void upon a reading of *Section 149(2)(b)* of the MV Act [*Section 150(2)(b) post the 2019 amendment in the MV Act*], which states that if a policy is obtained by fraudulent disclosure of material facts to the insurer, the insurer shall not be liable to pay any amount of compensation. Sub-section 4 of Section 149 [*Section 150(4) post the 2019 amendment in the MV Act*] of the said Act also makes it clear that, in cases covered under *Section 149(2)(b)* [*Section 150(2)(b) post the 2019 amendment in the MV Act*], no liability can be fastened upon the Insurance Company. It further provides that, any sum paid by the insurer towards the discharge of any liability of any person covered by the policy under sub-section (4) shall be recoverable by the insurer from that person.

13. On this basis, *Mr. Parashar* submitted that *Satish Gupta* [*driver-cum-owner*] failed to disclose material facts and, therefore, this case would fall under the purview of *Section 149(2)(b)* [*Section 150(2)(b) post the 2019 amendment in the MV Act*] of the MV Act.

14. Furthermore, *Mr. Parashar* pointed out to *paragraph 4* of the written statement filed by *Satish Gupta* [*driver-cum-owner*], which records that at the time of the alleged accident, he was neither the owner nor the driver of said offending vehicle since he had already sold the vehicle through *Puri Car Bazar*, *Karnal*, to one *Navneet Sharma*, son of *Sh. Des Raj*, resident of *Basant Vihar*, *Karnal vide* Sale Affidavit dated 23rd October 2005. *Navneet Sharma* had further sold the vehicle through *Sethi Car Bazar*, *Mandir Market*, *Karnal* to *Upender Kumar*, son of *Shri. Lakhmi Chand*, resident of *Jafar Nagar*, *Post Office*, *Sardhna*,

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District Meerut, *U.P.* on 21st March 2006. Thereafter, *Upender Kumar* sold the vehicle in favour of one *Shamim Ahmed*, son of *Sh. Amir Ahmed*, resident of *Durgeshpur*, *Post Office Sardhna*, *District Meerut*, *U.P. vide* Sale Affidavit dated 30th May 2010.

15. *Satish Gupta* therefore stated that at the time of the alleged accident, *Shamim Ahmed* had been the owner of the vehicle, but had not been arrayed as a respondent in the claim petition, and therefore, the claim petition was liable to be dismissed on this basis.

16. In response to the aforesaid submission, however, *Mr. Gupta*, counsel for driver-cum-owner, pointed out to **Ex. R2W2/1** and submitted that it is a matter of record that the vehicle continued to be registered in the name of the *Satish Gupta*/driver-cum-owner.

Analysis and Findings

17. A perusal of the Insurance Policy, exhibited as **Ex. R2W1/1**, shows that it was issued on 26th December 2015 in the name of *Satish Gupta*, and was valid up to 25th December 2016. The said policy was issued for *Tata Indica 1.4 Dis*, with engine number- *131115*, chassis number-*12596*, and registration number- *HR-05F-7171*.

18. Moreover, the Investigator's verification of the RC, exhibited as **Ex. R2W1/2**, elicited a reply from *Transport Office, Karnal, Haryana* and showed that the vehicle had completed *15 years* on 01st September 2014, after which its RC had not been renewed. It further recorded that the registered owner of the offending vehicle was *Satish Gulati* and not *Satish Gupta*. Therefore, for what purpose had *Satish Gupta* paid the premium and secured the Insurance Policy remains unclear.

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19. The Insurance Company, in its written statement, had also taken an issue of implantation of the offending vehicle. It was alleged that the claimants had not furnished any verified or legible copies of the RC with respect to the offending vehicle. Neither were any details or material particulars of the person who was driving the vehicle furnished. It was contended that there were tell-tale signs of manipulation of records in form of discrepancies and inconsistencies in the engine number. In the letter dated 06th October 2016, addressed by the investigating officer to *RTO*, *Karnal*, it was mentioned that the vehicle did not bear a plate displaying the chassis number and that *Engine number-279001153804* was engraved on it.

