



2026:DHC:8741



* IN THE HIGH COURT OF DELHI AT NEW DELHI

%

Reserved on : 24th August 2026

Pronounced on : 06th October 2026

Uploaded on : 07th October 2026

CNR No. DLHC010094692022

+ MAC.APP.65/2022 & CM APPL. 11456/2022, CM APPL. 10622/2026

M/S UNITED INDIA INSURANCE COMPANY LTDAppellant

Through: Mr. Sankar N. Sinha, Advocate.

versus

SMT USHA RANA AND ORS

.....Respondents

Through: Mr. Rishabh Goyal, Mr. Harsh Dahiya, Mr. Harsh Jain, Mohd. A. Ansari, Advocates for Respondent nos.1-4.

CORAM:

HON'BLE MR. JUSTICE ANISH DAYAL

JUDGMENT

1. This appeal has been filed by the Insurance Company seeking reduction of the compensation awarded by the Motor Accident Claims Tribunal, West District, Tis Hazari Courts, Delhi (*'MACT/Tribunal'*) vide Award dated 24th December 2021 in MACT No. 99/2018, whereby a sum of Rs.56,84,854/- along with interest @ 9% per annum was awarded in relation to an accident that occurred on 18th December 2017, resulting in the demise of *Sh. Devender Rana*, aged 48 years.

2. The principal issue raised by the Insurance Company pertains to the



2026:DHC:8741



assessment of the benchmark income of the deceased for the purpose of computing loss of dependency.

3. *Mr. Sankar N. Sinha*, counsel for appellant/Insurance Company, contended that certain allowances included in the monthly salary ought to have been excluded, such as the travelling allowance of Rs.5,000/-, which, according to him, was intended solely for the official/business purposes of the deceased and not for the benefit or consumption of the employee or his family. *Secondly*, it was contended that the salary was incorrectly taken as Rs.36,800/- per month without accounting for the deduction of income tax for the relevant Financial Year 2017-18. *Thirdly*, it was submitted that an amount of Rs.10,00,000/-, which had been paid to the legal heirs pursuant to the recovery of fine from the offender under *Section 357 of the Code of Criminal Procedure, 1973 ('Cr.P.C.')*, ought to have been deducted from the compensation awarded under the Motor Vehicles Act.

4. *Mr. Rishabh Goyal*, counsel for respondent nos.1-4, however, countered the same by stating that the Tribunal has rightly calculated the monthly income and allowances which ought to have been included, as per the settled law.

5. The deceased was employed as Senior Executive (Import/Export) in *Mohindra Fasteners Ltd.*, and was earning Rs.34,825/- to Rs.36,000/- per month at the time of accident. The MACT noted that the appointment letter, bank statement and salary record regarding employment of the deceased had been produced on record by **PW1**, *Mr. Vinod Kumar Sharma*, Sr. Manager (Personnel & Admn.), *Mohindra Fasteners Ltd.* The testimony of **PW-1** remained unrebutted and nothing material emerged during his cross-



2026:DHC:8741



examination. Accordingly, the Tribunal took the gross monthly salary of the deceased as Rs.36,800/-.

6. The Court has perused the salary record, **Ex.PW1/1 (colly)**, the attendance record, **Ex.PW1/2 (colly)**, and appointment letter, **Ex.PW1/R3**. **PW1** had stated that the computer-generated salary record do not bear any stamp of the company but bears the signature of the competent authority. As per him, the basic salary for the month of November 2017, the month before he passed away in the accident, was Rs.14,320/-, House Rent Allowance (**H.R.A.**) was Rs.5,728/-, Travel Allowance (**T.A.**) was Rs.5,000/-, Children Education Allowance was Rs.1,500/- and Special Allowance was Rs.10,252/- . This made his gross salary as Rs.36,800/- with deductions of Rs.1,718/- towards Provident Fund and Rs.10/- towards Labour Welfare Fund and Rs.247/- towards Tax Deducted at Source (**TDS**), he was paid net salary of Rs.34,825/- per month.

7. These aspects were duly put to **PW-1** during the cross-examination conducted on behalf of the Insurance Company. However, nothing emerged therefrom to discredit the aforesaid computation.

