

2025:PHHC:155726



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

208

FAO-1218-2006 (O&M)
Date of decision: 11.11.2025

Devi Dayal

...Appellant

Versus

Som Nath and others

...Respondents

CORAM: HON'BLE MR. JUSTICE VIKAS SURI

Present: Mr. Ashok Kumar Khubbar, Advocate for the appellant.

Mr. Vipul Sharma, Advocate for
Mr. Paul S. Saini, Advocate for respondent No.3.

VIKAS SURI, J. (Oral)

1. The present appeal has been preferred by the claimant-appellant (Devi Dayal) aggrieved by the quantum of compensation awarded by the Motor Accident Claims Tribunal, Karnal (hereinafter referred to as 'the Tribunal'), vide the impugned award dated 03.09.2005, owing to a motor vehicle accident, which occurred on 20.09.2003 in which the appellant suffered injuries.

2. Since the factum of the accident and injuries suffered by the appellant are not in dispute, the facts are not being adverted to for the sake of brevity.



3. The Tribunal, in the present case, held that the claimant had not been able to prove that the accident took place due to rash and negligent driving of the driver of the offending vehicle and hence, held that the appellant was entitled to compensation on the principle of no fault under Section 140 of the Motor Vehicles Act, 1988 (for short '1988 Act').

4. Learned counsel for the claimant-appellant would contend that the Tribunal has correctly awarded compensation on the principle of no fault, but keeping in view the statutory amendments, the quantum awarded is on the lower side. It is submitted that liability to pay compensation on the principle of no fault was enshrined under Section 140 of the 1988 Act, contained in Chapter X *ibid*. It is further submitted that on similar lines, Section 163-A of the 1988 Act was inserted under Chapter XI thereof by enactment of the Motor Vehicles (Amendment) Act, 1994 (Act No.54 of 1994) w.e.f. 14.11.1994. Section 140, which formed part of Chapter X of the 1988 Act, was subsequently omitted by the Motor Vehicles (Amendment) Act, 2019 (Act No.32 of 2019) w.e.f. 01.09.2019. Simultaneously, Chapter XI was substituted, whereby Section 163-A was substituted with Section 164, which provides for payment of compensation in the case of death in the amount of Rs.5 lakh and in the case of grievous hurt, in the amount of Rs.2.5 lakh. It is further argued that the present case is covered by the judgment rendered by this Court in FAO-4301-2006, titled as ***Akaljit Kaur and others vs. Parveen Kumar and others***, decided on 10.05.2024, wherein the claim



under Section 163-A of the 1988 Act was treated as one under Section 164, by relying upon the judgment of the Hon'ble Supreme Court in the case of ***Ram Murti and others vs. Punjab State Electricity Board, 2023 ACJ 631.***

5. Per contra, learned counsel for the respondent No.3-insurance company vehemently argues that the award has rightly been passed and the amount of compensation assessed by the learned Tribunal has been rightly granted. He, therefore, prays for dismissal of the appeal.

6. I have heard learned counsel for the parties and perused the impugned award.

7. A perusal of the award indicates that the claimant-appellant had filed a claim petition under Section 166 of the 1988 Act, seeking compensation on account of injuries and permanent disablement suffered in a motor vehicle accident that took place on 20.09.2003. At the time of the accident, the claimant-appellant was about 40/41 years of age. However, he failed to prove that the accident took place due to rash and negligent driving of the driver of the offending vehicle. Consequently, compensation was awarded under Section 140 of the 1988 Act. It is notable that a similar provision, based on the principle of no fault liability for payment of compensation on a structured formula basis, was incorporated into the statute book under Section 163-A of the 1988 Act by Central Act No.54 of 1994, w.e.f. 14.11.1994. Subsequently, the Motor Vehicles (Amendment) Act, 2019 (32 of 2019) w.e.f. 01.09.2019, Section 140 was omitted and Chapter XI of which Section 163-A was a



part, was substituted. Thereafter, Section 164 of the 1988 Act became the relevant statutory provision governing the award of compensation on the principle of no fault liability.