20. Therefore, the Insurance company raised three issues, ***first***, of implantation of the vehicle, ***second***, that without prejudice to the same, the vehicle did not have a valid RC, and ***third***, that even otherwise, the vehicle could not have been insured in name of *Satish Gupta*, who had categorically stated that he had transferred it.

21. Extract of the register, exhibited as **Ex. R2W2/1(OSR)**, was placed on record by **R2W2**, *Manoj Kumar*, clerk from the SDM Office, *Karnal*, who had brought the summoned record of registration details of the offending vehicle. He deposed that, as per the record, the vehicle had been registered in name of *M/s. G.M.H. Pharmaceuticals Pvt. Ltd.*, *171*, *Sector 3*, *HSIDC Karnal*, before it was transferred to *Satish Gupta* S/o *K. C. Gupta*. It was stated that the vehicle had been registered in 1999, having validity for a period of *15 years* from said year.

22. Keeping aside the discrepancy between the names- *Satish Gulati* and *Satish Gupta*, which may, at worst, be a typographical error,

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particularly since the certificate of registration also shows that the vehicle had been registered in name of *Satish Gulati*, son of *K. C. Gulati*, the question that arises for consideration is whether the insurance policy can be considered valid, considering that *Satish Gupta* did not have an insurable interest, on two counts: ***first***, that he had admittedly transferred the vehicle, as stated in his affidavit; and ***secondly***, that the vehicle was not registered on the date when the insurance policy was issued, since the RC had expired upon completion of *15 years*.

23. *Section 149(2)(b)* of the MV Act [*Section 150(2)(b) post the 2019 amendment in the MV Act*] permits an insurer, after he has been given notice of proceedings, to take a defence that the policy was void on the ground that it was obtained by non-disclosure of a material fact or by representation of a fact which was false in some material particulars. Aspects of breach of policy are noted under sub-section 2 of the said section; however, clause (b) of sub-section (2) stands on a separate footing and is not considered as part of a breach of a specified condition of the policy. Quite to the contrary, *Section 149(2)(b)* [*Section 150(2)(b) post the 2019 amendment in the MV Act*] uses the phrase '*policy is void*'. Therefore, if it is found that there was non-disclosure of a material fact or a false representation, the policy itself would be rendered void. Whether, in such circumstances, the insurer would still be liable to pay initially and then recover said amount from the insured, or would stand exonerated altogether, is a separate issue requiring consideration.

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24. In addition to this, a perusal of *paragraph 28* of the impugned award dated 01st June 2024, shows that the driver-cum-owner was served with a notice under Order XII Rule 8 of the CPC to produce the permit of the offending vehicle, but the same was never produced. On the basis, MACT had granted *recovery rights* to the Insurance Company against the driver-cum-owner. Aside from the issue of permit of a private vehicle, it is evident from the record that the RC itself was not valid on the date in question, as period of validity of *15 years* had already elapsed. Moreover, *Satish Gupta*, the stated driver-cum-owner, had not placed any evidence on record to contradict the same.

25. Accordingly, a few decisions, rendered by various Courts, which may be instructive in this regard, are discussed hereinbelow:

Non-disclosure of material fact

i) In ***National Insurance Co. Ltd. v. Krishnakumar Kittu Nair***, 2001 SCC Online Guj 30, the offending vehicle was stated to have been transferred prior to the date of the accident. The Insurance Company contended that the original owner was the insured under the policy; however, since he had sold the car prior to the commencement of the said policy, he had no insurable interest on the date of the accident and, therefore, the policy was '*void ab initio*'. It was further contended that the policy was void on the ground of misrepresentation and non-disclosure of material facts by the original owner, who did not disclose that the vehicle had already been transferred prior to obtaining the policy. It was therefore argued that pursuant to sale of the motor vehicle, the original owner did not retain the control, custody or

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possession of the car and, therefore, no vicarious liability could have been foisted upon him considering also that the tortious act was committed by an unknown person.

