

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

(226)

FAO no.5530 of 2005(O&M)

Date of Decision: 09.03.2026

OM DEVI AND ANOTHER**...APPELLANTS****VERSUS****AJMER SINGH AND OTHERS****....RESPONDENTS****CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL**

Present: Mr. B.B,Sharma, Advocate
for appellants.

Mr. Suvir Deewan, Advocate
for respondent No.3.

VIRINDER AGGARWAL, J. (ORAL)

1. This appeal has been filed by the claimants seeking enhancement of compensation awarded by the Motor Accident Claims Tribunal, Karnal, vide award dated 19.03.2005 passed under Section 163-A of the Motor Vehicles Act, 1988 on account of the death of Priyanka in a motor accident.

BACKGROUND FACTS

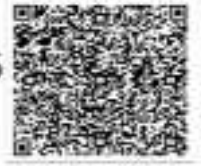
2. On 23.11.2003 at about 11:00 a.m., Priyanka, aged about 8 years, was going to the shop of her father carrying a lunch box for him. When she reached in front of the shop and had just crossed the road, a tanker bearing registration No. HR-05-A-9295 came from the side of Karnal and struck her, as a result of which she fell down, sustained multiple injuries and died on the spot. The said tanker was being driven by respondent No.1 Ajmer Singh. 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 23.11.2003 occurred due to the use of tanker bearing registration No. HR-05-A-9295 driven by respondent No.1. The learned Tribunal placed reliance upon the testimony of Om Parkash (PW-1), father of the deceased, who deposed regarding the manner in which the accident occurred when the minor Priyanka was crossing the road in front of his shop. The said testimony stood corroborated by the statement of Suresh (PW-2), Additional Ahlmad, who produced the criminal record including the report (Ex.P1) under Section 173 Cr.P.C. and the site plan (Ex.P2) prepared during investigation. In the absence of any rebuttal evidence led by the respondents, the learned Tribunal held that it stood duly established that Priyanka died as a result of injuries sustained in the motor vehicular accident involving the said tanker. While determining the quantum of compensation, the learned Tribunal took into consideration that the deceased was about 8 years of age and was a student with no independent income. Accordingly, applying the Second Schedule appended to the Motor Vehicles Act, the notional income of the deceased was taken at ₹15,000 per annum. After deducting ₹5,000 towards personal expenses of the deceased, the annual dependency was assessed at ₹10,000. By applying the multiplier of 15, the loss of dependency was computed at ₹1,50,000. In addition thereto, a sum of ₹2,000 was awarded towards funeral expenses. On this basis, the total compensation was quantified at ₹1,52,000, payable to the claimants along with interest at the rate of 9% per annum from the date of filing of the petition till realization.

CONTENTIONS

4. Learned counsel for the appellants contends that the compensation



awarded by the learned Tribunal is wholly inadequate and contrary to the settled principles governing assessment of compensation under the Motor Vehicles Act. It is submitted that the learned Tribunal failed to properly consider the loss suffered by the claimants on account of the untimely death of their minor daughter and also did not award reasonable compensation under the conventional heads such as loss of love and affection, loss of estate and funeral expenses. It is further argued that the amount awarded is extremely meagre and the rate of interest granted by the learned Tribunal is also on the lower side. On these grounds, it is prayed that the impugned award be modified and the compensation be suitably enhanced.

5. Learned counsel appearing for respondent No.3 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, 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.

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 ₹1,52,000/- was awarded. 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. 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 and Another Sh. Nirmal Singh and Others (FAO-267 2008)*** ***decided on 19.09.2024*** 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 Lakhs, 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 ₹5,00,000/- 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 ₹1,52,000/- to ₹5,00,000/- in accordance with Section 164 of the Act. The apportionment and 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.

09.03.2026
Saurav Pathania

(VIRINDER AGGARWAL)
JUDGE

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