



FAO-4156-2002(O&M)

1

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

(218)

**FAO-4156-2002(O&M)
Date of Decision-25.03.2026**

Vidyawati And Another**... Appellants****Versus****Geeta Devi And Others****... Respondents****CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL**

Present: Mr. Bhaskar Sarout, Advocate,
for appellants.

Mr. Jasleen Kaur Chibber, Advocate with
Mr. Nitin Gupta, Advocate
for respondent No.8

VIRINDER AGGARWAL, J.(ORAL)

1. This appeal has been preferred by the appellants/claimants against the award dated 15.02.2002 passed by the Motor Accident Claims Tribunal, Faridabad, whereby the claim petition filed by the appellants was partly accepted and a sum of Rs.54,500/- along with interest at rate of 9% per annum from the date of filing of the petition was awarded.

BACKGROUND FACTS

2. The facts in brief are that on 01.07.1997 the offending Truck No. HR-38B-6405 owned by Jagdish Chand (since deceased) and driven by Raman (son of the appellants) met with an accident near village Gujri, Indore District, M.P. when the truck slipped into river Dhan Nadi due to rash and negligent driving of the driver Raman. Both the driver Raman and the owner Jagdish Chand died on the spot. The conductor Padam Singh escaped unhurt. FIR No.296/97 under Sections 279/336/304-A IPC was registered at P.S. Dhannadi. Post-mortem



reports of both the deceased were proved on record. The appellants filed the claim petition under Section 166 read with Sections 163-A & 167 of the Motor Vehicles Act, 1988 claiming compensation on account of death of their son Raman.

3. The learned Tribunal after framing issues and appreciating the evidence of PW-2 Padam Singh (conductor) and PW-4 Lakhmi Chand (appellant No.2) came to the conclusion that the accident had occurred due to rash and negligent driving of the deceased driver Raman. The learned Tribunal further held that the risk of the driver was covered under the Insurance Policy as additional premium of Rs.75/- was paid for driver/cleaner and the liability was covered under the endorsement in the policy as per Workmen's Compensation Act, 1923 and at common law. However, despite the aforesaid findings, the learned Tribunal awarded a sum of only Rs.54,500/- (Rs.50,000/- towards loss of dependency, Rs.2,000/- towards funeral expenses and Rs.2,000/- towards loss of estate), which is ex facie on the lower side. A perusal of the award further reveals that although the claim petition had been filed under Sections 166 read with 163-A and 167 of the Motor Vehicles Act, the learned Tribunal, in effect, assessed and granted compensation on principles akin to no-fault liability, without undertaking a proper determination of just compensation in accordance with settled law. Feeling aggrieved by the inadequacy of the compensation so awarded, the appellants have preferred the present appeal.

CONTENTIONS

4. Learned counsel for the appellants has strenuously contended that the compensation awarded by the learned Tribunal is wholly inadequate and not in consonance with the settled principles governing the determination of just



compensation under the Motor Vehicles Act. It is submitted that the deceased was merely 21 years of age at the time of the accident and was earning Rs.3,500/- per month, thereby having a long span of productive life ahead. It is further argued that the learned Tribunal has failed to properly appreciate the evidence available on record while assessing the compensation. On these premises, it has been prayed that the compensation be suitably enhanced in accordance with law.

5. Per contra, learned counsel for respondent No.8-Insurance Company has supported the impugned award and submitted that the compensation determined by the learned Tribunal is just, fair and reasonable, having been assessed on due consideration of the material available on record. It is contended that no case for enhancement is made out and the present appeal deserves to be dismissed.

OBSERVATIONS AND FINDINGS

6. I have heard learned counsel for the parties and have perused the record with their able assistance. The primary issue that arises for consideration in the present appeal is with regard to the adequacy of the compensation awarded by the learned Tribunal and the determination of just compensation in the facts and circumstances of the present case.

7. Upon consideration of the factual matrix of the present case, it is not in dispute that the accident in question arose out of the use of a motor vehicle and resulted in the death of the deceased. The learned Tribunal, while returning findings on negligence and holding the Insurance Company liable, has awarded a sum of Rs.54,500/-, which, on the face of it, appears to be wholly inadequate. A perusal of the award further reveals that although the claim petition was filed under Sections 166 read with 163-A and 167 of the Motor Vehicles Act, the learned Tribunal, in effect, assessed the compensation on principles akin to no-



fault liability, without undertaking a comprehensive determination of just compensation in accordance with settled law. In such circumstances, this Court is required to reassess the compensation so as to ensure that the same is just, fair and reasonable. However, during the pendency of the present appeal, Section 163-A of the Motor Vehicles Act, 1988, which originally provided for compensation on the principle of “no-fault liability”, came to be repealed and substituted by Section 164 by virtue of Act 32 of 2019, with effect from 01.04.2022. Section 164 is a beneficial provision under Chapter XI providing for payment of fixed compensation on a no-fault basis: ₹5,00,000/- in case of death and ₹2,50,000/- in case of grievous hurt. Sub-section (2) of Section 164 explicitly provides that the claimant shall not be required to plead or establish that the death or grievous hurt was due to any wrongful act, neglect or default of the owner or driver of the vehicle or of any other person.

8. The Motor Vehicles Act is a piece of social welfare and beneficial legislation. It is well settled that such statutes must receive a liberal and purposive interpretation so as to advance the object of providing just and speedy compensation to victims of road accidents and their dependents, without defeating the grant of relief on hyper-technical or procedural grounds. Statutory amendments enhancing the measure of relief, particularly in no-fault liability provisions, can be applied to pending proceedings where they do not impair any vested rights but only advance the cause of justice.

9. The Hon'ble Supreme Court in ***Ram Murti & Ors. vs. Punjab State Electricity Board, 2022(4) TAC 738***, granted the benefit of ₹5,00,000/- under Section 164 even in a case where the claim under Section 166 was dismissed for want of proof of negligence and the accident was of the year prior to the amendment. The Apex Court emphasized that beneficial provisions enacted by



Parliament under Chapter XI must be extended to advance the object of social welfare legislation. Similar view has been taken by the Hon'ble Supreme Court in *New India Assurance Co. Ltd. v. Urmila Halder*, 2024 SCC OnLine SC 4983 and by this Court in *Nisha Rani & Ors. vs. Parminder Kaur & Others*, 2024 NCPHHC 146726, wherein claims dismissed under Section 166 for failure to prove rash and negligent driving were converted and compensation awarded under Section 164 on the basis that the accident arose out of the use of a motor vehicle.

10. In the instant case, the accident and resultant death having been proved on record and the claim petition being pending in appeal, and the liability of the Insurance Company having already been upheld by the learned Tribunal, the appellant is entitled to the benefit of the fixed no-fault compensation under Section 164 of the Act. In view of the peculiar facts of the present case, where negligence already stands established, the claimants cannot be deprived of just compensation merely on account of the inadequacy of the amount awarded by the learned Tribunal. Denying compensation in these circumstances would be contrary to the remedial and welfare-oriented object of the Act and would perpetuate injustice.

11. In view of the foregoing, the appeal is **allowed**. The impugned award is modified to the extent that the appellant is held entitled to fixed compensation of ₹5,00,000/- (Rupees Five Lakhs only) under Section 164 of the Motor Vehicles Act on no-fault basis. The said amount shall carry interest at rate of 7% per annum from the date of amendment in Motor vehicle Act came into operation till realization. The liability and apportionment of compensation shall remain the same, in terms of the findings recorded by the learned Tribunal.

**FAO-4156-2002(O&M)**

6

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

25.03.2026
Sourav Pathania

(VIRINDER AGGARWAL)
JUDGE

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