ii) The Court relied upon Section 2(19) of the Motor Vehicles Act, 1939 ['***1939 Act***'], corresponding to the definition under Section 2(30) of the MV Act, since the accident occurred in 1983, prior to implementation of the Act of 1988. After traversing through various provisions of the 1939 Act, the Division Bench of the Gujarat High Court observed that a statutory obligation was cast upon the owner of a motor vehicle to ensure that the vehicle is not driven in a public place unless it is registered. Therefore, as long as the name of the owner continued in the public record as the registered owner of the vehicle, it would be presumed that he continued to be the owner for the purpose of the Act and Rules, even though he might have sold the vehicle. The Court thereby emphasized the mandatory requirement of the owner of the car, under Section 31 of the 1939 Act, to report the transfer to the concerned registering authority within *14 days* of transfer and send a copy of the said report to the transferee. However, since the same had not been done, the owner continued to be registered owner. The Court finally held that since the insurance of the motor vehicle was made compulsory against third party risk under the Act and the Insurance Company had issued the insurance policy with respect to that particular vehicle, the claimants right to recover the amount was not affected by any condition in the policy.

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iii) The Court relied upon the decision of the Supreme Court in ***G. Govindan v. New Assurance Co. Ltd.***, (1999) 3 SCC 754, wherein the Supreme Court had relied upon the ratio of the Andhra Pradesh High Court in ***Madineni Khodaiah v. Yaseen Fatima***, AIR 1986 A. 62, in which the Court held that as far as third-party risk is concerned, proprietary interest in the vehicle is not necessary and public liability continues till the transferor discharges the statutory obligation. The Court finally held the insurer and the original owner jointly and severally liable to pay compensation.

iv) Further, in ***National Insurance Co. Ltd. v. Manoj (Minor) and Others***, MACA No. 200/2011, order dated 23rd September 2021, the Kerala High Court placed emphasis upon the general principle of '*uberrima fidei*', meaning that a party is entitled to rely on the representations of the other and ought to have a reasonable expectation that the other acted in *good faith*.

v) Referring to treaties on insurance law, the Court noted that it was the duty of the assured to disclose all material facts relating to the insurance and must not make any misrepresentation regarding such facts. The burden of proving that there was a breach of duty on the part of the assured rested on the insurer. The test which was usually adopted was whether the non-disclosure of facts could influence a prudent insurer. It was accordingly held that since the owner had suppressed the fact that the jeep was a '*contract carriage vehicle*' at the time of obtaining the insurance policy, it could be said that the insurance policy was availed in

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'*bad faith*'. On this basis, the insurer was exonerated and absolved of liability.

vi) In ***Kiran Banerjee and Others v. National Insurance Company and Others***, 2019:DHC:3693, this Court was dealing with a fatal accident involving a vehicle covered by a valid insurance policy, wherein the insurer subsequently came to know that the registered owner of the vehicle [*in whose name policy was issued*] had passed away two years prior to the accident.

vii) The Court relied upon the Supreme Court's decision in ***Reliance Life Insurance Co. Ltd. v. Rekhaben Nareshbhai Rathod,*** (2019) 6 SCC 175, wherein the Apex Court held that the concealment of any vital information would be a breach of the fundamental principle of *uberrima fidei*, on which all insurance is based, thereby making the policy revocable or the claim repudiable by the insurer. For ease of reference, the relevant paragraph of ***Rekhaben*** (*supra*) is extracted as under:

> "***29.*** *Contracts of insurance are governed by the principle of utmost good faith. The duty of mutual fair dealing requires all parties to a contract to be fair and open with each other to create and maintain trust between them. In a contract of insurance, the insured can be expected to have information of which she/he has knowledge. This justifies a duty of good faith, leading to a positive duty of disclosure. The duty of disclosure in insurance contracts was established in a King's Bench decision in Carter v. Boehm [Carter v. Boehm, (1766) 3 Burr 1905 : 97 ER 1162] , where Lord Mansfield held thus : (ER p. 1164)*
>
> > *"Insurance is a contract upon speculation. The special facts, upon which the contingent chance is to be computed, lie most commonly in the knowledge of the insured only; the underwriter*

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trusts to his representation, and proceeds upon confidence that he does not keep back any circumstance in his knowledge, to mislead the underwriter into a belief that the circumstance does not exist, and to induce him to estimate the risque, as if it did not exist."

