

FAO-3817-2025

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

FAO-3817-2025

Reserved on: 29.10.2025

Date of Decision: 31.10.2025

NEERAJ SAINI AND ANOTHER

.....Appellants

Vs.

NATIONAL INSURANCE COMPANY LTD & ANR.

.....Respondents

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

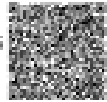
Present: Mr. Arvind Kashyap, Advocate
for the appellants.

Mr. Sarthak Mehta, Advocate
for Mr. P.H.S. Pannu, Advocate
for respondent No.1

Mr. Nitin Verma, Advocate
for respondent No.2.

SUDEEPTI SHARMA J.

1. The present appeal has been preferred against the award dated 07.04.2025 passed in the claim petition filed under Section 163-A of the Motor Vehicles Act, 1988 by the learned Motor Accident Claims Tribunal, Pathankot (for short, 'the Tribunal') for enhancement of compensation granted to the claimants/appellants on account of death of Diksha Saini (minor), who died in a motor vehicular accident occurred on 28.01.2014, whereby the claimants/appellants were granted compensation to the tune of Rs.2,28,000/- alongwith interest @ 7.5% per annum.

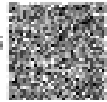


2. As sole issue for determination in the present appeal is confined to quantum of compensation awarded by the learned Tribunal, a detailed narration of the facts of the case are not reproduced for the sake of brevity.

SUBMISSIONS OF THE LEARNED COUNSELS FOR THE PARTIES

3. Learned counsel for the claimants-appellants has made the following submissions:-

- i) That the amount assessed by the learned Tribunal is on the lower side.
- ii) That Section 163-A of Motor Vehicles Act, 1988 is now substituted by Section 164 of Motor Vehicles Act, 1988 (Act 32 of 2019 w.e.f 01.04.2022) and compensation should be enhanced as per the substituted statutory provision i.e. Section 164 of the Act.
- iii) That the present case is covered by the judgment rendered by this Court in **FAO No.4301 of 2006**, titled as **“Akaljit Kaur and Others Vs. Parveen Kumar and Others.”** wherein the claim under Section 163-A of the Motor Vehicles Act, 1988 was converted to Section 164 of Motor Vehicles Act, 1988 (Act 32 of 2019 w.e.f 01.04.2022) by relying upon the judgment of Hon’ble *Supreme Court in the case of Ram Murti and others Vs. Punjab State Electricity Board [2022(4) TAC 738]* wherein it was held that Section 164 of the Motor Vehicles Act, 1988 (Act 32 of 2019 w.e.f 01.04.2022) provides for payment of compensation in case of death in the amount of Rs.5 lakhs and in the case of grievous hurt of Rs.2.5 lakhs.



4. Per contra, learned counsel for the respondents, however, vehemently argues that the award has rightly been passed and the amount of compensation as assessed by the learned Tribunal has rightly been granted.

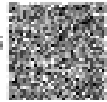
5. I have heard learned counsel for the parties and perused the whole record of this case.

6. A perusal of the award indicates that in the present case the claimants filed the claim petition seeking compensation on account of the death of Diksha Saini who was aged about 17 years at the time of accident. Since Section 163-A of Motor Vehicles Act, 1988 is now substituted by Section 164 of Motor Vehicles Act, 1988 (Act 32 of 2019 w.e.f 01.04.2022), compensation is liable to be enhanced as per the substituted statutory provision i.e. Section 164 of the Act, therefore, the appellants herein are entitled to be granted the benefit of beneficial provision enacted by the Parliament under Chapter 11 of which Section 164 provides for payment of compensation in case of death in the amount of Rs.5 lakhs and in case of grievous hurt of Rs.2.5 lakhs.

7. Further, this Court in **FAO No.4301 of 2006**, titled as “**Akaljit Kaur and Others Vs. Parveen Kumar and Others**” held as under:-

“11. Hon’ble Supreme Court in the case of **Ram Murti and others Vs. Punjab State Electricity Board** [2022(4) TAC 738] held that the appellants therein to be granted the benefit of beneficial provision enacted by the Parliament under Chapter 11 of which Section 164 provides for payment of compensation in the case of death in the amount of Rs.5 lakhs and in the case grievous hurt of Rs.2.5 lakhs.

12. This Court in **FAO-195-2006** titled as **Mamta and Others Vs. Happy and Others**, decided on 29.05.2024, held that since

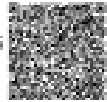


Motor Vehicle statute is a beneficial legislation, the Judge should not go into the technicalities of the provisions, under which the application or petition is moved but should apply his judicial mind, as these are only the irregularities and not illegalities which cannot be cured. It has been observed by the Hon'ble Supreme Court that the loss caused to the claimants or the relationship or to the victim of the limb cannot be compensated. Still the Court should make every effort by exercising its discretion empathetically. Further, Justice should actually be shown to be delivered by application of judicial mind with intelligence, prudence, care and caution and by showing empathy. The Court decision should be such that they strengthen the trust and confidence of public and litigants in judicial system and judiciary."

8. In view of the above, the present appeal is allowed. Accordingly, the award dated 07.04.2025 is modified by converting the claim petition under Section 163-A (pre 2018 amendment) to Section 164 (post 2018 amendment) of the Motor Vehicles Act, 1988. As such the claimaints-appellants held entitled to enhanced amount of compensation i.e. **Rs.2,72,000/-** (5,00,000 – 2,28,000).

9. So far as the interest part is concerned, as held by Hon'ble Supreme Court in **Dara Singh @ Dhara Banjara Vs. Shyam Singh Varma** 2019 ACJ 3176 and **R.Valli and Others VS. Tamil Nandu State Transport Corporation** (2022) 5 Supreme Court Cases 107, the appellants-claimants are granted the interest @ 9% per annum on the enhanced amount from the date of filing of claim petition till the date of its realization.

10. The Insurance Company is directed to deposit the enhanced amount of compensation along with interest with the Tribunal within a period of two months from today. The appellants-claimants are directed to furnish their bank account

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details to the Insurance Company/Tribunal. The Tribunal is further directed to disburse the enhanced amount of compensation along with interest as per ratio settled in award dated 07.04.2025 in equal shares in the bank accounts of the appellants-claimants.

11. Accordingly, the present appeal is hereby allowed.
12. Pending applications, if any, also stand disposed of.

(SUDEEPTI SHARMA)
JUDGE

31.10.2025*Ayub*

Whether speaking/non-speaking : Speaking
Whether reportable : Yes