**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

FAO-10215-2014 (O&M)

RELIANCE GENERAL INSURANCE COMPANY LTD.

......Appellant

vs.

SHASHI JAIN AND ORS.

......Respondents

Reserved on:- 05.03.2026
Pronounced on:- 17.03.2026
Uploaded on:- 24.03.2026

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. Subhash Goyal, Advocate with
Mr. Vipul Sharma, Advocate
for the appellant

Mr. Vishal Gupta, Advocate for
respondent Nos. 1 to 3.

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SUDEEPTI SHARMA J.

1. The present appeal has been preferred against the award dated 28.08.2014 passed by the learned Motor Accident Claims Tribunal, Fatehgarh Sahib (for short, 'the Tribunal') in the claim petition filed under Section 166 of the Motor Vehicles Act, 1988, wherein, the appellant/insurance company was held liable to pay the compensation to the claimants/respondents No.1 to 3 to the tune of Rs.83,77,372/- along with interest @ 9 % per annum, on the ground of quantum of compensation to be on higher side.

2. As sole issue for determination in the present appeal is confined to quantum of compensation awarded by the learned Tribunal, a detailed narration of the facts of the case is not required to be reproduced here for the sake of brevity.

SUBMISSIONS OF LEARNED COUNSEL FOR THE PARTIES

3. Learned counsel for the appellant–insurance company submits that the compensation awarded by the Tribunal is excessive and not in consonance with the evidence on record. He further contends that the income assessed of deceased/injured has been taken at an unduly inflated level, without proper appreciation of the material evidence. He further argues that the business in question continues to generate profits even after the incident, and therefore the loss of income, as projected by the claimants, is overstated. In this regard, it is submitted that the testimony of the Chartered Accountant examined on behalf of the claimants does not conclusively establish complete cessation or substantial diminution of income, but rather indicates continuity in earnings from the said commercial activities.

4. On these premises, learned counsel prays that the present appeal be allowed and the compensation awarded be suitably reduced.

5. Per contra, learned counsel for respondent Nos. 1 to 3/claimants contends that the compensation awarded by the learned Tribunal is on the lower side and the claimants have also filed FAO No. 6300-2016 titled as ***Shashi Jain vs. Sukhwant Singh and ors,*** seeking enhancement of the compensation. He, therefore prays that the present appeal be dismissed.

6. I have heard learned counsel for the parties and perused the whole record of this case with their able assistance.

ANALYSIS OF THE RECORD

7. A bare perusal of the impugned award reveals that the learned Tribunal has duly appreciated the documentary as well as oral evidence on record and has rightly assessed the annual income of the deceased at ₹5,58,862/- after making appropriate deductions towards income tax on the basis of the Income Tax Return for the relevant assessment year. The determination is thus founded on cogent and reliable material and does not suffer from any perversity or arbitrariness warranting interference.

8. The contention raised by learned counsel for the appellant–insurance company that the business of the deceased continues to generate profits even after his demise, and therefore the loss of income has been overstated, is devoid of merit. It is now well settled that the mere continuation of a business by the legal heirs or dependants does not obliterate the loss occasioned by the death of the earning member, particularly when such business was being actively managed and driven by the personal skill, experience, and expertise of the deceased.

9. In ***S. Vishnu Ganga v. Oriental Insurance Company Limited, 2025 INSC 123***, the Hon'ble Supreme Court has categorically held that stepping into the shoes of the deceased in a business does not negate the loss of income or the value personal contribution of the deceased. Similarly, in ***K. Ramaya v. National Insurance Company Limited, 2022 SCC Online SC 1338***, it has been held that the mere transfer of ownership or continuation of business by the dependants cannot be a ground to conclude that the benefits of such business continue to accrue in the same manner as when the deceased was alive and actively involved. The Apex Court emphasized that the income

generated from such ventures must be treated as the income of the deceased for the purpose of computing compensation, especially where the deceased had a pivotal role in the management and growth of the business.

10. Further, it is a settled proposition of law that Income Tax Returns constitute a reliable and credible piece of evidence for assessing the income of the deceased. Reference in this regard may be made to ***Amrit Bhanu Shali v. National Insurance Co. Ltd., 2012 (11) SCC 738 and Kalpanaraj v. Tamil Nadu State Transport Corporation***, ***2015 (2) SCC 764*** wherein the Hon'ble Supreme Court has affirmed the evidentiary value of such documents in determining just compensation.

11. In the light of the aforesaid settled legal position and upon a careful reappraisal of the material on record, this Court finds that the assessment of income carried out by the learned Tribunal is just, reasonable, and in accordance with law. No ground is made out to warrant interference by this Court in the exercise of appellate jurisdiction.

12. Consequently, the present appeal, being devoid of merit, is hereby dismissed.

13. Pending applications, if any, also stand disposed of.

(SUDEEPTI SHARMA)
JUDGE

17.03.2026
Gaurav Arora

Whether speaking/non-speaking : Yes/No
Whether reportable : Yes