(emphasis added)

viii) The Court, on the facts of the case, held that since the policyholder had passed away in May 2012, and the accident had occurred happened in October 2014, and the Insurance Company had never been informed of the same, the policy itself would have ceased upon the expiry of its tenure. The policy, could not have otherwise been issued against a dead person. The Court therefore opined that the insurer was entitled to repudiate the claim. However, having regard to its statutory liability, the insurer was directed to pay compensation to the claimants and recover the amount from the owner of the vehicle.

ix) A similar view has also been taken by this Court in ***Pankaj Aggarwal v. Tata AIG General Insurance Co. Ltd.***, 2017 SCC OnLine Del 9865, wherein *recovery rights* were granted to the insurer under similar circumstances. The premium for renewal of insurance policy in respect of the offending vehicle had been paid by the son of the registered owner, who had passed away prior to the renewal of the Insurance policy. The vehicle was subsequently involved in an accident during the validity of the renewed policy. In this view of the matter, the Court held that the interests of third parties could not be defeated on this ground and the Insurance Company was accordingly directed to pay the

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compensation, with liberty to recover the same from the legal representatives of the deceased registered owner.

Absence of a valid RC

i) In ***New India Assurance Co. Ltd. v. Sri. Josh and Ors.***, 2024:KHC:3464, the Single Judge of the Karnataka High Court relied upon Section 41 of the MV Act as well as the decision of the Division Bench of the Karnataka High Court in ***Oriental Insurance Co. Ltd. v. Sri. Sri. K. V Chandrashekar Reddy***, order passed on 19th March 2010 in *MFA 3424/2006*, and held that the mere failure to seek renewal of registration does not result in automatic cancellation or cessation of registration.

ii) The plea of the Insurer therein was that liability of the Insurance Company would lapse consequent to the expiry of the said period of *15 years* along with the lapse of the registration of the vehicle. The Division Bench, however, had held that a policy of Insurance would not automatically cease to operate upon the expiry of period of *15 years* and that for the policy to be cancelled, a specific notice was required to be issued. The Court noted that no such notice had been issued and, accordingly, directed the Insurer to pay compensation.

iii) In ***National Insurance Co. Ltd. v. Kamal Kishore***, 2019 SCC OnLine HP 932, the Himachal Pradesh High Court was dealing with a case where the offending vehicle was not registered at the time of the accident since its temporary registration had expired. On this basis, the Insurance Company contended that the liability to pay compensation ought not to be fastened upon it. The Single

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Judge of the Himachal Pradesh High Court however noted that the Insurer could not repudiate its liability under Section 149 of the MV Act on the ground of absence of a registration certificate, particularly in cases involving third-party risks and claims. Therefore, relying upon ***National Insurance Co. Ltd. v. Swaran Singh***, (2004) 3 SCC 297 and ***Narinder Singh*** (supra) among other decisions, the Court directed the Insurer to pay compensation in the first instance with the liberty to recover the same from the insured.

26. In light of the above discussion, contentions of *Mr. Dhananjay Gupta*, counsel for driver-cum-owner, resisting the *right of recovery* are not merited for following reasons:

i) ***Firstly***, *Satish Gupta* did not dispute the fact that he was the registered owner of the offending vehicle;

ii) ***Secondly***, *Satish Gupta* himself admitted in his written statement that he had transferred the vehicle. He also furnished precise details of how the vehicle was transferred down the line to subsequent purchasers;

iii) ***Thirdly***, even if he was still in possession of the vehicle and continued to be its registered owner, he ought not to have obtained the insurance policy in his name, having already transferred the vehicle. This categorically establishes that the said policy had been availed upon non-disclosure of material facts.

iv) ***Fourthly***, as per the record of the RTO, the offending vehicle's RC had expired in 2014 and, therefore, after 15 years, *Satish*

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Gupta could not have obtained any insurance policy for the same, and;

v) ***Fifthly***, *Satish Gupta* did not place any evidence or document on record before the MACT in order to contradict the aforesaid facts.

27. Accordingly, in view of the above, the appeal of *Satish Gupta*, driver-cum-owner *qua recovery rights* granted to the Insurance Company cannot be allowed and, therefore, *recovery rights*, as granted by the MACT, shall be sustained.

