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

FAO-2783-2020 (O&M)

Date of Decision : 25.08.2025

Oriental Insurance Company Limited

... Appellant(s)

Versus

Krishna Devi & Ors

... Respondent(s)

CORAM : HON'BLE MRS. JUSTICE ALKA SARIN

Present : Mr. Brig. B.S. Taunque (Retd.), Advocate for the appellant.

Mr. Narender Singh Kaajla, Advocate
for respondent Nos.1 & 2.

ALKA SARIN, J. (Oral)

1. The present appeal has been preferred by the appellant-Insurance Company challenging the award dated 03.03.2020 passed by the Motor Accident Claims Tribunal, Hisar (hereinafter referred to as 'Tribunal') in a claim petition filed under Section 163-A of the Motor Vehicles Act, 1988 (hereinafter referred to as the 'Act of 1988').

2. Since the facts, as recorded in the impugned award passed by the Tribunal, are not in dispute, the same are not being reproduced herein for the sake of brevity.

3. Learned counsel for the appellant-Insurance Company would contend that the compensation of ₹6,73,320/- awarded by the Tribunal is on the higher side because as per the amended provisions of the Act, Section 163-A stands merged with Section 164 of the Act of 1988 and in case of death, the compensation cannot exceed a sum of ₹5,00,000/-. In support of his contentions, he has also placed reliance upon a judgment of the Hon'ble

Supreme Court in the case of **Ram Murti & Ors. Vs. Punjab State Electricity Board [2023 ACJ 631]**.

4. On the other hand, learned counsel for respondent Nos.1 and 2 states that the Tribunal has rightly awarded the compensation and there is no scope for interference with the impugned award.

5. Heard.

6. In the present case the claimant-respondent Nos.1 and 2 had filed the claim petition under Section 163-A of the Act of 1988 and vide the impugned award the Tribunal has awarded a compensation of ₹6,73,320/- alongwith interest @ 7% per annum. Vide the Motor Vehicles (Amendment) Act, 32 of 2019 Chapter X stands omitted and substituted by Chapter XI. Section 163-A falls in Chapter X of the unamended Motor Vehicles Act, 1988 and the same has now been replaced by Section 164 of the Act of 1988. Further, Hon'ble Supreme Court in the case of **Ram Murti** (*supra*) has held as 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.”

7. The above judgment of the Hon’ble Supreme Court in the case of **Ram Murti** (*supra*) is fully applicable in the present case. In view thereof, the impugned award is modified to the extent that the claimant-respondent Nos.1 and 2 would be entitled to a compensation of ₹5,00,000/-. Accordingly, the present appeal stands allowed. Pending applications, if any, also stand disposed off.

25.08.2025
Yogesh Sharma

(**ALKA SARIN**)
JUDGE

NOTE: Whether speaking/non-speaking: Speaking
Whether reportable: YES/NO