



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

FAO-4631-2008 (O&M)

MEENA AND ORS.

..Appellants

Versus

RAMESH AND ORS.

..Respondents

Reserved on: 04.02.2026

Pronounced on: 06.02.2026

Uploaded on: 06.02.2026

Whether only the operative part of the judgment is pronounced?

NO

Whether full judgment is pronounced?

YES

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. Mahipal S. Yadav, Advocate
Ms. Monika Khatri, Advocate
Mr. Vivek Khatri, Advocate for the appellants.

Mr. Ravinder Arora, Advocate
for respondent No.3-Insurance Co.

SUDEEPTI SHARMA J.

1. The present appeal has been preferred against the award dated 17.07.2008 passed in the claim petition filed under Section 163-A of the Motor Vehicles Act, 1988 by the learned Motor Accident Claims Tribunal, Jhajjar (for short, 'the Tribunal') for enhancement of compensation granted to the claimant/appellant on account of death of Rajesh, who died in a motor vehicular accident, occurred on 20.09.2006, whereby the claimants/appellants were granted compensation to the tune of Rs.2,42,350/-.

2. As sole issue for determination in the present appeal is confined to quantum of compensation awarded by the learned Tribunal, a detailed narration of the facts of the case are not reproduced for the sake of brevity.

**SUBMISSIONS OF THE LEARNED COUNSELS FOR THE PARTIES**

3. Learned counsel for the claimants-appellants has made the following submissions:-

- i) That the amount assessed by the learned Tribunal is on the lower side.
- ii) That Section 163-A of Motor Vehicles Act, 1988 is now substituted by Section 164 of Motor Vehicles Act, 1988 (Act 32 of 2019 w.e.f 01.04.2022) and compensation should be enhanced as per the substituted statutory provision i.e. Section 164 of the Act.
- iii) That the present case is covered by the judgment rendered by this Court in **FAO No.4301 of 2006**, titled as **“Akajit Kaur and Others Vs. Parveen Kumar and Others.”** wherein the claim under Section 163-A of the Motor Vehicles Act, 1988 was converted to Section 164 of Motor Vehicles Act, 1988 (Act 32 of 2019 w.e.f 01.04.2022) by relying upon the judgment of Hon’ble *Supreme Court in the case of Ram Murti and others Vs. Punjab State Electricity Board [2022(4) TAC 738]* wherein it was held that Section 164 of the Motor Vehicles Act, 1988 (Act 32 of 2019 w.e.f 01.04.2022) provides for payment of compensation in case of death in the amount of Rs.5 lakhs and in the case of grievous hurt of Rs.2.5 lakhs.

4. Per contra, learned counsel for the respondent No.3-Insurance Company, however, vehemently argues that the award has rightly been passed and



the amount of compensation as assessed by the learned Tribunal has rightly been granted. He, thus prays for dismissal of the appeal.

5. I have heard learned counsel for the parties and perused the whole record of this case.

6. A perusal of the award indicates that in the present case, the claimants-appellants filed the claim petition seeking compensation on account of death of Rajesh who was aged about 27/28 years at the time of accident.

7. A perusal of the impugned award reveals that the learned Tribunal has fallen into manifest error in restricting the compensation to 50% of the assessed amount on the premise that the accident occurred due to the use of both vehicles, namely the tractor (offending vehicle) and the motorcycle being ridden by the deceased, and further on the ground that the claim petition was not filed against the owner of the motorcycle. The said approach of the Tribunal is legally unsustainable and reflects a clear misapplication of the provisions of Section 163-A of the Motor Vehicles Act, 1988.

8. Section 163-A embodies a special social security measure and provides for payment of compensation on a no-fault basis. Once it is established that the death or permanent disablement has arisen out of the use of a motor vehicle, the Tribunal is not required to enter into an enquiry with regard to negligence, contributory negligence, or apportionment of liability between multiple vehicles. The statute does not contemplate reduction of compensation on the basis of alleged involvement of another vehicle.