MAC.APP. 399/2025

28. In the present appeal, enhancement of compensation is sought by the injured/claimant, who sustained an above elbow amputation of the right arm in the said accident, resulting in '*85% permanent disability in relation to the right upper limb*'. Injured/claimant had been *17 years* of age at the time of the accident.

29. *Mr. Piyush Sharma*, counsel for injured/claimant, seeks enhancement on two grounds. At the outset, *Mr. Sharma* contends that as per settled law, the notional income of injured/claimant ought to have been determined basis minimum wages of a skilled worker. Furthermore, a multiplier of '***18'*** ought to have been applied to the said notional income.

30. *Mr. Sharma* further submits that a sum of only *Rs.20,00,000/-* had been awarded to the injured/claimant, as a lump sum, towards the cost of prosthetic limb for his entire life, even though injured/claimant had produced bills of having spent *Rs.3,63,000/-* towards the same, along with the attendant expenses. He further submits that, as per the

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testimony of **PW-2**/*Santosh Garg* [*Sr. Resident Prosthetist & Orthotist, Endolite India Limited*] a prosthetic limb needs to be replaced every two years and, therefore, the lump sum amount awarded would be insufficient to meet the recurring expenses.

31. *Mr. Sharma* also pointed out to the testimony of **PW-2**/*Santosh Garg* who deposed that the cost of an artificial limb at the time when his statement was recorded in 2023, was around *Rs. 6,00,000/-*. For ease of reference, said portion from his testimony is extracted as under:

> *"Also, the gloves requires change after every two years. On 15.01.2018, the cost of prosthetic limb was Rs. 3,63,000/-. Cost of limb today is around Rs.6,00,000/-.*"

It is also pertinent to note that even though, **PW-2**/*Santosh Garg* was cross-examined by the Insurance Company, he had not been cross-examined on this aspect of cost of the artificial limb.

32. Accordingly, the Court deems it fit to consider the cost of each limb at *Rs. 6,00,000/-* each.

33. As far as the plea for enhancement is concerned, the Court notes that the injured/claimant had been *17 years* of age at the time of the accident. *Mr. Sharma*, counsel for injured/claimant, is right to the extent that it is well settled by the Courts that a minor cannot be categorised as a non-earning individual and that, at the very least, the minimum wages of a skilled worker ought to be adopted by the Courts in such cases. This observation is supported by the judgement of the Supreme Court in ***Hitesh Nagjibhai Patel v. Bababhai Nagjibhai Rabari***, 2025 SCC OnLine SC 3446, ***Baby Sakshi Greola* v. *Manzoor Ahmad Simon***, 2024 SCC OnLine SC 3692, and of this Court in ***Vineet Singh v. Oriental Insurance Co Ltd.***, 2026 SCC OnLine Del 2225.

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34. The *loss of future earning capacity* of injured/claimant, shall, therefore, be calculated on the said basis, by taking the benchmark income of injured/claimant at *Rs. 11,622/-* per month [*minimum wages of a skilled worker applicable to Delhi in 2016*]. *Future prospects* shall be granted at '**40%**', since injured/claimant was *17 years* of age at the time of accident and the multiplier shall be taken at '**18**'.

35. For the purposes of calculating the *loss of future earning capacity*, the Court also needs to assess the functional disability of the injured/claimant in terms of the decision in ***Raj Kumar v. Ajay Kumar***, (2011) 1 SCC 343, wherein the Supreme Court held that functional disability must be assessed on the basis of the vocation of the claimant and the nature of the vocation that he could potentially pursue in view of his disability. Considering that the injured/claimant suffered *85% permanent disability in relation to his right upper limb*, there can be no doubt that he would face an impediment in pursuing his desired vocation in the future. However, having regard to the fact that a prosthetic limb would aid the injured/claimant in his daily life, the cost of which is being awarded by the Court, this Court deems it fit to assess the functional disability of the injured/claimant at 70%.

36. As regards the cost towards prosthetic limb, the same shall be awarded by taking the cost of each prosthetic limb as *Rs. 6,00,000/-*, in terms of the testimony of PW-2/*Sanosh Gupta*.

