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

(215) **FAO No. 1576 of 2003(O&M)**
Date of decision: 22.12.2025

Salochna Devi and others … Appellants

Versus

Karam Singh Subedar and others … Respondents

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present: Mr. Kuldip Sanwal, Advocate,
for the appellants.

Mr. Neeraj Khanna, Advocate with
Mr. Ravinder Arora, Advocate,
for the Respondent No.4.

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VIRINDER AGGARWAL, J.(Oral)

1. The present appeal has been filed by the claimants-appellants seeking enhancement of compensation awarded by the Motor Accident Claims Tribunal, Gurdaspur, vide award dated 18.11.2002, whereby a sum of ₹2,52,000/- along with interest at rate of 9% per annum was awarded on account of the death of Sunit Singh in a motor vehicular accident.

BACKGROUND FACTS

2. Briefly stated, the facts are that on 06.07.1997, Sunit Singh, aged about 36 years, while travelling in Tempo No. PAG-7064, met with a fatal accident near Phangoli Chowk, Jugial, due to collision with Truck No. HP-38-2962. He sustained serious injuries and succumbed to the same on the very day. The deceased was employed as a Class-IV employee in the office of the Ranjit Sagar Dam, Jugial, and was the sole breadwinner of the family, leaving behind

his widow and two minor sons. Thereafter, the claim petition was filed under Section 163-A of the Motor Vehicles Act, 1988, claiming compensation to the tune of ₹7,00,000/-. The learned Tribunal assessed the monthly income of the deceased at ₹1,500/- after deducting family pension and applied a multiplier of 14, awarding a total compensation of ₹2,52,000/-.

CONTENTIONS

3. Learned counsel for the appellants submits that the compensation awarded by the learned Tribunal is inadequate and contrary to the benevolent object of the Motor Vehicles Act. It is contended that the appellants are entitled to compensation under Section 164 of the Motor Vehicles Act, 1988, which provides for fixed compensation on a no-fault basis and deserves to be applied retrospectively in favour of the claimants. Learned counsel places reliance upon the judgment of the Hon'ble Supreme Court in ***Ram Murti and others v. Punjab State Electricity Board 2022 (4) TAC 738***, wherein the benefit of Section 164 was extended to the claimants notwithstanding the fact that the accident had occurred prior to the amendment. Consequently, it is prayed that the impugned award be modified accordingly.

4. Learned counsel for respondent No.4 submits that the claim having been filed under Section 163-A of the Motor Vehicles Act, compensation is to be determined strictly as per the structured formula, and no enhancement is permissible. It is contended that the learned Tribunal has rightly assessed the compensation. Hence, no interference is warranted by this court.

OBSERVATIONS AND FINDINGS

5. I have heard learned counsel for the parties and perused the complete records. On due consideration of the findings recorded by the learned Tribunal,

particularly on the issue of occurrence of the accident, negligence and fastening of liability, I find no reason to take a different view. The findings on those aspects are accordingly affirmed. However, the principal issue which arises for consideration in the present appeal relates to the correctness of the computation of compensation, especially with respect to the application of the relevant provision of the Motor Vehicles Act, and thereafter, the determination of the income of the deceased to assess the compensation.

6. At the outset, a careful perusal of the judgment relied upon by learned counsel for the appellants shows that the same is clearly distinguishable and, therefore, of no assistance to the appellants. In the said case, the claim petition had been filed under Section 166 of the Motor Vehicles Act and was allowed under Section 140 of the Act, whereas in the present case, the claim petition was admittedly instituted under Section 163-A of the Act before learned Tribunal. The statutory scheme governing the determination of compensation under these provisions is materially different and cannot be interchanged. Moreover, the reliance placed on the subsequent introduction of Section 164 of the Act is misconceived. Recently, the Hon'ble Supreme Court in ***Valsamma Chacko v. M.A. Titto, 2025 (1) TAC 705***, has categorically held that by virtue of the 2019 Amendment, which came into force on **01.04.2022**, Section 163-A has been repealed as a similar provision has been incorporated by inserting an entirely new Chapter XI containing Section 164. However, it has been clearly observed that what is relevant for the purpose of awarding compensation is the law applicable on the date of the accident. In the present case, the accident occurred on 06.07.1997, which is much prior to the amendment of 2019, and at the relevant time, Section 163-A of the Act was very much in force. Consequently, the compensation in the present case is required to be awarded

