IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

106 **FAO-591-2005**
Date of decision:02.04.2026

MALKIAT SINGH AND OTHERS ...APPELLANTS

VERSUS

SANT RAM AND OTHERS ...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE PARMOD GOYAL

Present: Mr. Inderpal Singh, Advocate
for appellants.

Mr. R.N. Singal, Advocate
for respondent No.2.

Mr. Pankaj Bains, Advocate
for respondent No.3.

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PARMOD GOYAL, J. (ORAL)

1. The appellants-claimants are aggrieved by the award dated 24.12.2004 passed by Motor Accident Claims Tribunal, Rupnagar (hereinafter referred to as '**Tribunal'**) vide which appellants-claimants were found entitled to total compensation of Rs.2,05,000/-.

2. The appellants-claimants had sought compensation under Section 163-A of the Motor Vehicles Act, 1988 (hereinafter referred to as '**1988 Act**'), asserting that deceased Jaspal Singh died due to motor vehicular accident dated 29.08.2003.

3. Learned Tribunal assessed income of the deceased as Rs.2,500/- per month, as the appellants-claimants 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 21 years of age, a multiplier of ‘10’ was applied. Consequently, a total compensation of Rs.2,00,000/- was awarded on account of loss of dependency, along with an additional amount of Rs.5,000/- towards funeral expenses.

4. Appellants-claimants have challenged the said award on the ground that the learned Tribunal erred in applying a multiplier of ‘10’ instead of ‘17’, as specified in the second schedule of the 1988 Act. Since the second schedule prescribes deduction of one-third towards personal expenses, accordingly, the deduction of one-third towards personal expenses is upheld. Learned counsel for the appellants-claimants has also sought addition of future prospects.

5. The 1988 Act, being a beneficial legislation, requires the Court to determine just and reasonable compensation payable to the appellants-claimants. In cases under Section 163-A of the 1988 Act, compensation is to be assessed on the basis of the structured formula provided in the second schedule of the 1988 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.

6. 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 1988 Act. The underlying principle for determination of compensation under Sections 163-A and 166 of the 1988 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 of 1988 Act and no-fault under Section 163-A of 1988 Act.

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

8. Accordingly, the re-worked compensation payable to appellants-claimants is as follows:

Income	Rs.2,500/- per month	Rs.2,500/- per month
Deduction	1/3rd (2500 – 833)	Rs.1,667/-
Future prospects	40% (1667+ 667)	Rs.2,334/-
Multiplier	17	17
Total loss of dependency	Rs.2,334x12x17	Rs.4,76,136/-
Funeral expenses		Rs.2,000/-
Loss of estate		Rs.2,500/-
Compensation awarded in appeal		Rs.4,80,636/-
Compensation awarded by Tribunal	Rs.2,05,000/-	
Enhanced amount of compensation	Rs.4,80,636/-(as awarded in appeal) - Rs.2,05,000/-(as awarded by Tribunal)	Rs.2,75,636/-

9. Appellants-claimants 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.

10. Appeal is accordingly allowed in above terms.

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

(PARMOD GOYAL)
JUDGE

02.04.2026
Sunil Chander

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