8. It is now well settled that, apart from the basic salary, allowances which accrue to the benefit of the employee and his family are to be included while determining the benchmark income, except those which are demonstrably not intended for such benefit. Reliance in this regard can be placed upon *Manorma Sinha & Anr. v. The Divisional Manager, Oriental Insurance Company Ltd & Anr.* 2025 INSC 1237, *Kavita Devi & Ors. v. Sunil Kumar & Anr.* 2025 INSC 938, *Meenakshi v. Oriental Insurance Co. Ltd.*, 2024 SCC OnLine SC 1872 and *National Insurance Co. Ltd. v. Indira*



2026:DHC:8741



Srivastava and Others, (2008) 2 SCC 763, wherein the Supreme Court held that income includes both monetary and non-monetary benefits accruing to the family, irrespective of their taxable status. Accordingly, allowances such as HRA, TA, Children's Education Allowance, and Special Allowance are liable to be included while computing the benchmark income.

9. The deduction of Rs.1,718/- towards Provident Fund and Rs.10/- towards Labour Welfare Fund yet again would be included in the salary. For this, reliance can be placed on the judgment of ***Helen C Rebello v Maharashtra SRTC*** (1999) 1 SCC 90 wherein the Supreme Court held that provident fund is a deferred payment arising from the contributions made by the employee during the course of service. The legal heirs are entitled to receive the same irrespective of the accidental death of the employee. Such receipts do not constitute pecuniary advantages flowing from the accident and, therefore, cannot be deducted from the compensation payable under the Motor Vehicles Act. The relevant extract is reproduced below:

“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."

(emphasis supplied)

10. As regards the issue of deduction of income tax, this Court has perused the impugned award, particularly *paragraph 30*, wherein it can be noted that



2026:DHC:8741



the Tribunal while calculating the multiplicand has deducted the income tax for the relevant financial year and the same is in line with decision of Supreme Court in *Sarla Verma v. DTC*, (2009) 6 SCC 121, and *National Insurance Co. Ltd. v. Pranay Sethi*, (2017) 16 SCC 680. The Tribunal has correctly calculated the income tax by taking the gross monthly salary of the deceased as Rs.36,800/-, the corresponding annual income works out to Rs.4,41,600/-. The income tax liability for Financial Year 2017-18 (Assessment Year 2018-19) is calculated at Rs.9,580/- per annum. Consequently, the annual income of the deceased, after deduction of income tax, comes to Rs.4,32,020/-. Therefore, the computation of the MACT in this regards is not amiss and does not warrant any interference.

11. Accordingly, considering that the deceased was aged 48 years at the time of the accident, the multiplier of '13' and *future prospects* at the rate of 30% shall be applied.

12. Aside from this, *funeral expenses* and *loss of estate* has been granted at Rs.16,500/- each and *loss of consortium* has been granted at Rs.1,76,000/- (Rs.44,000/- × 4 claimants). To that extent, these components are aligned as per the principles enunciated in *Pranay Sethi* (*supra*).

13. There is no error committed by the MACT in the computation of compensation and the same is in line with the principles enunciated in *Pranay Sethi* (*supra*) and therefore, there is no interference warranted by this Court.

14. The only issue that survives for the consideration of this Court is regards the contention that a sum of Rs.10,00,000/-, received by the legal heirs pursuant to the imposition of fine upon the offender/driver under



2026:DHC:8741



Section 357(3) of Cr.P.C, should be deducted from the compensation awarded under the Motor Vehicles Act. The relevant statutory provision is extracted below:

“357. Order to pay compensation.—

(1) When a Court imposes a sentence of fine or a sentence (including a sentence of death) of which fine forms a part, the Court may, when passing judgment, order the whole or any part of the fine recovered to be applied—

(a) in defraying the expenses of properly incurred in the prosecution;

(b) in the payment to any person of compensation for any loss or injury caused by the offence, when compensation is, in the opinion of the Court, recoverable by such person in a Civil Court;

(c) when any person is convicted of any offence for having caused the death of another person or of having abetted the commission of such an offence, in paying compensation to the persons who are, under the Fatal Accidents Act, 1855 (13 of 1855), entitled to recover damages from the person sentenced for the loss resulting to them from such death;

(d) when any person is convicted of any offence which includes theft, criminal misappropriation, criminal breach of trust, or cheating, or of having dishonestly received or retained, or of having voluntarily assisted in disposing of, stolen property knowing or having reason to believe the same to be stolen, in compensating any bona fide purchaser of such property for the loss of the same if such property is restored to the possession of the person entitled thereto.

(2) If the fine is imposed in a case which is subject to appeal no such payment shall be made before the period allowed for presenting the appeal has elapsed, or, if an appeal be presented, before the decision of the appeal.



