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

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**FAO-1504-2002 (O&M)
Date of decision: 26.08.2026**

RAJIV SHARMA

....Appellants

Versus

LIYAKAT ALI AND ORS

...Respondents

CORAM: HON'BLE MR. JUSTICE YASHVIR SINGH RATHOR

Present : Mr. Aarush Kashyap, Advocate and
Mr. Aman Kashyap, Advocate for the appellants.

Service of respondents No.1 and 2 dispensed with
vide order dated 27.07.2026.

Mr. Vinod Gupta, Advocate for respondent No.3.

YASHVIR SINGH RATHOR. J.(Oral)

1. This appeal has been instituted by claimant/appellant against the Award dated 09.08.2001 passed in MACT Case No.108 of 1997 by the Motor Accident Claims Tribunal, Chandigarh (**for short “Tribunal”**) vide which the claim petition filed by the claimant under Section 166 of Motor Vehicles Act, 1988 (**hereinafter referred to as ‘Act’**) for grant of compensation on account of injuries suffered by him in a motor vehicular accident has been dismissed.

2. From the pleadings of parties, following issues were framed by the learned Tribunal:-

- “1. Whether the claimant sustained injuries and permanent partial disablement in the motor vehicular accident caused by rash and negligent driving of truck No.CH-01-H-5042 by respondent No.1, as alleged? OPP*
- 2. Whether the claimant is entitled to claim compensation from the respondents? If so, how much and from which of them? OPP*
- 3. Whether the claim petition is incompetent, vague and does not disclose cause*



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of action against respondent No.3? OPR

4. Whether the petition has been filed in contravention of Motor Vehicles Act, as alleged? OPR

5. Whether the claim petition is fraudulent and has been filed with a view to defraud the respondent No.3? OPR

6. Whether respondent No.1 was not holding a valid and driving licence at the time of accident? OPR

7. What is the effect of preliminary objection No.5 in the written statement of respondent No.3? OPR

8. Relief.”

3. Thereafter, the parties led evidence in support of their case.

4. After hearing the parties and on going through the material on the file, the learned Tribunal under issue No.1 held that the accident in question had taken place due to rash and negligent driving on the part of the claimant himself as he struck against the tempo going ahead of him when the tempo stopped at the traffic light point. Under issue No.2, the learned Tribunal assessed the compensation to the tune of Rs.25,000/- (comprising Rs.10,000/- for pains and sufferings, Rs.10,000/- on account of permanent partial disability of 5% in right lower limb, and Rs.5,000/- on account of medical expenses). However, the said amount was not awarded to the claimant as the Tribunal held that the accident occurred due to negligence on the part of claimant himself. Under issues No.3, 4, 6 and 7, findings were returned against the respondents, whereas, issue No.5 was decided in favour of respondent No.3. Consequently, the claim petition of the claimant was dismissed.

5. Feeling aggrieved, the appeal in hand has been preferred. The material on file has been perused and learned counsel for the parties have been heard.

6. Learned counsel for the appellant argued that the Tribunal has come to the conclusion that accident in question had take place due to rash and negligent

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driving on the part of claimant himself as he struck against the tempo going ahead of him, when the tempo stopped at the traffic light point and the accident in question resulted in grievous injuries on the person of the claimant. Learned counsel further contended that once Tribunal had come to the conclusion that accident had taken place on account of use of vehicle bearing No.CH-01H-5042 against which the claimant allegedly struck from behind, the claimant was entitled to compensation under no fault liability in terms of Section 163-A of the Motor Vehicles Act but Tribunal despite holding that the claimant had suffered injuries on account of use of vehicle dismissed the claimant petition on account of negligence on the part of claimant himself, whereas, for granting compensation under no fault liability, the rash and negligent driving is not to be looked into. Learned counsel next contended that now the provision contained under Section 163-A has been repealed and replaced by Section 164 of the Motor Vehicles Act, according to which, the claimant is entitled to compensation to the extent of Rs.2,50,000/- on account of injuries suffered by him. Learned counsel next contended that the benefit of beneficial provision enacted by the Parliament should be given to the appellant accordingly. In support of his contention, learned counsel has also relied upon the judgment of Hon'ble Supreme Court in 2023 ACJ 631 **Ram Murti and Others Vs. Punjab State Electricity Board**.

