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

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**FAO-2093-2006(O&M)**
**Date of decision: 06.05.2026**

**Smt. Madhu Goel & Others**

**...Appellant(s)**

**Vs.**

**Harmel Singh & Others**

**...Respondent(s)**

**CORAM: HON'BLE MS. JUSTICE NIDHI GUPTA**

Present:- Mr. Sandeep Kumar, Advocate for
Mr. G..C Shahpuri, Advocate
for the appellants.

Mr. Maneet Kaushik, Advocate
for respondent No.1.

Mr. Lalit Garg, Advocate
for respondent No.3.

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**NIDHI GUPTA, J.**

Present appeal has been filed by the claimants seeking enhancement of compensation of Rs.4,36,156/- awarded by the Motor Accident Claims Tribunal, Jagadhri (hereinafter 'the learned Tribunal') vide Award dated 02.11.2004 passed in MACT Case No.15 dated 19.02.2001 filed under Section 163-A of Motor Vehicles Act (hereinafter "the Act"). The three claimants are the widow and two minor sons of deceased Sudhir Goel, who was 39 years old at the time of accident.

2. Brief facts of the case are that the ld. Tribunal on the basis of pleadings and oral & documentary evidence adduced by the parties, concluded that the deceased Sudhir Goel had died due to the injuries suffered by him in a motor vehicular accident that took place on 23.09.2000 due to the rash and negligent driving of Truck bearing registration No.HYK-5719 (hereinafter “the offending vehicle”) being driven by respondent No.1 and owned by respondent No.2. The compensation has been awarded along with interest @ 9% per annum. Respondents were held jointly and severally liable to pay the compensation.

3. Learned counsel for the appellants seeks enhancement of compensation by submitting that the learned Tribunal has erred in not awarding anything to the appellants towards medical expenses. Income of the deceased has not been properly assessed. Nothing has been awarded towards love and affection and pain & suffering. It is accordingly prayed that the present appeal be allowed.

4. Per contra, learned counsel for the respondents No.1 and 3 oppose the submissions advanced on behalf of the appellant and submit that the impugned Award suffers from no error; and the present appeal deserves to be dismissed.

5. No other argument is made on behalf of the parties. I have heard learned counsel and perused the case file in detail. I find no merit in the submissions advanced on behalf of the appellants.

6. Perusal of record of the case shows that it was the pleaded case of the appellant before the learned Tribunal that prior to the accident, the deceased was as trader and an Income Tax Payee and was earning Rs.40,000/- per month. Claimant No.1/widow while appearing as PW2 had also deposed that at the time of death, the deceased was 40 years old and that claimant had spent a sum of Rs.1 lakh on the treatment of the deceased. However, during her cross-examination, PW2 had admitted that she had not placed on file any medical bills to corroborate her statement on the point of medical expenses. As regards income of the deceased, the appellants had produced a Certificate from the Chartered Accountant certifying that during the Financial Year 1999-2000 income of the deceased was Rs.14,50,539.12/-. The learned Tribunal had accordingly deduced that:-

> *"13. From the statement of PW1 (PW2 sic) and the documents placed on the file, it is proved that the deceased at the time of death was 39 years of age. His annual income was Rs.1,40,000/- but it shall be taken as Rs.40,000/- for the purpose of determination of compensation in view of cap of Rs.40,000/- under section 163-A. Moreover evidence beyond pleadings cannot be looked into. In the petition the claimants have pleaded the income of the deceased as Rs. 40,000/- per annum.. .. .. "*

7. From the above facts, it is clear that a contradictory case had been set up by the claimants to the effect that in the Claim Petition, the claimants had pleaded that deceased was earning Rs.40,000/- per annum;

whereas evidence to the contrary was produced to show that deceased was earning Rs.1,40,000/- per annum. Nonetheless, as concluded by the learned Tribunal, income of the deceased could not be more than the cap of Rs.40,000/- as prescribed under Section 163-A of the Act.

