# IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

**250** **FAO-2427-2018(O&M)**

Date of Decision : July 23, 2019

RELIANCE GENERAL INSURANCE CO. LTD

.....Appellant

***VERSUS***

KANCHAN SHARMA AND ORS

.....Respondents

**CORAM: HON'BLE MS. JUSTICE NIRMALJIT KAUR**

Present : Ms. Priya Deep, Advocate
for the appellant.

Mr. Arvind Rajotia, Advocate
for respondents No.1 and 2.

**NIRMALJIT KAUR, J. (Oral)**

The only issue involved in the present case is as to whether the amount was required to be deducted after adding the future prospects to the income of the deceased.

As per para No.7 of the grounds of appeal, the Tribunal assessed the income of the deceased as Rs.2,01,530/- per annum and thereafter 40% future prospects were added which meant that the income of the deceased comes to Rs.2,82,142/- per annum. As per the tax slab for the year 2015-16 by the Income Tax Department, if the income is beyond Rs.2.5 lacs per annum, then 10% income tax should be deducted whereas no such deduction had been applied in the present case.

Learned counsel for respondents No.1 and 2, on the other hand, has pointed out that after the future prospects are added, the income of the deceased comes to only Rs.2,82,000/- approximately and in case the amount of tax has to be deducted, if at all, from the future prospects of Rs.32,000/- @ 10%, it would amount to Rs.3200/- per annum. However, learned counsel for respondents No.1 and 2 has not been able to dispute that even after adding the future prospects, the income of the deceased does not fall within the ambit of the taxable income as the respondents have a right to invest in savings. In case they invested in the savings, they would not be liable for the tax on the said amount but in order to settle the dispute, he has no objection if an amount i.e. Rs.3,200X16 which comes approximately to Rs.50,000/- is deducted and the rest of the amount is released.

In view of the above, the present appeal is disposed of with a direction that the balance amount so ordered to be stayed by this Court vide order dated 30.7.2018 be released to the claimants/respondents after deducting an amount of Rs.50,000/- approximately from the future prospects as per calculation towards 10% deduction under the income tax.

**( NIRMALJIT KAUR )**
**JUDGE**

**July 23, 2019**
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|---|---|---|
| Whether speaking/reasoned. | : | Yes/No |
| Whether Reportable. | : | Yes/No |