37. The MACT noted in *paragraph 24* of impugned award dated 01st June 2024 that injured/claimant would require a prosthetic arm for his daily activities and, on this basis, awarded an amount of *Rs. 2,00,000/-* under the head of *future medical treatment*. However, *vide* impugned

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award dated 16th December 2024, a further sum of *Rs. 20,00,000/-* was awarded to injured/claimant towards the cost of prosthetic limb.

38. In ***Mohd. Sabeer v. U.P. SRTC***, (2023) 20 SCC 774, the Court 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.

39. 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. Traversing through the law in 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

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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)

40. Accordingly, in facts and circumstances of this case, considering that injured/claimant was *17-years-old* at the time of accident, and

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assuming his life span at *70 years*, the Court deems it fit to consider that he would require a prosthetic limb for another *53 years*. He would, therefore, require replacement of approximately '*11*' prosthetic limbs over his lifetime, assuming a replacement period of *5 years*.

41. Considering that he has already purchased one limb, the replacement cost for the remaining *10 limbs* would have to be considered at *Rs. 6,00,000/-* each. 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. Accordingly, the aforesaid amount shall be calculated at *Rs. 67,95,000/-*

42. Further, considering that he has already been granted a sum of *Rs. 22,00,000/-* lakhs towards the cost of prosthetic limbs/future medical treatment, the remaining amount of *Rs. 45,95,000/-* shall be awarded to injured/claimant in this regard.

43. In view of the aforesaid directions regarding enhancement, 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. 5,84,863/-	Rs. 5,84,863/-
2.	Expenditure on conveyance and special diet (B)	Rs. 1,00,000/-	Rs. 1,00,000/-
3.	Future Medical Treatment/Attendant Charges (C)	Rs. 2,00,000/-	*Awarded as a separate amount for Prosthetic Limb*

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4.	Income of injured per month (D)	Not considered	Rs. 11,622/-
5.	Future Prospects (E)	NIL	Rs. 16,271/- [40%]
6.	Functional disability (F)	NIL	**70%**
7.	Multiplier (G)	NIL	**18**
8.	Loss of future earning capacity (H) [E X 12 X F X G]	NIL	**Rs. 24,60,175/-**
	Non-pecuniary loss		
9.	Loss of marriage prospects (I)	Rs. 5,00,000/-	Rs. 5,00,000/-
10.	Loss of earning, inconvenience, hardships disappointment, frustration, mental stress, and unhappiness in future life etc. (J)	Rs. 5,00,000/-	Rs. 5,00,000/-
11.	Discomfort, Inconvenience and Loss of earnings to the Parents during the period of hospitalization (K)	Rs. 2,00,000/-	Rs. 2,00,000/-
12.	Total [A + B + C + H + I+ J + K]	Rs. 20,84,863/-	Rs. 43,45,038/-
13.	**Enhanced compensation**	**Rs. 22,60,175/-**	
14.	Interest	8%	8%

Directions

44. Accordingly, the compensation shall stand enhanced by ***Rs.22,60,175/-*** [‘***enhanced amount***’].

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45. Enhanced amount along with 8% 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 injured/claimant from the deposit of enhanced amount, thereafter. Remaining enhanced amount, along with accrued interest, shall be kept in Fixed Deposit Receipts [hereinafter, '***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 injured/claimant. The amount of FDRs on maturity would be released to the Savings Bank Account of injured/claimant upon due verification.

46. Amounts towards prosthetic limbs, calculated at *Rs. 45,95,000/-* shall be deposited by 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 Fixed Deposit Receipt ['***FDR***']. Needless to say, the *recovery rights* granted to the Insurance Company shall also subsist in respect of the amount awarded towards cost of prosthetic limb.

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

48. Further, any amount deposited towards the cost of the prosthetic limb, which is not withdrawn by the injured/claimant during his lifetime, shall be refunded to the Insurance Company.

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49. The originally awarded amount, if not already released, shall be released in favour of appellant/claimant, in terms of the directions passed by the MACT *vide* impugned awards.

50. Accordingly, the both these appeals are disposed of in above terms.

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

52. Judgement be uploaded on the website of this Court.

(ANISH DAYAL)
JUDGE

NOVEMBER. 19, 2026/sm/ya

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