8. A coordinate Bench in FAO-247-1991, titled as ***Sushma Devi and others vs. Tarlochan Singh and others***, decided on 03.09.2024, while considering a case relating to no fault liability, by placing reliance upon the judgment of the Hon'ble Supreme Court in the case of ***Ram Murti*** (supra), directed the insurance company to pay compensation as stipulated under Section 164 of the 1988 Act, along with interest @ 7.5% per annum. The relevant portion of the said judgment passed in the case of ***Sushma Devi*** (supra) is reproduced here-in-below:

6. Section 140 of the Motor Vehicles Act, 1988, which was in force on the date of the accident i.e. 04.12.1989 provided that the compensation to the extent of Rs.25,000/- would be payable in the case of death of a person and in such a situation, the claimant was not required to plead and establish that the death or permanent disablement in respect of which the claim had been made was due to any wrongful act, negligence or default of the owner of the offending vehicle or vehicles concerned or any other person. The said Section 140 of the Motor Vehicles Act, 1988 was amended in the year 1994 and the amount payable in the case of death was enhanced to Rs.50,000/-. The relevant portion of amended Section 140 of the Motor Vehicles Act, 1988 is reproduced as under: -

“140. Liability to pay compensation in certain cases on the principle of no fault. -

(1) Where death or permanent disablement of any person has resulted from an accident arising out of the use of a motor vehicle or motor vehicles, the owner



of the vehicles shall, or, as the case may be, the owners of the vehicles shall, jointly and severally, be liable to pay compensation in respect of such death or disablement in accordance with the provisions of this section.

(2) The amount of compensation which shall be payable under sub- section (1) in respect of the death of any person shall be a fixed sum of [fifty thousand rupees] and the amount of compensation payable under that sub-section in respect of the permanent disablement of any person shall be a fixed sum of [twenty – five thousand rupees].

(3) In any claim for compensation under sub-section (1), the claimant shall not be required to plead and establish that the death or permanent disablement in respect of which the claim has been made was due to any wrongful act, neglect or default of the owner or owners of the vehicle or vehicles concerned or of any other person.”

7. By virtue of Act 32 of 2019, the above-said provisions of Section 140 of the Motor Vehicles Act, 1988 were deleted and simultaneously Chapter XI was substituted and Section 164 of the said Chapter provided that a compensation of Rs.5,00,000/- in the case of death was to be provided and in such situation also, the claimant was not required to plead or establish that the death or grievous hurt in respect which the claim had been made was due to any wrongful act or neglect or default of the owner of the vehicle or any other person. The said Section 164 of the Motor Vehicles Act, 1988 is reproduced herein below: -

“164. Payment of compensation in case of death or greivous hurt, etc. --(1) Notwithstanding anything contained in this Act or in any other law for the time being in force or instrument having the force of law, the owner of the motor vehicle or the authorised insurer shall be liable to pay in the case of death or grievous hurt due to any accident arising out of the use of motor vehicle, a compensation, of a sum of five lakh rupees in case of death or of two and a half lakh rupees in case of grievous hurt to the legal heirs or the victim, as the case may be.

(2) In any claim for compensation under sub-section (1), the claimant shall not be required to plead or establish that the death or grievous hurt in respect of



which the claim has been made was due to any wrongful act or neglect or default of the owner of the vehicle or of the vehicle concerned or of any other person.

(3) Where, in respect of death or grievous hurt due to an accident arising out of the use of motor vehicle, compensation has been paid under any other law for the time being in force, such amount of compensation shall be reduced from the amount of compensation payable under this section.”

8. The Hon'ble Supreme Court in the case of **Ram Murti (supra)** had granted the benefit of the beneficial provisions which have been enacted by the Parliament and accordingly, granted the compensation of Rs.5,00,000/- to the claimants therein. In the said case also, the accident as well as the award were much prior to the coming in force of Section 164 of the Motor Vehicles Act, 1988 and the Hon'ble Supreme Court in view of the fact that it was a beneficial provision, applied the provisions of Section 164 of the Motor Vehicles Act, 1988.

