



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

(102)

FAO No.3470 of 2001(O&M)

Reserved on:23.01.2026

Pronounced on: 31.01.2026

Uploaded on : 02.02.2026

Hardial Singh

... Appellant

Versus

Mahinder Singh & Others

... Respondents

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present: Mr. D.P. Gupta, Advocate and
Mr. Shubam Gupta, Advocate
for the appellant.

None for respondent No.1.

Mr. I.S.Kingra, Sr. DAG, Punjab.

VIRINDER AGGARWAL,

1. The present appeal has been preferred by the claimant/appellant under Section 173 of the Motor Vehicles Act, 1988, challenging the award dated 05.04.2001 passed by the learned Motor Accident Claims Tribunal, Bathinda, whereby compensation of ₹1,00,000/- was awarded under Section 163-A of the Act, for the injuries sustained by the appellant in a motor vehicular accident.

BACKGROUND FACTS

2. On 27.01.1999, he was travelling in Bus No. PB-12C-9312 from Malout towards Ferozepur. When the bus reached near Bathinda Bypass, within the jurisdiction of Police Station Muktsar, the driver of the bus drove the vehicle in a rash and negligent manner and struck a truck coming from the opposite direction. As a result of the accident, several passengers sustained injuries,



including the claimant. The claimant suffered multiple fractures, injuries to ribs and right leg, and underwent surgery. An iron rod was inserted and he remained hospitalized on different occasions. Therefore, claimant filed petition for compensation of ₹10,00,000/-. He asserted that he had incurred substantial expenditure on medical treatment, conveyance and special diet and that he had also suffered permanent disability affecting his earning capacity. The claimant pleaded that he was about 50 years of age at the time of accident and was earning his livelihood and was the sole breadwinner of his family. It was claimed that due to the injuries and alleged disability, his functional efficiency and earning potential had been seriously impaired. The respondents contested the claim by denying rash and negligent driving and alleged that the accident occurred due to bursting of tyre and high speed of the truck coming from the opposite direction. It was further pleaded that the claimant had not suffered any permanent disability affecting income and that the claim was exaggerated.

3. Upon appreciation of the oral and documentary evidence on record, the learned Tribunal held that the accident occurred due to the bursting of a tyre of the bus, as a result of which the bus went out of control and collided with the truck coming from the opposite direction. It was, however, found that the accident had occurred due to the involvement of the offending bus and that the claimant had indeed sustained injuries in the said accident. Consequently, the learned Tribunal awarded compensation under the principle of no-fault liability in terms of Section 163-A of the Motor Vehicles Act. While assessing the quantum of compensation, the learned Tribunal observed that the medical bills produced were limited in number and were not fully supported by original documentary evidence. It was further noted that the disability certificate had not been duly proved, as neither the issuing authority nor any member of the



medical board was examined. The claimant also admitted that there was no reduction in his salary or income after the accident. In the absence of any cogent evidence regarding loss of income or functional disability, the learned Tribunal declined to grant compensation under those heads and, accordingly, awarded a total sum of ₹1,00,000/- under Section 163-A of the Act under various heads.

4. Learned counsel for the appellant 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 claimant is entitled to a higher compensation on a no-fault basis and that the beneficial interpretation should be adopted. Learned counsel has placed reliance upon the judgment of this court in ***Smt. Asha Devi and Another Sh. Nirmal Singh and Others (FAO-267-2008) decided on 19.09.2024***, and also the judgment of the Hon'ble Supreme Court in ***New India Assurance Co. Ltd. v. Urmila Halder, SCC OnLine SC 4983***, to contend that beneficial provisions relating to computation of compensation deserve liberal application in favour of claimants and that procedural or computational amendments can be applied so as to advance the object of social welfare legislation. On the strength of these authorities, it is prayed that the impugned award be suitably modified and enhanced.

5. Per contra, learned state counsel 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 further contended that Section 164 of the Act cannot be retrospectively applied to reopen concluded factual findings. It is contended that the learned Tribunal has rightly assessed the compensation. Hence, no interference is warranted by this court.

**OBSERVATIONS AND FINDINGS**

6. I have heard learned counsel for the parties and perused the complete records. 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.