2026:DHC:8741



(3) When a Court imposes a sentence, of which fine does not form a part, the Court may, when passing judgment, order the accused person to pay, by way of compensation, such amount as may be specified in the order to the person who has suffered any loss or injury by reason of the act for which the accused person has been so sentenced.

(4) An order under this section may also be made by an Appellate Court or by the High Court or Court of Session when exercising its powers of revision.

(5) At the time of awarding compensation in any subsequent civil suit relating to the same matter, the Court shall take into account any sum paid or recovered as compensation under this section.”

(emphasis supplied)

15. An Order on Sentence came to be passed on 06th October 2021 in FIR No. 496/17, whereby the convict, driver of offending vehicle herein, was sentenced to undergo rigorous imprisonment for two years for offence under Section 304A IPC and further six months rigorous imprisonment for offence under Section 279 IPC and he was further directed to pay compensation of Rs. 10,00,000/- to the LRs of deceased under Section 357(3) of CrPC to be deposited with DLSA, West for disbursal to LRs within 3 weeks. Further it was held that, in case compensation is not paid, same shall be recovered as fine under Section 431 CrPC.

16. This plea that compensation of Rs. 10,00,000/- awarded by Metropolitan Magistrate under Section 357(3) CrPC is liable to deducted was raised before the MACT. The MACT has dealt with the same in *paragraph 34, 35 and 36* of the impugned award. The MACT was of the view that the Metropolitan Magistrate had passed the order taking into consideration the



2026:DHC:8741



affidavit filed on behalf of the convict pertaining to his earnings and property. The compensation awarded herein is based on loss of dependency, loss of estate and future expenses. The amount is not awarded under the head of pain, suffering or hardship caused to the legal heirs. Accordingly, the MACT concluded that the amount awarded by Metropolitan Magistrate for the pain and suffering of the LRs of deceased is not deductible from compensation awarded by the Tribunal. Therefore, the compensation under Section 357(3) CrPC was directed to be treated separately.

17. In this regards, reliance can be placed on the judgment of Supreme Court in ***D. Purushotama Reddy v. K. Sateesh***, (2008) 8 SCC 505, wherein the Supreme Court considered the question whether, in a suit for recovery of money based on a dishonoured cheque, the amount received in criminal proceedings was liable to be adjusted against the amount decreed in the civil suit. In that case, the appellant, in discharge of his debt, had issued two cheques which were dishonoured, pursuant to which a criminal complaint was filed under Sections 138 and 142 of the Negotiable Instruments Act, 1881. A judgment of conviction and sentence was passed against the appellant, directing payment of fine, a part of which was directed to be paid to the complainant under Section 357 Cr.P.C. Thereafter, the Trial Court decreed the suit for the entire amount covered by the dishonoured cheques, along with interest, without taking into consideration the amount paid in the criminal proceedings. In this regard, the Supreme Court noted as under:

“13. Sub-section (5) of Section 357 of the Code, which is relevant for our purpose, reads as under:

*“357. Order to pay compensation.—****

(5) At the time of awarding compensation in any subsequent civil suit relating to the same matter, the



court shall take into account any sum paid or recovered as compensation under this section.”

14. Evidently, a duty has been cast upon the civil courts to take into account the sum paid or recovered as compensation in terms of Section 357 of the Code. It is futile to urge that on the date on which the civil court passed the decree the appellants were not convicted. As noticed hereinbefore, the appeal is a continuation of the suit and in that view of the matter as the appellants had in total deposited a sum of Rs 4,00,000 i.e. Rs 2,10,000 in the criminal proceeding and Rs 1,90,000 in the civil proceedings, out of which a sum of Rs 3,09,000 has been withdrawn by the respondent, the High Court was obligated to take the same into consideration. In other words, having regard to the provisions of sub-section (5) of Section 357 of the Code, a duty was cast upon the High Court to take into account the fact that a sum of Rs 2,00,000 had already been paid by the appellants to the respondent. Concededly, both the proceedings were maintainable. Law recognises the same. Parliament must have the situation of this nature in mind while enacting clause (b) of sub-section (1) of Section 357 of the Code and sub-section (5) thereof.

