**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

(222) **IOIN-1-FAO-4562-2003 AND
FAO No. 4562 of 2003 (O&M)
Date of Decision: 12.12.2025**

BAHADUR SINGH AND ANOTHER ...APPELLANTS

VERSUS

GURDEEP SINGH AND OTHERS .....RESPONDENTS

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present: Mr. Nitish Kaushal , Advocate
for appellants.

Mr. Shorya Veer Vashist, Advocate
for respondent No.1.

Mr. Vinod Chaudhri, Advocate
for respondent No.3

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<u>VIRINDER AGGARWAL, J. (ORAL)</u>

<u>IOIN-1-FAO-4562-2003</u>

This case has been listed in IOIN category. The main case is taken on board today itself.

IOIN stands disposed of.

<u>FAO-4562-2003</u>

1. This appeal has been filed by the claimants seeking enhancement of compensation awarded by the Motor Accident Claims Tribunal, Rupnagar, vide award dated 08.11.2002 passed under Section 163-A of the Motor Vehicles Act, 1988 on account of the death of Sarabjit Singh in a motor accident.

BACKGROUND FACTS

2. On 06.06.2001 at about 10.00 A.M., Sarabjit Singh, aged about 22 years, along with others, was travelling in a Gypsy bearing registration No. (DDV-6157), when the said vehicle was hit by a truck bearing registration No. (HR-08-GA-0157), which was being driven by respondent No.1 in a rash and negligent manner. As a result of the collision, Sarabjit Singh sustained grievous injuries and succumbed thereto at the Civil Hospital, Kharar. An FIR was registered in respect of the accident and a post-mortem examination was conducted, which established that the death occurred due to the injuries sustained in the said motor vehicle accident. Consequent upon his death, the claimants filed the present claim petition under Section 163-A of the Motor Vehicles Act, 1988, seeking compensation on account of his untimely demise.

3. Upon consideration of the pleadings and appreciation of the oral as well as documentary evidence, the learned Tribunal returned a clear finding that the accident dated 06.06.2001 occurred between gypsy and truck bearing registration No. (HR-08-GA-0157) driven by respondent No.1 resulting in death of Sarabjit Singh. Reliance was placed upon the testimony of the eye-witnesses (PW2 to PW4), the FIR and the post-mortem report (Ex. PW3/A), which together established the manner in which the accident took place. While determining compensation, the learned Tribunal considered the age, marital status and income of the deceased. In the absence of proof of actual income, the earnings of the deceased were assessed on a notional basis and, having regard to his age, a multiplier of 11 was applied. In addition, a sum of ₹10,000 was awarded under the conventional heads towards funeral expenses and last rites. On this basis, the total compensation was quantified at ₹1,43,600, payable to the

claimants along with interest at the rate of 9% per annum. The learned Tribunal held the driver and owner of the offending truck jointly and severally liable for payment of the compensation, but directed the Insurance Company to satisfy the award in the first instance, with liberty to recover the amount from the respondents.

CONTENTIONS

4. The learned counsel for the appellants contended that the compensation awarded by the learned Tribunal is manifestly inadequate. It was argued that the learned Tribunal erred in considering the deceased's income, despite it being established by evidence. Further, the learned Tribunal allegedly failed to account for the fact that the deceased was supporting a large family, including blind dependents, resulting in an artificially low assessment of dependency. Additionally, counsel challenged the multiplier of 11 applied by the learned Tribunal, asserting that it is incorrect and on the lower side under Section 163-A, Schedule II of the Motor Vehicles Act, 1988, leading to an unjust calculation of compensation.

5. Learned counsel appearing for respondent No.1 has supported the findings and conclusions recorded by the learned Tribunal. It is submitted that the award has been passed after due appreciation of the evidence on record and that the learned Tribunal has rightly assessed the facts and determined the liability in accordance with law. The counsel contends that the impugned award is well-reasoned, just, and does not call for any interference by this Court.

6. The learned counsel for the respondent No.3 (Insurance Company) contends that since the driving licence produced by respondent No.1 was found to be not genuine, there was a clear breach of the terms and conditions of the

insurance policy. The counsel submits that the Insurance Company is entitled to full recovery rights against respondent No.2, the owner of the offending vehicle, after satisfying the award and accordingly supports the Tribunal's findings to the extent they recognize the insurer's right to recover the amount from the owner.

OBSERVATIONS AND FINDINGS

7. Having heard learned counsel for the parties and on examination of the record, this Court finds that the learned Tribunal has failed to award compensation in accordance with the structured formula prescribed under the Second Schedule to Section 163-A of the Motor Vehicles Act, 1988. The compensation having not been computed strictly within the statutory framework, this Court, therefore, finds sufficient ground to interfere with the award passed by the learned Tribunal.

8. Compensation requires reassessment strictly in terms of Section 163-A of the Motor Vehicles Act, 1988 read with the structured formula contained in the Second Schedule thereto, which governs determination of compensation on the principle of no-fault liability. Under this statutory scheme, the computation is to be made by determining the annual income in accordance with the Schedule, deducting the prescribed portion towards personal and living expenses of the deceased, applying the multiplier relatable to the age of the deceased as specified in the Second Schedule, and awarding only the fixed amounts provided under the conventional heads. The learned Tribunal, therefore, was required to adhere to the statutory income standards, apply the correct multiplier corresponding to the age of the deceased, make deduction strictly as per the Second Schedule (1/3rd in consideration of the expenses which the victim

would have incurred towards maintaining himself had he been alive), and grant conventional sums only towards funeral expenses and loss of estate as stipulated therein. The present matter, thus, calls for recalculation of compensation strictly within the parameters of the Second Schedule to Section 163-A, without importing principles applicable to fault-based claims, by applying the correct income standard, the prescribed deduction, the appropriate multiplier and the statutory amounts under conventional heads.The reassessment is structured as under:

Particulars	**Tribunal Award (₹)**	**Reassessed Award (₹)**
Monthly Income	2,100/-	**3,000/- (Skilled Labour)**
Deduction	1,050/- (50% for Personal Expenses)	**1,000/- (1/3rd for personal expense as per Second Schedule)**
Annual Contribution To Family	12,600/- (1,050x12)	**24,000/- (2,000x12)**
Multiplier **(age 22 yrs)**	11	**17**
Loss Of Dependency	1,38,600	**4,08,000/- (24,000 × 17)**
Loss Of Estate	5,000	**2,500/-**
Funeral Expenses		**2,000/-**
Total	1,43,600/-	**₹4,12,500/-**

9. Resultantly, the compensation awarded by the learned Tribunal is enhanced from ₹1,43,600/- to **₹4,12,500/-**. The enhanced amount shall carry the interest at rate of 7% per annum from the date of filing of the claim petition till realization. The apportionment and liability as decided by the learned Tribunal.

10. The appeal is accordingly partly **allowed** with modification of the

award to the above extent. All other conditions of the award, not inconsistent with this judgment, shall remain unaltered.

11. Since the main case has been decided, pending miscellaneous application(s), if any, stands also disposed of.

(VIRINDER AGGARWAL)
JUDGE

12.12.2025
Saurav Pathania

(i) Whether speaking/reasoned : Yes/No
(ii) Whether reportable : Yes/No