8. Further, as stipulated under the Second Schedule to Section 163-A, 1/3rd was deducted towards personal expenses; and multiplier of 16 was correctly applied. Besides the above, the learned Tribunal had held the claimants entitled to Rs.2000/- towards funeral expenses; Rs.2500/- towards loss of estate; and Rs.5000/- towards consortium to the widow; thereby granting total compensation of Rs.4,36,156/-. I find no error in the same.

9. In a Claim Petition filed under Section 163-A of the Act, the compensation has to be paid as per the structured formula stipulated in the Second Schedule to the Act. In a Claim Petition under Section 163-A of the Act, the claimants are only required to prove the involvement of the offending vehicle in the accident in question. Accordingly, all the evidence is led by the parties to only prove the involvement of the vehicle. Whereas, in a claim petition filed under section 166, evidence is to be led by the claimant to prove the rash and negligent driving of the offending vehicle by the respondent. Accordingly, a three-Judge Bench of the Hon'ble Supreme Court in **Deepal Girishbhai Soni v. United India Insurance Co. Ltd., (SC) : Law Finder Doc ID # 70466,** has categorically held that:-

*“Motor Vehicles Act, 1988, Sections 163A and 166 - Alternate remedy - Switching over to Section 166 after exercising one under section 163A - Not permissible - Remedy under the no fault liability prescribed under Section 163A is an independent and complete in itself - It is not an interim relief or temporary remedy subject to any other relief under the Act and cannot be clubbed or adjusted in the remedy to claim under section 166 - It is only the relief under section 144 which is interim in nature and is adjustable at the time of final decision of regular petition - The object and purpose of incorporating Section 163A was to provide a speedy remedy to the victims or their dependents but has been made final and absolute in itself.*

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*35. Section 163A was introduced in the Act by way of a social security scheme. It is a code by itself. It appears from the Objects and Reasons of the Motor Vehicles (Amendment) Act, 1994 that after enactment of the 1988 Act several representations and suggestions were made from the State Governments, transport operators and members of public in relation to certain provisions thereof. Taking note of the observations made by the various Courts and the difficulties experienced in implementing the various provisions of the Motor Vehicles Act, the Government of India appointed a Review Committee. The Review Committee in its report made the following recommendations:*

*"The 1988 Act provides for enhanced compensation for hit and run cases as well as for no fault liability cases. It also provides for payment of compensation on proof-of-fault basis to the extent of actual liability incurred which ultimately means an unlimited liability in accident cases. It is found that the*

*determination of compensation takes a long time. According to information available, in Delhi alone there are 11214 claims pending before the Motor Vehicle Accidents Tribunals, as on 31.3.1990. Proposals have been made from time to time that the finalisation of compensation claims would be greatly facilitated to the advantage of the claimant, the vehicle owner as well as the Insurance Company if a system of structured compensation can be introduced. Under such a system of structured compensation that is payable for different clauses of cases depending upon the age of the deceased, the monthly income at the time of death, the earning potential in the case of the minor, loss of income on account of loss of limb etc., can be notified. The affected party can then have the option of either accepting the lump sum compensation as is notified in that scheme of structured compensation or of pursuing his claim through the normal channels.*

*The General Insurance Company with whom the matter was taken up, is agreeable in principle to a scheme of structured compensation for settlement of claims on "fault liability" in respect of third party liability under Chapter XI of M.V. Act, 1988. They have suggested that the claimants should first file their Claims with Motor Accident Claims Tribunals and then the insurers may be allowed six months time to confirm their prima facie liability subject to the defences available under Motor Vehicles Act, 1988. After such confirmations of prima facie liability by the insurers the claimants should be required to exercise their option for conciliation under structured compensation formula within a stipulated time."*

*The recommendations of the Review Committee and representations from public were placed before the Transport Development Council for seeking their views pursuant whereto several sections were amended. Section 163A was inserted in the Act to provide for payment of compensation in motor accident cases in accordance with the Second Schedule providing for the structured formula which may be amended by the Central Government from time to time.*

