



FAO-1709-2018(O&M)

-1-

257

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

**FAO-1709-2018(O&M)
Date of Order:-15.07.2025**

United India Insurance Company Limited

...Appellant

Versus

Karamjeet Kaur and others

...Respondents

CORAM : HON'BLE MR. JUSTICE SUVIR SEHGAL

Present: Mr. Rajneesh Malhotra, Advocate
for the appellant.

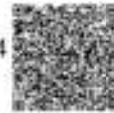
Mr. Sanjeev Goyal, Advocate
for respondents No.1 to 5.

Ms. Meena Bansal, Advocate
for respondents No.6 and 7.

SUVIR SEHGAL, J.(ORAL)

1. This appeal has been filed under the Motor Vehicles Act, 1988 (for brevity "MV Act") by the Insurance company, assailing award dated 18.11.2017, whereby a petition, preferred by claimants/respondent no.1 to 5, for grant of compensation on account of death of Nikka Singh, has been partly accepted.

2. Facts, in brief, leading to the filing of the appeal are that on 03.05.2017, Nikka Singh, since deceased, was sitting on a tractor



257

bearing registration No.PB-44A-5479, which was being driven by Tari. While alighting from the tractor, his foot slipped and he fell. He was run over by the tractor and was shifted in an unconscious state, to Civil Hospital, Sunam. He was referred to Amar Hospital, Patiala, where he succumbed to his injuries. Post-mortem examination, Ex.C2 was conducted at Civil Hospital, Sunam. DDR No.41, Ex.C1, dated 04.05.2017 was lodged at Police Station, Cheema. Claimants filed a petition under MV Act for grant of compensation on account of death of Nikka Singh, which has been partly accepted and they have been granted compensation of Rs.5,49,500/-. Appellant - insurance company has been held liable to pay the compensation, alongwith interest @ 9% p.a., from the date of filing of the claim petition.

3. Counsel for the appellant-Insurance Company has assailed the award passed by the Tribunal by urging that the compensation granted is liable to be reduced as the claim petition was preferred under Section 163-A of the MV Act. *Per contra*, counsel for the claimants have opposed the appeal and have supported the award.

4. I have heard counsel for the parties and have considered their respective submissions.

5. On the basis of the evidence adduced, the Tribunal has come to the conclusion that Nikka Singh died in an accident caused by the tractor, which was driven by Tari. Tribunal found that the driver of the offending vehicle was holding a valid driving license Ex.R2 and the vehicle was insured under insurance policy Ex.R4.



257

6. Tribunal assessed the compensation under Section 163-A of the MV Act by taking the annual income of the deceased at Rs.40,000/- and, applied a multiplier of 18 as the deceased was 28 years at the time of accident. Tribunal made a deduction of 1/4th towards the personal and living expenses of the deceased. Further, a sum of Rs.2,500/- was granted under the head of loss of estate and Rs.2,000/- has been awarded on account of funeral expenses. However, Second Schedule appended to Section 163-A of the MV Act explicitly mandates that the amount of compensation, in case of a death in no-fault liability claim shall be reduced by 1/3rd considering the expenses, which the victim would have incurred towards himself had he been alive. If 1/3rd cut is applied to the assessed income, the total compensation payable under the structured formula would be Rs.4,80,000/- approximately.

7. By virtue of the Motor Vehicles (Amendment) Act, 2019 (Act 32 of 2019), Section 163-A has been omitted and Chapter XI of the MV Act has been substituted. Section 164 of the MV Act fixes a lump sum compensation of Rs.5,00,000/- to be granted in case of death on the principle of no-fault liability. The benefit of newly introduced provision can be extended to the claimants instead of Section 163-A, MV Act., even though accident had taken place much before the amendment. A co-ordinate Bench of this Court in *Nisha Rani and others Versus Parminder Kaur and another, FAO-7282-2011 decided on 11.11.2024,* granted the benefit of this provision to the dependents of a person who died in an accident on 02.07.2007. Reliance was placed by the co-ordinate bench on a judgment of Hon'ble Supreme Court in *Ram Murti*



FAO-1709-2018(O&M)

-4-

257

and others Vs. Punjab State Electricity Board, 2023 ACJ 631. As the amount payable under Section 164 MV Act is more beneficial, the compensation is assessed at Rs.5,00,000/-.

8. In view of the above discussion and the settled legal position, this Court is of the opinion that the impugned award deserves to be modified. Compensation payable to the claimant-respondents is scaled down and determined at Rs.5,00,000/-. This amount shall carry interest at the rate of 7.5% per annum from the date of the filing of the claim petition.

9. Appeal is disposed of.

10. As the main appeal has been decided, pending application(s), if any, is/are disposed of.

(SUVIR SEHGAL)
JUDGE

15.07.2025

Brij

Whether reasoned/speaking : Yes/No

Whether reportable : Yes/No