

2026:PHHC:007563



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

FAO-6853-2025 (O&M)
Judgment reserved on 12.01.2026
Judgment pronounced on 20.01.2026

CHOLAMANDALAM MS GENERAL INSURANCE CO. LTD.

... APPELLANT

VERSUS

GURMEET KAUR AND OTHERS

...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE PARMOD GOYAL

Present: Mr. Pradeep Kumar, Advocate
for the appellant.

PARMOD GOYAL, J.

1. The present appeal has been preferred by the Insurance Company, who is aggrieved by the award of compensation to the tune of ₹57,22,125/- vide impugned award dated 04.09.2025 passed by the Motor Accident Claims Tribunal, Chandigarh (hereinafter referred to as 'Tribunal'). The claimants-respondents had sought compensation on account of the death of Rajinder Kumar, who died in a motor vehicular accident dated 14.03.2023, caused due to rash and negligent driving of respondent No. 1 while driving motorcycle bearing Registration No. HP-12-N-7545.

2. The claimants-respondent asserted that the deceased was aged about 49 years and was working as a Government contractor, earning ₹50,000/- per month. On the basis of Income Tax Returns Ex. P-16 to Ex. P-18, the annual income of the deceased at the time of his death on 14.03.2023 was assessed by the learned Tribunal at ₹4,90,000/-, further an addition of 15% towards future

prospects was made, and 1/4th of the income was deducted towards personal expenses, keeping in view that the deceased is survived by four dependents, namely his wife, son, and parents. Since the deceased was aged 50 years at the time of death, a multiplier of 13 was applied.

3. The Insurance Company has assailed the aforesaid award primarily on the ground that the learned Tribunal erred in assessing the annual income of the deceased at ₹4,90,000/-. The sole challenge raised by the appellant pertains to the determination of the income of the deceased. In support of its contention, reliance has been placed upon the following judgments:

(1) ***New India Assurance Co. Ltd. Vs. Yogesh Devi & Ors.***, 2012(2)

RCR (Civil) 536;

(2) ***Rani Gupta & Ors. Vs. M/s United India Insurance Co. Ltd. &***

Ors., 2009 (13) SCC 498; and

(3) ***State of Haryana and another Vs. Jasbir Kaur & Ors.***, 2003(4)

R.C.R. (Civil) 140.

4. It is contended that the learned Tribunal has erred in treating the business income of the deceased as his personal income for the purpose of computing loss of dependency. According to the appellant, in cases where the deceased was running a business, the loss of dependency is confined only to the loss of managerial or supervisory skills, which alone is required to be quantified by the Tribunal, and reliance upon the income reflected in the Income Tax Returns is wholly misconceived.

5. It is the case of the Insurance Company that the deceased was running a transport business and owned three vehicles bearing registration Nos. HP-12-D-8524, HP-93-8524, and HP-64-8424. Since, after the death of the deceased, the said vehicles have been inherited by the claimants-respondent and the business continues to operate, the entire business stands transferred to and is being run by

the claimants-respondent. Consequently, it is urged that the only loss, if any, suffered by the claimants-respondent is on account of the managerial skills of the deceased be taken for determining loss of dependency and not the business income be taken entirely.

6. Learned counsel for the appellant–Insurance Company has drawn attention to the order dated 26.03.2025 (Annexure A-4) passed by the Motor Accident Claims Tribunal, Chandigarh, whereby the application for leading additional evidence filed by the appellant–Insurance Company was dismissed. The Insurance Company had sought to adduce additional evidence by placing on record the registration certificates of the aforesaid vehicles and certain other reports/documents.

7. Perusal of the said order reveals that, in reply to the said application, the claimants-respondents had asserted that the vehicles in question had already been sold, as the son of the deceased was unable to maintain and run the transport business after the death of the deceased.

8. On consideration, I do not find any merit in the submissions advanced on behalf of the appellant–Insurance Company. Undoubtedly, the settled principle of law in cases where business income is relied upon for assessing the income of the deceased is that the Tribunal is required to determine the actual loss of dependency, particularly with reference to the contribution of the deceased towards running of the business. The legal principle enunciated in the judgments relied upon by the appellant-Insurance Company is not in dispute. However, there are no fixed or rigid parameters for quantifying the loss of managerial or supervisory skills, as such determination is entirely dependent upon the facts and circumstances of each case. There may be businesses where the personal involvement of the owner or manager is minimal and the business runs substantially independent of his active participation. Conversely, there are

businesses where the income and profitability are intrinsically linked to the managerial skills, supervision, and personal involvement of the owner. The nature and scale of the business, as well as the profits earned therefrom, are relevant factors for assessing the extent to which the income is attributable to managerial skills as opposed to mere ownership or inheritance of business assets. In the present case, it is an admitted position that the deceased was running a transport business and owned three trucks. Managing and operating three trucks and earning an annual income of ₹4,90,000/- therefrom clearly indicates that the income was substantially generated on account of the managerial skills of the deceased alone.

9. The facts and circumstances of the present case, therefore, reflect that the income of the deceased was primarily dependent upon his managerial ability and supervision. The transport business, particularly one involving ownership and operation of multiple vehicles, is heavily dependent upon efficient management, supervision, and decision-making. Such a business, if run by an unskilled or inexperienced person, is likely to incur recurring losses and, in many cases, may even result in the forced sale of vehicles due to financial unviability.

10. In view of the above, the contention of the appellant that only a nominal loss on account of managerial skills could be considered cannot be accepted.

11. Keeping in view the total income of the deceased and the number of trucks being operated by him, it can safely be held that the learned Tribunal rightly treated the entire income reflected in the Income Tax Returns as attributable to the managerial skills of the deceased. No interference with impugned award is warranted in the present appeal. The appeal is devoid of merit and is accordingly dismissed.

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

20.01.2026
manoj

(PARMOD GOYAL)
JUDGE

Whether speaking/reasoned
Whether reportable

Yes
Yes/No