15. In Dilip S. Dahanukar v. Kotak Mahindra Co. Ltd. [(2007) 6 SCC 528 : (2007) 3 SCC (Cri) 209] while considering a question as to what should be the reasonable amount in the matter of grant of compensation vis-à-vis the power of the appellate court to issue an interim direction in relation thereto, this Court held: (SCC p. 545, paras 38-41)

“38. The purpose of imposition of fine and/or grant of compensation to a great extent must be considered having the relevant factors therefor in mind. It may be compensating the person in one way or the other. The amount of compensation sought to



2026:DHC:8741



be imposed, thus, must be reasonable and not arbitrary. Before issuing a direction to pay compensation, the capacity of the accused to pay the same must be judged. A fortiori, an enquiry in this behalf even in a summary way, may be necessary. Some reasons, which may not be very elaborate, may also have to be assigned; the purpose being that whereas the power to impose fine is limited and direction to pay compensation can be made for one or the other factors enumerated out of the same; but sub-section (3) of Section 357 does not impose any such limitation and thus, power thereunder should be exercised only in appropriate cases. Such a jurisdiction cannot be exercised at the whims and caprice of a Judge.

39. If a fine is to be imposed under the Act, the amount of which in the opinion of Parliament would be more than sufficient to compensate the complainant; can it be said, that an unreasonable amount should be directed to be paid by the court while exercising its power under sub-section (3) of Section 357? The answer thereto must be rendered in the negative. Sub-section (5) of Section 357 also provides for some guidelines. Ordinarily, it should be lesser than the amount which can be granted by a civil court upon appreciation of the evidence brought before it for losses which might have reasonably been suffered by the plaintiff. Jurisdiction of the civil court, in this behalf, for realisation of the amount in question must also be borne in mind. A criminal case is not a substitution for a civil suit, far less execution of a decree which may be passed.



2026:DHC:8741



40. Prosecution under the Act may be contemplated as a measure of deterrence, but the same is never meant to be a persecution.

41. Even in a case where violation of fundamental right guaranteed under Article 21 is alleged, the amount of compensation cannot be arbitrary or unreasonable even under public law.”

(See also Manish Jalan v. State of Karnataka [(2008) 8 SCC 225 : JT (2008) 7 SC 643] .)

This Court therein adopted the doctrine of purposive construction. It was opined that compensation directed to be paid should be a reasonable one.”

(emphasis supplied)

18. Further reliance can be placed on the judgment of the Division Bench of the Andhra Pradesh High Court in ***Bhavanam China Venkata Reddy v. Dantla Subba Reddy***, 2025 SCC OnLine AP 3251, wherein, while considering the maintainability of a civil suit in the wake of criminal proceedings initiated by the plaintiff, the Court considered the scope of Section 357 Cr.P.C. and, after relying upon ***D. Purushotama Reddy*** (*supra*), held that the compensation awarded in criminal proceedings is required to be taken into account while determining the compensation payable in subsequent civil proceedings. The Court observed that the purpose of Section 357(5) Cr.P.C. is to ensure that the amount already paid or recovered as compensation is duly taken into account, thereby avoiding double recovery. The relevant paragraphs are extracted as under:

“33. A plain reading of Section 357(3) Cr. P.C. permits compensation to any person suffering loss or injury due to the action of the accused. Section 357(5) provides that any subsequent civil suit must consider the compensation already awarded under this Section.



Together, these provisions empower the court to determine the compensation, which the victims are entitled to against the accused in civil proceedings.

34. It is apt to note the Judgment in *D. Purushotama Reddy v. K. Sateesh*, wherein the Apex Court dealt with a core point, whether in a suit for recovery of money based on a cheque issued by the defendant but dishonoured, the amount received by the plaintiff (creditor) in criminal proceedings should be adjusted or not? In that scenario, the Apex Court categorically expressed that a suit for recovery of money due from a borrower is indisputably maintainable at the instance of the creditor and also held that for the same cause of action, a complaint under Section 138 of the Negotiable Instruments Act., would also be maintainable.

35. The Apex Court further elaborated on whether the civil court is obligated to consider the amount of compensation awarded in terms of Section 357 Cr. P.C. In the said case, the Hon'ble Supreme Court by interpreting Section 357(i) Cr. P.C. and Section 357(5) Cr. P.C., held that civil courts are indeed duty bound to take into account the sum paid or recovered as compensation in terms of Section 357 Cr. P.C., while adjudicating the civil suit.

36. The Hon'ble Supreme Court further held that civil courts must take into account the sum paid or recovered as compensation in terms of Section 357 Cr. P.C. by the competent criminal Court. In other words, both criminal and civil proceedings are maintainable and to meet these situations, Parliament consciously devised Section 357 Cr. P.C. This provision ensures that the compensation awarded in criminal proceedings is duly considered in civil cases, thereby preventing double recovery and promoting fairness in the judicial process.



