



**FAO-3834-2005(O&M) WITH
FAO-3835-2005(O&M)**

- 1-

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

223

Date of decision: 07.04.2026

(1) FAO-3834-2005(O&M)

SMT GURDEV KAUR AND ORS.

....APPELLANTS

VERSUS

RAJ KRISHAN AND ORS.

...RESPONDENTS

(2) FAO-3835-2005(O&M)

GURMEL KAUR AND ORS.

....APPELLANTS

VERSUS

RAJ KRISHAN AND ORS.

...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE YASHVIR SINGH RATHOR

Present: Mr. Neeraj Khanna, Advocate
for the appellants. (in both cases).

Mr. D.P. Gupta, Advocate and
Mr. Shubham Gupta, Advocate
for respondent No.4-Insurance Company.

YASHVIR SINGH RATHOR. J.(Oral)

1. This judgment shall dispose of the two appeals which have emanated out of the same Award.

2. These appeals have been instituted against the Award dated 20.05.2005 passed by the Motor Accident Claims Tribunal, Ambala (**for short “Tribunal”**) in MACT Case No.9 of 2002 and MACT Case No.10 of 2002, under Section 166 of Motor Vehicles Act, 1988 (**hereinafter referred to as ‘Act’**), vide which claimants in both the petitions have been awarded a sum of Rs.50,000/- each only as compensation under the “no fault liability” along with interest @ 9% per annum from the date of the institution till realization as the accident in question had taken place solely due to rash and negligent driving on the part of



**FAO-3834-2005(O&M) WITH
FAO-3835-2005(O&M)**

- 2-

motorcyclist Gurvinder Singh driver/deceased himself.

3. From the pleadings of parties, following issues were framed in both the claim petitions by the learned Tribunal:-

- “1. Whether Bhag Singh and Gurvinder Singh died in a motor vehicular accident allegedly caused due to rash and negligent driving of Ambassador car no. HR-06-G-0096 being driven by respondent no. 1, as alleged? OPP*
- 2. If issue no. 1 is proved in affirmative then to what amount of compensation, the claimants of both the claim petitions are liable to and from whom? OPP*
- 3. Whether the driver of the offending vehicle was not having valid and effective driving license at the time of accident? OPR*
- 4. Relief.”*

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

5. After hearing the parties and going through the material on the file, the learned Tribunal awarded a sum of Rs.50,000/- each as compensation to the claimants in both petitions under ‘no fault liability’, on account of death of Bhag Singh and Gurvinder Singh along with interest @ 9% per annum from the date of filing of claim petitions till realization.

6. Feeling aggrieved, the appeals in hand have been preferred. The material on file has been perused and parties have been heard.

7. The Tribunal, while deciding issue No.1 held that the accident had not taken place due to rash and negligent driving on the part of driver of the offending vehicle No.HR-06-G-0096 and infact, accident occurred solely due to negligent driving of the motorcycle on the part of one of the deceased namely



**FAO-3834-2005(O&M) WITH
FAO-3835-2005(O&M)**

- 3-

Gurvinder Singh and decided issue No.1 against the claimants. However, under issues No.2 and 3, it was held that vehicle was insured with respondent No.4 vide policy Ex.RA and insurance company has failed to lead any evidence to prove that driver was not holding any valid and effective driving licence and held that insurance company is liable to pay compensation. The Tribunal has awarded a sum of Rs.50,000/- each as compensation to the claimants under 'no fault liability'.

8. Learned counsel for the appellants argued that the claim petitions were filed under Section 166 of the Act, which have been dismissed by the Tribunal and the Tribunal has awarded compensation of Rs.50,000/- each on account of death of Bhag Singh and Gurvinder Singh under "no fault liability". However, the mode of assessment of compensation under "no fault liability" is not proper and in accordance with settled principles of law. Learned counsel for the appellants argued that the impugned award is liable to be set aside as the same is based on conjectures and surmises. Learned counsel further contended that the provision of Section 163-A of the Act has been replaced by Section 164 of the Act vide Act No.32 of 2019 and under Section 164 of the Amended Act, claimants are entitled to compensation to the tune of Rs.5,00,000/- each on account of death of Bhag Singh and Gurvinder Singh. Learned counsel next contended that the benefit of beneficial provision enacted by the Parliament should be given to the claimants and they should be awarded compensation to the tune of Rs.5,00,000/- each. In support of his contentions, learned counsel has relied upon the judgment of Hon'ble Supreme Court in 2023 ACJ 631 **Ram Murti and Others Vs. Punjab State Electricity Board**.



**FAO-3834-2005(O&M) WITH
FAO-3835-2005(O&M)**

- 4-

9. On the other hand, learned counsel for the respondents argued that the judgment in **Ram Murti's case (supra)** is not applicable in the present case and sufficient amount has already been awarded as compensation and there is no scope for further enhancement.

10. Hon'ble Supreme Court in **Ram Murti's case (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."

11. In **Ram Murti's case (supra)**, the petition was filed under Section 166 of Motor Vehicles Act, 1988, which had been dismissed. The accident had taken place 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 claimants in a death case.



**FAO-3834-2005(O&M) WITH
FAO-3835-2005(O&M)**

- 5-

12. In the present case also, the accident took place on 19.03.2002, resulting in death of Bhag Singh and Gurvinder Singh on account of use of vehicle. The claim petitions were filed under Section 166 of the Act which were dismissed. However, compensation of Rs.50,000/- each was awarded to the claimants under “no fault liability”. Now Section 164 of the Act has replaced the previous Section 163-A vide Act No.32 of 2019 w.e.f. 09.08.2019 under which claimants are entitled to compensation to the extent of Rs.5,00,000/-. Accordingly, in view of law laid down in **Ram Murti’s case (supra)**, it is held that the claimants are also entitled to compensation of **Rs.5,00,000/-** each on account of death of Bhag Singh and Gurvinder Singh as against Rs.50,000/- each as has been awarded by the Tribunal along with interest @ 9% per annum from the date of filing of claim petitions till realization.

13. As a result of the aforesaid discussion, the present appeals are partly allowed with costs.

14. The appellants/claimants in **FAO-3834-2005** are held entitled to enhanced compensation of **Rs.4,50,000/- (Rs.5,00,000/- - Rs.50,000/-)** along with interest @ 9% per annum from the date of filing of claim petition till realization payable by respondents, to be shared equally by appellants.

15. The appellants/claimants in **FAO-3835-2005** are held entitled to enhanced compensation of **Rs.4,50,000/- (Rs.5,00,000/- - Rs.50,000/-)** along with interest @ 9% per annum from the date of filing of claim petition till realization payable by respondents, to be shared equally by appellants.

16. Registry is directed to email the authenticated copy of the award to the respondent/Insurance Company in terms of directions issued by the Hon’ble



**FAO-3834-2005(O&M) WITH
FAO-3835-2005(O&M)**

- 6-

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 Company shall comply with the directions as issued under Clause (F) of the said judgment.

- 17. Pending misc. application(s), if any, shall also stand disposed of.
- 18. Photocopy of this order be placed on the file(s) of connected case(s).

07.04.2026
Vishal Vardhan

(YASHVIR SINGH RATHOR)
JUDGE

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