The relevant part of the said judgment is reproduced as under: -

“xxx xxx xxx

2 *The appeal has arisen from a judgment of a Single Judge of the High Court of Punjab & Haryana dated 10 March 2009 in FAO No 1461 of 1994.*

3 *The High Court was considering an appeal arising from an award of the Motor Accident Claims Tribunal, Bhatinda **dated 12 April 1994**. The Tribunal dismissed the application filed by the appellants under Section 166 of the Motor Vehicles Act 1988. However, the claim under Section 140 was allowed and the appellants were held entitled to receive an amount of Rs 25,000 on account of the death of Ved Parkash.*

4 *The High Court has affirmed the judgment of the Tribunal in regard to the dismissal of the claim under Section 166 of the Motor Vehicles Act 1988. However, having due regard to the amendment of the provisions of Section 140 in 1994, the amount payable has been enhanced from Rs 25,000 to Rs 50,000.*

5 *We have heard Mr Narender Singh Yadav, counsel appearing on behalf of the appellants and Ms Uttara Babbar, counsel for the respondent.*

6 ***There is no cogent basis for this Court to entertain the challenge against the findings of fact***



which have been recorded concurrently by the Tribunal and by the High Court while dismissing the claim under Section 166 of the Motor Vehicles Act 1988.

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 lakhs and in the case of grievous hurt of Rs 2.5 lakhs.**

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 lakhs 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 lakhs if no amount has been paid) shall be paid over to the appellants by 30 November 2022.**

9 The appeal is accordingly disposed of.

10 Pending applications, if any, stand disposed of.”

9. Even the judgment of the High Court, passed in FAO No.1461 of 1994 decided on 10.03.2009, from which judgment the SLP was filed before the Hon'ble Supreme Court and the above-said judgment was rendered by the Hon'ble Supreme Court, has been referred to by the learned counsel for the appellants to highlight the fact that in the above-said case the accident had taken place on 23.05.1991, which was even prior to the amendment in Section 140 of the Motor Vehicles Act, 1988 and thus, the present case is squarely covered by the judgment of the Hon'ble Supreme Court.

10. Thus, keeping in view the above-said facts and circumstances, this Court is of the view that in the interest of justice, the present claim petition be treated as a claim petition under Section 164 of the Motor Vehicles Act, 1988 and by applying the ratio of law laid down by the Hon'ble Supreme Court in the above-said judgment, the award of the Motor Accident Claims Tribunal, Hoshiarpur dated 09.10.1990 is set



aside and the respondents No.2 and 3 are directed to pay an amount of Rs.5,00,000/- to the present appellants/claimants along with interest @ 7.5% per annum from the date of the claim petition till the date of actual payment within a period of two months from today.”

9. In the present case, it is not disputed that the offending vehicle was involved in the accident in question, in which the claimant-appellant suffered a fracture in his leg and remained admitted in Haryana Nursing Home, Karnal from 20.09.2003 to 25.09.2003. It is further conceded that the appellant suffered permanent disability to the extent of 5%. Undeniably, compensation has already been awarded to the claimant-appellant under Section 140 of the 1988 Act, which provides that the claimants are entitled to compensation without the necessity of proving negligence on the part of any person involved in the accident. After the enactment of the Motor Vehicles (Amendment) Act, 2019 (32 of 2019), Section 164 has become the relevant provision, which deals with payment of lump sum compensation in the case of death/injury, without requiring the claimant to establish that the death or permanent disablement in respect of which the claim had been made resulted from any wrongful act, neglect or default of the owner of the offending vehicle or of any other person.

10. In the light of the law laid down by the Hon’ble Supreme Court in ***Ram Murti’s case*** (supra), the claimant is entitled to an amount of Rs.2.5 lakh. With respect to the rate of interest, this Court has been



consistently awarding interest @ 7.5% per annum, which rate of interest is found to be reasonable in the present case as well.

11. Keeping in view the aforesaid facts and circumstances, the present appeal is partly allowed and the award dated 03.09.2005, passed by the learned Motor Accident Claims Tribunal, Karnal, is modified and the compensation awarded is enhanced to Rs.2,50,000/-. Respondent No.3-insurance company is directed to pay the amount so enhanced to the claimant-appellant along with interest @ 7.5% per annum from the date of filing of claim petition till its realization, within a period of eight weeks from today.

12. Pending miscellaneous applications, if any, stand closed.

November 11, 2025
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(VIKAS SURI)
JUDGE

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