IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO-2670-2012 (O&M)

LOKESH KUMAR

..Appellant

Versus

UNITED INDIA ASSURANCE CO. LTD.

..Respondent

Reserved on: 01.05.2026
Pronounced on: 13.05.2026
Uploaded on : 18.05.2026

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. Amit Jain, Advocate
for the appellant.

Mr. D.K. Dogra, Advocate
Mr. Neeraj Raizada, Advocate
for the respondent-Insurance Company.

SUDEEPTI SHARMA, J.

1. The present appeal has been filed by the appellant-claimant against the award dated 01.12.2011 passed in a claim petition filed under Section 163-A of the Motor Vehicles Act, 1988 by the Motor Accident Claims Tribunal, Gurgaon (for short, 'the Tribunal'), wherein the claim petition filed by the claimants was dismissed.

BRIEF FACTS OF THE CASE

2. Brief facts of the case are that on 26.4.2008 Lokesh Kumar petitioner was going on motor cycle no.HR-26AQ-8436 from village

Badshahpur Tither to his in laws house at village Sanwar. The motor cycle was being driven by Manoj and petitioner was pillion rider. As such, they reached village Majra. Suddenly a cow came in front of the motor cycle. The driver lost balance and fell in pot holes adjoining road. Petitioner and Manoj sustained grievous injuries. They were taken to civil hospital Rohtak. Petitioner was referred to Apollo hospital Delhi. He remained admitted there for about two months. Regarding accident, DDR no.31 dated 13.5.2008 P.S Beri District Jhajjar was lodged. Hence the claim petition. On notice respondent filed written statement by taking preliminary objections qua non holding of valid and effective driving licence by Manoj Kumar, non-involvement of motor cycle in accident. In separate preliminary objection it was stated that as per insurance policy owner cum driver is insured to the extent of 100% in case of death, in case of loss of two limbs or loss of two eyes owner cum driver is entitled to 100% of sum insured and in case of loss of one limb or loss of site of one eye owner cum driver is entitled to extent of 50% and in case of total permanent disablement from injuries owner cum driver is entitled to 100%. Sum insured is Rs.1,00,000/- The case of applicant is not covered under the above heads. So, petition is liable to be dismissed in view of insurance policy Annexure A. On merits factum of accident, particulars of petitioner and injuries sustained by petitioner were denied. Dismissal of petition with cost was prayed.

3. Upon notice of the claim petition, respondents appeared and contested the claim petition by filing their separate written replies denying the factum of accident/compensation.

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

5. After taking into consideration the pleadings and the evidence on record, the learned Tribunal dismissed the claim petition. Hence, the present appeal.

SUBMISSIONS OF LEARNED COUNSEL FOR THE PARTIES:

6. Learned counsel for the appellant–claimant contends as under:-

i. that the learned Tribunal has erred in dismissing the claim petition only on the ground that claim petition was not maintainable under Section 163-A of the 1988 Act as owner cannot himself be recipient of the compensation.

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 "**Akaljit 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. Therefore, he prays that the present appeal be allowed.

7. Per contra learned counsel for respondent-Insurance Company has vehemently argued on the line of award and prays for dismissal of the present appeal.

8. I have heard learned counsel for the parties and perused the whole case file with their able assistance.

9. A perusal of the impugned award reveals that the learned Tribunal fell into patent error in dismissing the claim petition on the ground of maintainability. The approach adopted by the Tribunal proceeds on an incorrect appreciation of both the nature of the insurance policy and the scope of Section 163-A of the Motor Vehicles Act, 1988.

10. It is not in dispute that the offending motorcycle was covered under a **comprehensive/package insurance policy** on the date of accident. It is equally undisputed that the claimant was travelling on the said motorcycle as a pillion rider and sustained injuries in the accident arising out of the use of the motor vehicle. The claim petition had been instituted under Section 163-A of the Act, which embodies a special social welfare provision founded on the principle of no-fault liability.

11. The learned Tribunal, while dismissing the claim petition, proceeded on the premise that the claimant had stepped into the shoes of the owner and, therefore, no claim under Section 163-A of the Act was maintainable against the insurer. Such reasoning, in the considered opinion of this Court, is legally unsustainable in the facts of the present case.

12. The principle that a borrower or user of a vehicle steps into the shoes of the owner has primarily evolved in the context of cases where the vehicle was insured merely under an **"Act Only" policy**, the coverage of which is statutorily confined to third-party risks. In such cases, the insurer cannot ordinarily be fastened with liability in respect of the owner or a person occupying the position of the owner.

13. However, the position materially differs where the vehicle is insured under a **comprehensive/package policy**. A comprehensive policy is contractual in nature and extends coverage beyond the limited statutory requirements contemplated under an **"Act Only" policy**. Once the insurer has consciously undertaken wider contractual liability by issuing a comprehensive/package policy and accepting premium therefor, the liability cannot subsequently be avoided by invoking the restricted defences ordinarily available in cases involving only statutory third-party coverage.

14. In the present case, the claimant was admittedly travelling as a pillion rider on the insured motorcycle. The existence of a **comprehensive/package policy** has not been disputed by the insurer. In such circumstances, the insurer could not have been absolved of its liability merely by contending that the claimant had stepped into the shoes of the owner. The learned Tribunal failed to appreciate the distinction between a statutory policy and a comprehensive/package policy and consequently misapplied the ratio of the judgments relied upon before it.

15. The further reasoning assigned by the Tribunal that the injuries pleaded by the claimant did not strictly fall within the categories enumerated under the personal accident cover clause is also misconceived for the purpose of adjudicating the maintainability of the petition under Section

163-A of the Act. The question whether the claimant was entitled to compensation and the extent thereof required adjudication on merits upon appreciation of the evidence led by the parties. The claim petition could not have been rejected at the threshold as being not maintainable.

16. The object underlying Section 163-A of the Act is to provide expeditious relief to victims of motor vehicle accidents on the basis of structured formula compensation without requiring proof of negligence. The provision being beneficial and welfare-oriented in character deserves liberal construction so as to advance the object sought to be achieved rather than defeat it on technical considerations.

17. Consequently, this Court is of the considered view that the findings recorded by the learned Tribunal on the issue of maintainability are legally untenable and cannot be sustained. The impugned award, therefore, deserves to be set aside.

18. A perusal of the award indicates that in the present case the claimants filed the claim petition seeking compensation on account of the injuries sustained by the appellant/claimant. 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 given/awarded as per the substituted statutory provision i.e. Section 164 of the Act, therefore, the appellant herein is entitled 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 case of death in the amount of Rs.5 lakhs and in case of grievous hurt of Rs.2.5 lakhs.

19. 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 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."

20. In view of the above, the present appeal is allowed. Accordingly, the award dated 01.12.2011 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 claimaint-appellant held entitled to compensation i.e. **Rs.2,50,000/-**.

21. 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 appellant-claimant is granted the interest @ 9% per annum on the amount so awarded from the date of filing of claim petition till the date of its realization.

22. The respondent-Insurance Company is directed to deposit the amount of compensation along with interest with the Tribunal within a period of two months from today. The appellant-claimant is directed to furnish their bank account details to the Insurance Company/Tribunal. The Tribunal is further directed to disburse the amount of compensation along with interest in the bank account of the appellant-claimant.

23. Accordingly, the present appeal is hereby ***allowed*****.**

24. Pending miscellaneous applications, if any, are also disposed of.

13.05.2026 **(SUDEEPTI SHARMA)**
Ayub/Sahil **JUDGE**

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