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*41. Section 163A which has an overriding effect provides for special provisions as to payment of compensation on structured formula basis. Sub-section (1) of Section 163A contains non-obstante clause in terms whereof the owner of the motor vehicle or the authorised insurer is liable to pay in the case of death or permanent disablement due to accident arising out of the use of motor vehicle compensation, as indicated in the Second Schedule, to the legal heirs or the victim, as the case may be. Sub-section (2) of Section 163A is in pari materia with sub-section (3) of Section 140 of the Act."*

10. I find no error whatsoever in the compensation as calculated above by the learned Tribunal. The Claim Petition had been filed under Section 163-A of the Act; and amended Second Schedule of the Act had come into effect from 22.05.2018. Section 163 of the Act stood replaced by Section 164 vide Amendment with effect from 01.09.2019, as per which Second Schedule of the Act had been omitted. Reliance may be placed upon a Division Bench judgment of the Calcutta High Court in **Urmila Halder v. New**

**India Assurance Co. Ltd., (Calcutta)(DB) : Law Finder Doc Id # 1250725;** judgment of this Court in **"National Insurance Company Limited through Assistant Manager Vs. Kamlesh Kumari & Others" FAO-705-2003 decided on 05.03.2020;** and judgment of Gauhati High Court in **"National Insurance Company Limited v. Bijaya Bhuyan & Others" reported in (2018) 5 GLT 72.** It is established position in law that in a Claim Petition filed under Section 163-A/amended Section 164 of the Act, claimants are only entitled to a maximum of Rs.5,00,000/- towards compensation.

11. Reference may be made to judgment of this Court in **Tata AIG General Insurance Co. Ltd. v. Jasbir Singh, (Punjab and Haryana) : Law Finder Doc ID # 2224117;** wherein it is held that:-

> *"Compensation under Section 163-A of Motor Vehicles Act, 1988 should strictly adhere to the structured formula stipulated under Schedule-II of the Act, including deductions for personal expenses, prescribed limits for funeral expenses, loss of estate, and consortium.*
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> *A. Motor Vehicles Act, 1988 Section 163-A Compensation payable under structured formula - Tribunal must follow Schedule-II of the Act - Deduction for personal expenses must be applied - Prescribed limits for heads like funeral expenses, loss of estate, and consortium must not be exceeded - Maximum compensation in case of death cannot exceed Rs.5,00,000/-."*

12. Reliance may be placed upon judgment of this Court in **Farrukh v. Sale Khan, (Punjab and Haryana) : Law Finder Doc ID # 2224013,** wherein

while placing reliance upon judgment of the Hon'ble Supreme Court in **Kurvan Ansari alias Kurvan Ali v. Shyam Kishore Murmu (SC) : Law Finder Doc ID # 1911276,** it has been held that:-

> *"3. Learned counsel for the appellants seeks enhancement of the compensation amount on the ground that the learned Tribunal has merely awarded a lumpsum payment of Rs.1,20,000/-. It is submitted that even no multiplier has been applied and nothing has been granted under any of the conventional heads. Learned counsel relies upon judgment of Hon'ble Supreme Court in Civil Appeal No.6902 of 2021 titled as "Kurvan Ansari @ Kurvan Ali & Another v. Shyam Kishore Murmu & Another".*
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> *Xxx*
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> *10. It is undisputed that in a petition under Section 163-A of the Act, the Scheme/structured formula as contained in Schedule-II of the Act, has to be followed, whereunder inter-alia, compensation in a death case cannot exceed Rs. 5 lacs......."*

13. Learned counsel for the appellants is unable to dispute or controvert the aforesaid factual and legal position. Thus, no ground is made out for enhancement of compensation.

14. In view of the above, present appeal stands **dismissed**.

15. Pending application(s) if any also stand(s) disposed of.

**06.05.2026** **(Nidhi Gupta)**
Sunena **Judge**

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