37. In the case of *Varghese v. Sasi*², the High Court of Kerala had held as under:—

“.....12. Section 357 of the Cr. P.C. afore-mentioned provides that when a Criminal Court imposes a sentence of fine or a sentence of which fine forms a part, the Court may, when passing the judgment, order the whole or any part of the fine recovered to be applied towards expenses incurred for the prosecution; for payment to any person of compensation for any loss or injury caused by the offence, when the compensation is in the opinion of the Court recoverable by such person in a Civil Court.

13. What is clear from Section 357 afore-mentioned is that the Criminal Court also could allow compensation for injury caused to a victim even where compensation for such acts are recoverable by a victim through a Civil Court. A plain reading of the section shows that the powers of the two courts are concurrent and not mutually exclusive albeit while granting relief one would certainly take note of the relief granted by the counter part and ensure that double benefit or double burden does not result to the affected parties through the orders of the Civil and Criminal Courts. No provision of law is brought to my notice which excludes the jurisdiction of a Civil Court to proceed with a suit for damages even where Section 357 might be invoked by a Criminal Court.....”

38. In the light of above unequivocal language employed in Section 357 Cr. P.C., including the interpretation made by the Apex Court dictum in *D. Purushotama Reddy* (stated supra), we deem it appropriate to hold that, both the civil and criminal proceedings arising out



of same matter is aptly maintainable. The real purport of Section 357(5) CrPC is that in the event of awarding damages by the civil Court, it must take into account of compensation granted by the criminal Court by virtue of above provision. Similarly, if the civil proceedings are disposed of prior to the conclusion of the criminal proceedings relating to the same matter, then it is the duty of the criminal court to take into account the decree passed by the civil court while exercising its powers vested under Section 357 Cr. P.C. Indeed, the real rationale behind this statutory framework is to avoid double benefit by both civil and criminal courts, which would only act as an adverse to the interest of the affected parties. In other words, the language enunciated in Section 357 of Cr. P.C., both criminal and civil proceedings are maintainable relating to the same matter. But at the time of awarding the compensation in any subsequent civil suit proceedings on the same matter, the concerned court shall take into account any amount paid or recovered towards compensation under Section 357 of Cr. P.C.”

(emphasis supplied)

19. Reliance may also be placed on the judgment of this Court in **Satya Prakash v. State**, 2013 SCC OnLine Del 4151, wherein it was held that, before awarding compensation under Section 357(3) Cr.P.C., the Court ought to consider whether any compensation has already been received by the victim or the family pursuant to an award passed by the MACT. If no compensation has been received under an award of the MACT, the criminal court, while exercising jurisdiction under Section 357(3) Cr.P.C., may compute the compensation to which the victim or his family is entitled by applying the well-settled principles under the Motor Vehicles Act. However, where adequate compensation has already been awarded by the MACT, the



2026:DHC:8741



compensation under Section 357(3) Cr.P.C. ought to be restricted to reasonable conventional compensation.

20. It would also be relevant to bear in mind the settled principle governing compensation under the Motor Vehicles Act, namely, the award of “just compensation”. The Constitutional Bench of the Supreme Court in **National Insurance Co. Ltd. v. Pranay Sethi**, (2017) 16 SCC 680 emphasised that “just compensation” under Section 168 of the Motor Vehicle Act 1988 must rest on fairness, reasonableness and equity, avoiding both windfall gains and inadequate awards.:

“55. Section 168 of the Act deals with the concept of “just compensation” and the same has to be determined on the foundation of fairness, reasonableness and equitability on acceptable legal standard because such determination can never be in arithmetical exactitude. It can never be perfect. The aim is to achieve an acceptable degree of proximity to arithmetical precision on the basis of materials brought on record in an individual case. The conception of “just compensation” has to be viewed through the prism of fairness, reasonableness and non-violation of the principle of equitability. In a case of death, the legal heirs of the claimants cannot expect a windfall. Simultaneously, the compensation granted cannot be an apology for compensation. It cannot be a pittance. Though the discretion vested in the tribunal is quite wide, yet it is obligatory on the part of the tribunal to be guided by the expression, that is, “just compensation”. The determination has to be on the foundation of evidence brought on record as regards the age and income of the deceased and thereafter the apposite multiplier to be applied. The formula relating to multiplier has been clearly stated in Sarla Verma [Sarla Verma v. DTC, (2009) 6 SCC 121 : (2009) 2 SCC (Civ) 770 : (2009) 2 SCC (Cri) 1002] and it has been approved in Reshma