and reassessed strictly in accordance with Section 163-A of the Act itself, and not under Section 164, which has no retrospective application to accidents that occurred prior to the amendment.

7. Before proceeding further, it is necessary to examine the correctness of the assessment of the income of the deceased, as determination of income forms the very foundation for computation of compensation under the Motor Vehicles Act. Only after the income is correctly ascertained can the compensation be appropriately assessed under Section 163-A of the Motor Vehicles Act, 1988, by applying the structured formula prescribed in the Second Schedule to the Act.

8. It is well settled that family pension cannot be deducted while computing loss of dependency in motor accident claims, nor can any addition towards future prospects be applied thereto. The Hon'ble Supreme Court in ***Helen C. Rebello v. Maharashtra SRTC, 1999 (1) SCC 90,*** held that only those pecuniary advantages having a direct causal co-relation with the accidental death are liable for deduction, and pensionary benefits earned by the deceased during service fall outside such category. The said principle was reiterated in ***Vimal Kanwar and Ors v. Kishore Dan and Ors, 2013 (7) SCC 476***, wherein it was categorically held that family pension is a statutory entitlement and cannot be treated as income of the deceased for the purpose of deduction. Recently, the Supreme Court in ***Hanumantharaju B. (Dead) through LRs v. M. Akram Pasha & Ors., 2025 INSC 682***, has reaffirmed that pensionary benefits have no causal connection with the accident and cannot be factored into the computation of dependency. Therefore, the deduction of family pension made by the learned Tribunal is legally unsustainable and contrary to settled law.

9. In the present case, the salary certificate placed on record clearly establishes that the deceased was earning a monthly salary of about ₹3,600/-.

However, after deduction of certain allowances, his gross monthly income can safely be taken at approximately ₹3,300/- for the purpose of computing compensation. In a claim under Section 163-A, the income is required to be assessed strictly as per the Second Schedule, after applying the prescribed deduction towards personal expenses. In addition thereto, the appellants are also entitled to compensation under the conventional heads specifically provided in the Second Schedule. Thus, the total compensation payable to the appellants is re-assessed strictly in accordance with the Second Schedule to the Act, as under:

Particulars	**Tribunal (₹)**	**Reassessed (₹)**
Monthly Income	1,500	**3,300/-**
Annual Income	18,000/-	**39,600/-**
Income after Deduction	x	**26,400** **(1/3rd for personal expenses)**
Multiplier	14	**16**
Loss of dependency	2,52,000/- (18,000 x 14)	**4,22,400** **(26,400 x 16)**
Loss of consortium	x	**5,000**
Funeral expenses	x	**2,000**
Loss of estate	x	**2,500**
Total	2,52,000/-	**4,31,900**

10. In the light of the above discussion and the computation undertaken hereinabove, the appeal is **partly allowed**. The award dated 18.11.2002 is modified to the extent that the appellants shall be entitled to a total compensation of **₹4,31,900/-** instead of ₹2,52,000/-. The enhanced amount shall

carry interest at rate of **7**% per annum, which is considered just and reasonable, from the date of filing of the respective claim petition till the realisation of the entire amount. Except for the modification of the quantum of compensation, all other findings recorded by the learned Tribunal, including those with regard to negligence, liability and mode of disbursement, shall stand affirmed.

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

(VIRINDER AGGARWAL)
JUDGE

22.12.2025
Saurav Pathania

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