IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

231 **FAO-2662-2016(O&M)**

Date of Decision : September 16, 2019

RELIANCE GENERAL INSURANCE CO LTD

.....Appellant

VERSUS

PARMILA & ORS

.....Respondents

CORAM: HON'BLE MS. JUSTICE NIRMALJIT KAUR

Present : Mr. Sanjeev Kodan, Advocate
for the appellant.

Mr. Akash Vashisth, Advocate for
Mr. Sanjay Vashisth, Advocate
for the for respondents No.1 to 3.

NIRMALJIT KAUR, J. (Oral)

Learned counsel for the appellant-Insurance Company while praying for reduction in the compensation submitted that no income tax has been deducted. Secondly, the deduction of 1/3rd should have been made instead of 1/4th as there are only three dependents-claimants. Thirdly, the interest on the compensation @ 9% per annum was excessive.

Learned counsel for the respondents does not dispute that the income tax was required to be deducted as per the judgment rendered in the case of **National Insurance Company Limited** vs. **Pranay Sethi and others,** *2017 AIR(SC) 5157*. However, with respect to the second argument that 1/3rd should be deducted instead of 1/4th, it is pointed out that the mother of the deceased was made a proforma respondent, who was in fact the fourth claimant. Therefore, deduction of 1/4th was correctly applied. However, this Court also finds no merit with respect to the interest @ 9% per annum towards the amount of compensation which has been consistently followed by almost all the Motor Accident Claims Tribunals at that point of time.

In view of the above, the present appeal is required to be allowed only qua the deduction towards the income tax. Admittedly, the income was Rs.2,97,000/- per annum. Thus, the slab of 10% was required to be applied. Hence, from the assessed income, Rs.9,700/- is required to be deducted as income tax and the award is ordered to be accordingly modified.

Disposed of accordingly.

(NIRMALJIT KAUR)
JUDGE

September 16, 2019
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Whether speaking/reasoned. : Yes/No
Whether Reportable. : Yes/No