7. Upon consideration of the factual matrix of the present case, it is not in dispute that the accident in question occurred by the use of the offending vehicle on a no-fault basis, resulting in grievous injuries to the claimant. The claim petition was adjudicated by the learned Tribunal under Section 163-A of the Motor Vehicles Act, 1988, and compensation to the tune of ₹1,00,000/- was awarded. However, during the pendency of the present appeal, Section 163-A stood repealed and was substituted by Section 164 of the Motor Vehicles Act, 1988 by virtue of Act 32 of 2019 with effect from 01.04.2022, which provides for payment of fixed compensation on a no-fault basis. Section 164 is a beneficial provision enacted by the Parliament under Chapter XI of the Act, stipulating compensation of ₹5,00,000/- in the case of death and ₹2,50,000/- in the case of grievous hurt.

8. It is well settled that a beneficial legislation must be construed in a manner that advances its remedial and welfare-oriented object and does not defeat the grant of just compensation on hyper-technical grounds. Though statutory amendments are ordinarily prospective in operation unless a contrary legislative intent is expressly indicated, the Motor Vehicles Act being a benevolent legislation, the Courts are empowered to adopt a liberal and purposive interpretation where the amendment enhances the measure of relief without impairing any vested rights. A Coordinate Bench of this Court in **Smt.**



Asha Devi (supra) has dealt with a similar situation and extended the benefit of Section 164 to claims arising out of accidents that occurred prior to the amendment, by adopting a purposive interpretation of the statute so as to advance the object of social welfare legislation and to ensure uniformity and certainty in the award of compensation. The relevant portion of the said judgment reads as under:

“9. 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 their beloved son, who was aged about 1½ years at the time of occurrence. The Tribunal observed that in the absence of any proof of notional income and expectancy of the child, a sum of ₹1,25,000/- was awarded in the interest of justice. Since Section 163-A of the Motor Vehicles Act, 1988 is now substituted by Section 164 of the Motor Vehicles Act, 1988 (Act 32 of 2019 w.e.f. 01.04.2022), compensation should be enhanced as per the substituted statutory provision i.e. Section 164 of the Act, therefore the appellants 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 the case of death in the amount of Rs.5 lakhs and in the case of grievous hurt Rs.2.5 lakhs.

10. Further, this Court in **FAO No.4301 of 2006** titled “**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 the beneficial provision enacted by the Parliament under Chapter XI, 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 of grievous hurt Rs.2.5 lakhs.

12. This Court in **FAO-195-2006** titled **“Mamta and Others Vs. Happy and Others”**, decided on 29.05.2024, held that since the Motor Vehicles statute is a beneficial legislation, the Judge should not go into the technicalities of the provision 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 to the victim or loss of 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 the public and litigants in the judicial system and judiciary.”

11. In View of the above, the claimants/appellants are held entitled to compensation to the tune of Rs.5 akhs, which shall be distributed equally amongst the claimants, namely, Smt. Asha Devi and Sh. Ram Dass.”



9. Therefore, in the peculiar facts of the present case, denying the benefit of the enhanced statutory compensation merely on the ground of the date of accident would defeat the very purpose of the benevolent enactment and perpetuate an inequitable outcome. Thus, following the judgments of the Coordinate Benches of this Court and guided by the settled principles on beneficial interpretation, this Court deems it appropriate to extend the benefit of Section 164 to the appellant.

10. In view of the foregoing discussion, the compensation awarded to the appellant/claimant under Section 163-A of the Motor Vehicles Act is hereby converted to compensation payable under Section 164 of the Act. In terms of the statutory mandate under Section 164, the claimant is entitled to a fixed compensation of ₹2,50,000/- along with interest at the rate of 7% per annum from the date of filing of the claim petition till its realisation. Consequently, the compensation is modified from the earlier awarded amount of ₹1,00,000/- to ₹2,50,000/- in accordance with Section 164 of the Act. The liability shall remain the same as determined by the learned Tribunal.

11. Accordingly, the appeal is **allowed** to the aforesaid extent.

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

31.01.2026
Saurav Pathania

(VIRINDER AGGARWAL)
JUDGE

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