

FAO-3916-2005(O&M) WITH
FAO-4293-2005(O&M)

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IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

1.	Judgment reserved on	07.05.2026
2.	Judgment pronounced on	11.05.2026
3.	Judgment uploaded on	11.05.2026
4.	Whether only operative part of the judgment is pronounced or whether the full judgment is pronounced.	Full
5.	The delay, if any of the pronouncement of full judgment and reason thereof.	Nil

(1) FAO-3916-2005

SMT SAROJ SHARMA AND ANR

....APPELLANTS

VERSUS

MOHINDER SINGH AND ORS

...RESPONDENTS

(2) FAO-4293-2005

SMT PARAMJIT KAUR AND ANR

....APPELLANTS

VERSUS

MOHINDER SINGH AND ORS

...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE YASHVIR SINGH RATHOR

Argued by: Mr. Rajinder Sharma, Advocate and
Mr. Mridul Sharma, Advocate
for the appellants.

Ms. Oshin Swami, Advocate for
Mr. Puneet Sharma, Advocate
for respondent No.1. (in both appeals)

Service of respondent No.2 is dispensed with
vide order dated 08.04.2026.

Mr. Sandeep Kumar, Advocate for
Mr. Amit Kumar Goyal, Advocate
for respondent No.4-Insurance Company.

Respondents No.3 and 5 ex parte before the Tribunal.



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YASHVIR SINGH RATHOR

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

2. These appeals have been instituted against the Award dated 12.05.2005 passed by the Motor Accident Claims Tribunal, Amritsar (**for short “Tribunal”**) in MACT Case No.27 of 2003 and MACT Case No.18 of 2003, under Section 163-A of the Motor Vehicles Act, 1988 (**hereinafter referred to as ‘Act’**), vide which both claim petitions have been dismissed.

3. Claim petition No.27 of 2003 in **FAO-3916-2005**, titled ‘Saroj Sharma and another Versus Mohinder Singh and others’, was instituted by the wife and son of deceased for grant of compensation on account of death of Ram Saroop.

4. Claim petition No.18 of 2003 in **FAO-4293-2005**, titled ‘Paramjit Kaur Versus Mohinder Singh and Others’, was instituted by the wife and daughter of deceased for grant of compensation on account of death of Paramjit Singh.

5. From the pleadings of parties, following issues were framed in MACT-27-2003 by the learned Tribunal:-

- “1. *Whether respondent No.2 caused the death of Ram Saroop Sharma by causing accident with Truck No.PAT-1355 on 24.08.2001 at 7.30 p.m in the area near Sardari Lal Health Foundation G.T. Road, Gurdaspur? OPP.*
2. *Whether the claimants are entitled to any compensation on account of death of Ram Saroop Sharma, if so from whom and to what extent? OPP.*
3. *Relief.”*

6. From the pleadings of parties, following issues were framed in MACT-18-2003 by the learned Tribunal:-



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- “1. Whether respondent No.2 caused the death of Paramjit Singh by causing accident with Truck No.PAT-1355 on 24.08.2001 at 7.30 p.m in the area near Sardari Lal Health Foundation G.T. Road, Gurdaspur? OPP.*
- 2. Whether the claimants are entitled to any compensation on account of death of Paramjit Singh, if so from whom and to what extent? OPP.*
- 3. Relief.”*

7. Thereafter, the parties led evidence in support of their respective cases.

8. After hearing the parties and going through the material on the file, the learned Tribunal dismissed both the claim petitions. However, the Tribunal concluded that the accident in question had taken place due to negligence of respondent No.2-Ajit Singh while driving Truck bearing No.PAT-1355 (**hereinafter referred to as ‘offending vehicle’**) and caused deaths of Ram Saroop and Paramjit Singh.

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

10. It is pertinent to mention that the record of the present appeals and the Tribunal has got burnt in a fire incident in the High Court Registry and the present appeals have to be decided on the basis of the facts and evidence discussed by the Tribunal in the impugned Award.