7. On the other hand, learned counsel for the respondent No.3 argued that the judgment in **Ram Murti's case (supra)** is not applicable in the present case and the award in question is well reasoned and justified and no interference in the same is thus called for.

8. Hon'ble Supreme Court in **Ram Murti's case (supra)** has held as



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under:-

"7. The provisions of Section 140 which formed a part of Chapter 10 of the Motor Vehicles Act 1988 were omitted by Act 32 of 2019. Simultaneously, Chapter 11 was substituted of which Section 164 provides for payment of compensation in the case of death in the amount of Rs.5,00,000/- and in the case of grievous hurt of Rs.2,50,000/-.

8. We are inclined to give the appellants the benefit of the beneficial provisions which have been enacted by Parliament. Hence, in modification of the order of the High Court, we direct that the appellants shall be entitled to an amount of Rs.5,00,000/- as compensation. However, if the amount of Rs.50,000 which has been awarded by the High Court has already been paid over, the balance (or the entirety of Rs.5,00,000/- if no amount has been paid) shall be paid over to the appellants by 30 November 2022."

9. In **Ram Murti's case (supra)**, the petition was filed under Section 166 of Motor Vehicles Act, 1988, which had been dismissed wherein the accident had taken place on 23.05.1991 when Section 164 of Act had not come into existence. However, Hon'ble Supreme Court observed that the Motor Vehicles Act is a beneficial provision and applied the beneficial provision of Section 164 of Motor Vehicles Act retrospectively in cases of no-fault liability under Section 163-A and awarded a lump sum compensation of Rs.5,00,000/- to the claimant.

10. In the present case, the accident took place on 08.08.1996, wherein, claimant had suffered multiple injuries and 5% permanent disability qua right lower limb, vide disability certificate Ex.P2 as has been held by the Tribunal. The claim petition was filed under Section 166 of the Act which was dismissed. Now, the amendment in Motor Vehicles Act has come into force w.e.f. 01.04.2022 vide which Section 163-A of the Act has been repealed and replaced by Section 164 of



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the Act. However, before this amendment came into force, the Government by way of Motor Vehicle (Amendment) Act, 2019, vide Act No.32 of 2019 w.e.f. 01.09.2019 had replaced Section 163-A of the Act with Section 164 and as such, Section 164 had infact come into force w.e.f. 01.09.2019, under which claimants are entitled to Rs.2,50,000/- on account of grievous hurt. Therefore, in view of the law laid down in **Ram Murti’s case (supra)**, it is held that the claimant is also entitled to compensation of Rs.2,50,000/- on account of injuries suffered by him as against no compensation awarded by the Tribunal.

11. As a result of the aforesaid discussion, the present appeal is partly allowed and the appellant/claimant is held entitled to compensation of **Rs.2,50,000/-** along with interest @ 9% per annum from the date when Section 164 of the Act came into force i.e. **01.09.2019**, till realization, payable by respondents-Insurance Company and owner of the vehicle in question jointly and severally.

12. Registry is directed to email the authenticated copy of this judgment to the respondent/Insurance Company in terms of directions issued by the Hon’ble Supreme Court in Writ Petition (Civil) No.534 of 2020 titled **Bajaj Allianz General Insurance Company Versus Union of India and others**, decided on 16.03.2021 and Insurance Companies shall comply with the directions as issued under Clause (F) of the said judgment.

13. Pending application, if any, shall stand disposed of.

(YASHVIR SINGH RATHOR)
JUDGE

26.08.2026
amandeep

Whether speaking/reasoned.	:	Yes/No
Whether Reportable.	:	Yes/No