9. The learned Tribunal, by apportioning liability in the ratio of 50:50 and denying the claimants the balance compensation solely on account of non-impleadment of the owner of the motorcycle, has effectively put the cart before the



horse. Such an approach defeats the very object and legislative intent of Section 163-A, which seeks to provide expeditious and assured relief to victims of motor vehicle accidents without entangling them in technical or procedural complexities.

10. It is well settled that under Section 163-A, the claimant is only required to establish that the accident occurred due to the use of the motor vehicle in question. Once the involvement of the offending vehicle is proved, the insurer thereof cannot evade its statutory liability by raising issues of contributory negligence or by attributing fault to another vehicle.

11. In view of the aforesaid discussion, this Court holds that the respondent–insurance company of the offending tractor is liable to pay the entire compensation amount as determined, to the appellant–claimant. The impugned award, to the extent it restricts the compensation to 50%, is accordingly set aside.

12. Since section 163-A of Motor Vehicles Act, 1988 is now substituted by Section 164 of Motor Vehicles Act, 1988 (Act 32 of 2019 w.e.f 01.04.2022), compensation is liable to be enhanced as per the substituted statutory provision i.e. Section 164 of the Act, therefore, the appellants herein are entitled to be granted the benefit of beneficial provisions enacted by the Parliament under Chapter 11 of which Section 164 provides for payment of compensation in case of death in the amount of Rs.5 lakh and in case of grievous hurt to the extent of Rs.2.5 lakh.

13. Further, this Court in **FAO No.4301 of 2006**, titled as “**Akaljit Kaur and Others Vs. Parveen Kumar and Others**” held as under:-

“11. Hon’ble Supreme Court in the case of **Ram Murti and others Vs. Punjab State Electricity Board** [2022(4) TAC 738] held that the appellants therein to be granted the benefit of beneficial provision enacted by the Parliament under Chapter 11 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.

12. *This Court in **FAO-195-2006** titled as **Mamta and Others Vs. Happy and Others**, decided on 29.05.2024, held that since Motor Vehicle statute is a beneficial legislation, the Judge should not go into the technicalities of the provisions, under which the application or petition is moved but should apply his judicial mind, as these are only the irregularities and not illegalities which cannot be cured. It has been observed by the Hon'ble Supreme Court that the loss caused to the claimants or the relationship or to the victim of the limb cannot be compensated. Still the Court should make every effort by exercising its discretion empathetically. Further, Justice should actually be shown to be delivered by application of judicial mind with intelligence, prudence, care and caution and by showing empathy. The Court decision should be such that they strengthen the trust and confidence of public and litigants in judicial system and judiciary."*

14. In view of the above, the present appeal is allowed. Accordingly, the award dated 17.07.2008 is modified by converting the claim petition under Section 163-A (pre 2018 amendment) to Section 164 (post 2018 amendment) of the Motor Vehicles Act, 1988. As such, the claimants/appellants are held entitled to enhanced compensation to the tune of **Rs.2,57,650/-** (5,00,000-2,42,350).

15. So far as the interest part is concerned, as held by Hon'ble Supreme Court in **Dara Singh @ Dhara Banjara Vs. Shyam Singh Varma** 2019 ACJ 3176 and **R.Valli and Others VS. Tamil Nadu State Transport Corporation** (2022) 5 Supreme Court Cases 107, the appellants-claimants are granted the interest @ 9% per annum on the enhanced amount from the date of filing of claim petition till the date of its realization.



16. The Insurance Company is directed to deposit the enhanced amount of compensation along with interest with the Tribunal within a period of two months from the date of receipt of copy of this judgment. The appellants-claimants are directed to furnish their bank account details to the Insurance Company/Tribunal.

17. Further Insurance Company is directed to disburse the current scheduled fee to Mr. Ravinder Arora, Advocate, within a period of twenty days from the date of receipt of copy of this judgment, in view of the order dated 18.07.2024 passed in FAO No.1682 of 2007 by this Court.

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

(SUDEEPTI SHARMA)
JUDGE

06.02.2026

Ayub/Sahil

Whether speaking/non-speaking : Speaking
Whether reportable : Yes