11. The only issue required to be determined in the present appeals relates to the assessment of compensation. Therefore, the entire facts regarding the manner of accident are not required to be reproduced in detail, as the Tribunal has already held that the accident in question had taken place on account of use of vehicle bearing No.PAT-1355 being driven by respondent No.2-Ajit Singh and



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owned by respondent No.1 while insured with respondent No.4, resulting in deaths of Ram Saroop and Paramjit Singh. No appeal or cross-objections have been filed by respondents, challenging the said findings and accordingly, finding on issue No.1 in both claim petitions is not required to be interfered with.

12. Learned counsel for the appellants argued that the claim petitions were filed under Section 163-A of the Act, which have been dismissed by the Tribunal on the ground that income of both the deceased exceeded the statutory limit of Rs.40,000/- per annum and the findings of the Tribunal under “no fault liability” are not proper and not in accordance with settled principles of law. Learned counsel further contended that the provision contained in 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 Ram Saroop and Paramjit Singh. Learned counsel next contended that the benefit of the 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** and judgment passed by Co-ordinate Bench of this Court in 2025 NCPHHC 4194 **Piare Lal and Ors. Vs. Satpal and Ors.** and in FAO-108-2003 & FAO-109-2003 decided on 21.11.2025 titled **Sukhchain Singh Vs. The New India Assurance Co. Ltd. and Another.**

13. On the other hand, learned counsel for the respondents argued that the judgment in **Ram Murti’s case (supra)** is not applicable to the present case. It



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was further contended that the driver of the offending vehicle was not holding a valid and effective driving licence at the time of accident and there was violation of terms and conditions of the insurance policy. Learned counsel further argued that the Tribunal has rightly dismissed both the claim petitions with sound reasons and no interference in the said awards is called for and prayed that appeals in hand be dismissed.

14. 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."

15. In **Ram Murti's case (supra)**, the petition was filed under Section 166 of the Motor Vehicles Act, 1988, which had been dismissed. The accident had taken place when Section 164 of the 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



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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.

16. In the present case also, the accident took place on 24.08.2001, resulting in death of Ram Saroop and Paramjit Singh. The claim petitions were filed under Section 163-A of the Act, which were dismissed on the ground that the income of the deceased-Ram Saroop was Rs.60,000/- per annum and deceased-Paramjit Singh was Rs.1,20,000/- per annum, which was above the statutory requirement of Rs.40,000/- per annum. It was held that petitions under Section 163-A can be instituted by the claimants only in respect of deceased whose annual income was upto Rs.40,000/- per annum. However, 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, according to which, there is no cap on annual income and in case of death, the claimants are entitled to compensation to the extent of Rs.5,00,000/- under 'no-fault liability'. **Ram Murti's case (supra)** has been followed by a Co-ordinate Bench of this Court in **Piare Lal's case (supra)**. 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 Ram Saroop and Paramjit Singh.

17. Insurance Company has not led any evidence to establish that there is any violation of terms and conditions of insurance policy by the insured and learned counsel for the Insurance Company has simply tendered the insurance policy Ex.R1 and no evidence was led by the Insurance Company to establish that driver did not possess a valid driving licence, authorizing him to drive the offending vehicle and in the absence of evidence to this effect, there is no



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violation of terms and conditions of insurance policy. As such, Insurance Company cannot escape from its liability to indemnify the owner/insured.

18. As a result of the aforesaid discussion, the present appeals are partly allowed with costs. The liability to pay the amount of compensation shall be upon the respondent No.1/owner and respondent No.4/Insurance Company.

19. The appellants/claimants in **FAO-3916-2005** are held entitled to compensation of **Rs.5,00,000/-** along with interest @ 9% per annum from the date of filing of claim petition i.e. 28.02.2003 till realization, to be shared equally by the appellants.

20. The appellants/claimants in **FAO-4293-2005** are held entitled to compensation of **Rs.5,00,000/-** along with interest @ 9% per annum from the date of filing of claim petition i.e. 28.02.2003 till realization, to be shared equally by the appellants.

21. 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 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.

22. Pending misc. application(s), if any, shall also stand disposed of.

23. Photocopy of this order be placed on the file(s) of connected case(s).

08.05.2026

Vishal Vardhan

**(YASHVIR SINGH RATHOR)
JUDGE**

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