



218

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH****FAO-3569-2001 (O&M)****Date of Decision:20.01.2026****Ranjit Kaur And Others****...Appellants****Vs.****Inderjit Singh And Another****...Respondents****CORAM:- HON'BLE MR. JUSTICE VIRINDER AGGARWAL**

Present: Mr. Gurvinder Singh Sidhu, Advocate
for appellants.

Ms. Manvi Verma, Advocate for
Mr. Rajneesh Malhotra, Advocate
for respondent No.2/National Insurance Company.

VIRINDER AGGARWAL, J. (Oral)

1. This appeal has been filed by the claimants seeking enhancement of compensation awarded by the Motor Accident Claims Tribunal, Sirsa, vide award dated 04.06.2001 passed under Section 163-A of the Motor Vehicles Act, 1988 on account of the death of Boota Singh in a motor accident.

BACKGROUND FACTS

2. On 31.01.1999, Boota Singh, aged about 42 years, was driving a jeep bearing registration No. URP-5751 from Kalanwali to Malout. During the course of the journey, on account of the sudden bursting of a tyre, the jeep overturned, as a result of which he sustained grievous injuries. He was initially taken to a private hospital at Dabwali and was thereafter referred to Bathinda for further treatment, where he ultimately succumbed to the injuries. Consequent upon his death, the claimants instituted the present claim petition under Section 163-A of the Motor Vehicles Act, 1988, claiming compensation to the tune of ₹5,00,000 on account of the death of Boota Singh.

3. Upon consideration of the pleadings and appreciation of the oral



as well as documentary evidence on record, the learned Tribunal returned a clear finding that the accident dated 31.01.1999 occurred on account of the use of the jeep bearing registration No. (URP-5751), which overturned due to the sudden bursting of its tyre, resulting in grievous injuries to its driver, Boota Singh, who subsequently succumbed thereto. The said finding was supported by the testimony of the claimant-witness (RW-1), the FIR (Ex.P2) and the post-mortem report (Ex.P3), which collectively established the manner in which the accident occurred. For the purpose of determining compensation, the learned Tribunal assessed the age of the deceased as 45 years. With respect to the income of the deceased, the learned Tribunal, keeping in view the fact that he was working as a driver and earning a monthly salary, assessed his income at ₹1,500 per month. After deducting one-third of the said amount towards his personal and living expenses, the annual dependency was assessed at ₹12,000. Applying a multiplier of 15, the loss of dependency was thus computed at ₹1,80,000. In addition thereto, the learned Tribunal awarded a sum of ₹20,000 towards loss of consortium and a further sum of ₹5,000 towards funeral expenses and last rites. Consequently, the total compensation was quantified at ₹2,00,000, payable to the claimants along with interest at the rate of 9% per annum. The learned Tribunal further held both the respondents jointly and severally liable for payment of the awarded compensation.

CONTENTION

4. Learned counsel for the appellants contended that the compensation awarded by the learned Tribunal is grossly inadequate and does not represent a just assessment of the loss suffered by the claimants. It was



argued that despite cogent evidence on record, the learned Tribunal erred in not properly considering the income of the deceased, including the pension being drawn by him, as well as the family pension payable to the dependents after his death. It was further submitted that the learned Tribunal failed to take into account the fact that the deceased was the sole breadwinner of a large family, including blind dependents, which resulted in an unduly low determination of dependency. Learned counsel also assailed the application of a multiplier of 15, contending that the same is erroneous and on the lower side having regard to the provisions of Section 163-A read with Schedule II of the Motor Vehicles Act, 1988, thereby leading to an unjust and inadequate computation 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.

OBSERVATIONS AND FINDINGS

6. 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 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, 1988.

7. 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.

8. 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.

9. In the present case, the learned Tribunal assessed the monthly income of the deceased at ₹1,500 by taking into consideration that he was employed as a driver with respondent No.1 after his retirement from the Army. The learned Tribunal, however, did not factor in any income on account of pension, as no documentary evidence was produced on record to conclusively establish that the deceased was drawing pension during his lifetime.

Nonetheless, it has come on record through the testimony of Ranjit Kaur (PW-

1) that after the death of the deceased, the family has been receiving a family pension to the tune of ₹1,507 per month. The fact that the deceased was an ex-serviceman and that the family pension is a direct consequence of the service rendered by him during his lifetime cannot be lost sight of, same would be admissible to dependants of deceased only when during his lifetime, he was drawing pension. Keeping in view the aforesaid facts and the settled position of law that such pecuniary benefits flowing from the service of the deceased are relevant for assessing his income, the monthly income of the deceased is required to be reassessed at ₹3,000 for the purpose of computation of compensation as it is not proved on record that at what rate he was getting pension, but, certainly the same cannot be less than family pension so it is taken at that rate. Accordingly, the total compensation payable to the appellants is reassessed in terms of the Second Schedule to the Act, as under:

Particulars	Tribunal (₹)	Reassessed (₹)
Monthly Income	1,500	3,000/-
Annual Income	18,000/-	36,000/-
Income after Deduction	12,000 (1/3rd for personal expenses)	24,000 (1/3rd for personal expenses)
Multiplier	15	15
Loss of dependency	1,80,000/-(12,000 x 15)	3,60,000 (24,000 x 15)
Loss of consortium	20,000	5,000
Funeral expenses	5,000	2,000
Loss of estate	x	2,500
Total	2,00,000/-	3,69,500/-

10. Resultantly, the compensation awarded by the learned Tribunal is enhanced from ₹2,00,000/- to ₹3,69,500/-. The enhanced amount shall carry 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.
12.

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

(VIRINDER AGGARWAL)
JUDGE

20.01.2026
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Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No