2026:DHC:8741



Kumari [Reshma Kumari v. Madan Mohan, (2013) 9 SCC 65 : (2013) 4 SCC (Civ) 191 : (2013) 3 SCC (Cri) 826]. The age and income, as stated earlier, have to be established by adducing evidence. The tribunal and the courts have to bear in mind that the basic principle lies in pragmatic computation which is in proximity to reality. It is a well-accepted norm that money cannot substitute a life lost but an effort has to be made for grant of just compensation having uniformity of approach. There has to be a balance between the two extremes, that is, a windfall and the pittance, a bonanza and the modicum. In such an adjudication, the duty of the tribunal and the courts is difficult and hence, an endeavour has been made by this Court for standardisation which in its ambit includes addition of future prospects on the proven income at present. As far as future prospects are concerned, there has been standardisation keeping in view the principle of certainty, stability and consistency. We approve the principle of "standardisation" so that a specific and certain multiplicand is determined for applying the multiplier on the basis of age.

(emphasis supplied)

21. From the aforesaid judgments, the following principles can be culled out. **First**, the compensation awarded under Section 357(3) of Cr.P.C. and the compensation awarded by the MACT arise from the same underlying injury or loss, but the two proceedings are not, merely for that reason, mutually exclusive. **Secondly**, Section 357(5) of Cr.P.C. expressly contemplates a subsequent proceeding relating to the same matter and casts a duty upon the court adjudicating such proceeding to take into account any sum already paid or recovered as compensation under Section 357. The statutory object is therefore to prevent double recovery. **Thirdly**, the compensation awarded by the MACT is required to be determined in



2026:DHC:8741



accordance with the statutory framework of the Motor Vehicles Act and the principles governing “*just compensation*” and there should be no windfall gain or bonanza.

22. In the present case, it has been submitted that the appeal against the judgment of conviction dated 09th March 2021 and the order on sentence dated 06th October 2021 is pending adjudication. In view of the pendency of the said appeal, there is a possibility that the same may ultimately be decided in favour of the driver. In such an eventuality, the driver may seek restitution of the amount of Rs. 10,00,000/- directed to be paid to the LRs of the deceased.

23. Having regard to the aforesaid circumstance, it is directed that an amount of Rs. 10,00,000/- shall be retained by the Tribunal in a separate interest-bearing FDR which shall be subject to the outcome of the criminal proceedings.

24. In the event the criminal proceedings are decided in favour of the driver and the amount of Rs. 10,00,000/- has already been paid in the said proceedings, the amount retained in the FDR shall, upon an appropriate application being filed by the Insurance Company, be refunded to the Insurance Company.

25. In the event the criminal proceedings are decided in favour of the driver, but the amount of Rs. 10,00,000/- has not been paid in the criminal proceedings, the amount retained in the FDR, along with the interest accrued thereon, shall be released to the claimants.

26. In the event the criminal proceedings are decided against the driver and the compensation of Rs. 10,00,000/- has not been paid in the criminal



2026:DHC:8741



proceedings, the said amount shall be released to the claimant by the MACT along with accrued interest. However, if the said amount has already been paid in the criminal proceedings, the Insurance Company shall be at liberty to seek refund of the amount retained in the FDR by filing an appropriate application before the Tribunal.

27. By order dated 07th March 2022, this Court had directed the Insurance Company to deposit entire compensation amount before the Tribunal. Further, it was also directed that Tribunal shall disburse 80% of the amount, as per the scheme of disbursement set out by the MACT in the impugned award and the remaining amount shall be kept in an interest-bearing fixed deposit.

28. It is directed that balance compensation (after accounting for the directions in *para 23* above) along with accrued interest shall be released to claimant as lumpsum as the case pertains to an accident in 2017 and the award was passed in 2021.

29. Appeal is disposed of in the above terms.

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

31. Copy of this judgment be sent to the concerned MACT/concerned Bank for information and necessary compliance.

32. Statutory deposit, if any, shall be refunded to appellant/Insurance Company.

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

(ANISH DAYAL)
JUDGE

OCTOBER 6, 2026/ak/zb

Signature Not Verified

Digitally Signed By: RAHUL KUMAR CHODHARY
Signing Date: 06.10.2026 14:50:35
MAC.APP. 65/2022 & CM APPL. 11456/2022, CM APPL. 10622/2026

Page 19 of 19