IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

103 **FAO-1417-2005 (O&M)**
Date of decision :01.04.2026

ASHA BAJAJ AND OTHERS ... APPELLANTS

VERSUS

AMRIK SINGH AND OTHERS ...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE PARMOD GOYAL

Present: Mr. R.K. Choudhary, Advocate for
Mr. Sukhdeep Parmar, Advocate
for the appellants.

Mr. Amit Singla, Advocate
for respondent No. 2.

Mr. Aseem Aggarwal, Advocate and
Mr. Sandeep Suri, Advocate
for respondent No. 3-Insurance Company.

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PARMOD GOYAL, J. (ORAL)

1. The appellants-claimants are aggrieved by the award dated 08.10.2004 passed by Motor Accident Claims Tribunal, Panipat (hereinafter referred to as 'Tribunal') vide which appellants-claimants were found entitled to total compensation of Rs. 2,73,700/-.

2. The claimants-appellants had sought compensation under Section 163-A of the Motor Vehicles Act, 1988 (hereinafter referred to as 'Act'), asserting that deceased Satish Bajaj died on 09.03.2003 as a result of motor vehicular accident dated 09.03.2003. That the accident had occurred when motorcycle bearing registration No. HR-06-H-5718, on which the deceased was

travelling, it was hit by a truck bearing registration No. RJ-13-G-5626, allegedly driven rashly and negligently by respondent No. 1.

3. Learned Tribunal assessed income of the deceased as Rs. 40,000/- per annum, as the claimants-appellants had restricted their claim to that extent during the pendency of the claim petition. One-third of the income was deducted towards personal expenses of the deceased. Considering that the deceased was aged between 40 to 45 years of age as per the postmortem report, a multiplier of 10 was applied. Consequently, a total compensation of Rs.2,73,700/- was awarded on account of loss of dependency, along with an additional amount of Rs.7,000/- towards last rites.

4. The claimants-appellants have challenged the said award on the ground that the learned Tribunal erred in applying a multiplier of 10 instead of '15', as specified in the second schedule of the Act. Although the claimants-appellants contended that deduction towards personal expenses should be one-fourth, keeping in view the number of dependents i.e. four, however, since the second schedule prescribes deduction of one-third towards personal expenses, no deviation from the said schedule can be made by Court. Accordingly, the deduction of one-third towards personal expenses is upheld.

5. Learned counsel for the claimants-appellants has also sought addition of future prospects. On the other hand, learned counsel for the respondents has contended that no provision for future prospects in petition under Section 163-A of the Act exists in the second schedule and, therefore, the claimants-appellants are not entitled to the same.

6. However, on consideration, I find that the concept of future prospects has been evolved by the Courts through judicial precedents. Even under Section 166 of the Motor Vehicles Act, 1988, there was initially no

specific provision for grant of future prospects, and the same came to be recognized subsequently to ensure just and fair compensation.

7. The Motor Vehicles Act, being a beneficial legislation, requires the Court to determine just and reasonable compensation payable to the claimants-appellants. In cases under Section 163-A of the Act, compensation is to be assessed on the basis of the structured formula provided in the second schedule of the Act. Therefore, where the Second Schedule specifically prescribes parameters such as maximum income, deduction towards personal expenses, and the applicable multiplier, the same must ordinarily be adhered to and be not deviated from.

8. However, the Second Schedule does not expressly deal with the aspect of future prospects. In order to arrive at just and fair compensation, it would be appropriate to extend the benefit of future prospects even in cases under Section 163-A of the Act. The underlying principle for determination of compensation under Sections 163-A and 166 of the Act remains broadly similar, i.e., assessment of income, deduction towards personal expenses, and application of the multiplier. The primary distinction lies in the nature of liability-fault-based under Section 166 and no-fault under Section 163-A.

9. In view of the above, and considering that income, even if notionally capped under the Second Schedule at Rs. 40,000/- per annum, would reasonably increase over time, the principle of future prospects ought to be applied to ensure fair compensation.

10. Accordingly, the claimants-appellants are held entitled to the benefit of future prospects while determining compensation even under Section 163-A of the Motor Vehicles Act, 1988.

11. Accordingly, the re-worked compensation payable to claimants-

appellants is as follows:

Income	Rs.40,000/-	Rs.40,000/- (per annum)
Deduction	1/3rd (40,000 – 1,333)	Rs.26,667/-
Future prospects	25% (26,667 + 13,333)	Rs. 33,334/-
Multiplier	15	15
Total loss of dependency	Rs.33,333x15	Rs.5,00,010/-
Funeral expenses		Rs. 2,000/-
Loss of estate		Rs. 2,500/-
Compensation awarded in appeal		Rs. 5,04,510/-
Compensation awarded by Tribunal	Rs. 2,73,700/-	
Enhanced amount of compensation	Rs.5,04,510/- (as awarded in appeal) - Rs.2,73,700/- (as awarded by Tribunal)	Rs. 2,30,810/-

12. Claimants-appellants shall also be entitled to interest @ 7.5% on the enhanced compensation from the date of filing of claim petition till realization. Apportionment and liability of respondents to pay compensation shall be as per the award.

13. Appeal is accordingly allowed in above terms.

14. Pending miscellaneous application(s), if any, also stand(s) disposed of accordingly.

01.04.2026 **(PARMOD GOYAL)**
manoj **JUDGE**

Whether speaking/reasoned Yes
Whether reportable Yes/No