



NC: 2026:KHC:27563-DB
MFA No. 10401 of 2018
C/W MFA No. 5507 of 2018

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 9TH DAY OF JUNE, 2026

PRESENT

THE HON'BLE MR. JUSTICE JAYANT BANERJI

AND

THE HON'BLE MS. JUSTICE TARA VITASTA GANJU

MISCELLANEOUS FIRST APPEAL NO. 10401 OF 2018 (MV-D)

C/W

MISCELLANEOUS FIRST APPEAL NO. 5507 OF 2018 (MV-D)

IN MFA No. 10401/2018

BETWEEN:

1. SRI. BIMAL GOGAI
SON OF TEPURAM GOGAI,
AGED ABOUT 42 YEARS,
2. SMT. GUNAMANI GOGAI
WIFE OF BIMAL GOGAI,
AGED ABOUT 38 YEARS,

BOTH ARE RESIDING AT KALKATA GAON,
CAHARAIPUNG SUB-DIVISION,
CHARAIDEA, SIVASAGAR DISTRICT-785 692.
ASSAM.

...APPELLANTS

(BY SRI. VENKATESH PRASAD., ADVOCATE)

AND:

THE MANAGING DIRECTOR,
BENGALURU METROPOLITAN
TRANSPORT CORPORATION,
K.H.ROAD, SHANTHINAGAR,
BANGALORE-560 027.

...RESPONDENT

(BY SRI. DABALI FAKKIRAPPA SHIDRAMAPPA., ADVOCATE)

Digitally signed
by SUMATHY
KANNAN
Location: HIGH
COURT OF
KARNATAKA



NC: 2026:KHC:27563-DB
MFA No. 10401 of 2018
C/W MFA No. 5507 of 2018

THIS MFA FILED U/S 173(1) OF MV ACT AGAINST THE JUDGMENT AND AWARD DATED 20.03.2018 PASSED IN MVC NO.7792/2016 ON THE FILE OF THE MEMBER, MACT, XVI ADDITIONAL JUDGE, COURT OF SMALL CAUSES, BENGALURU, SCCH-14, PARTLY ALLOWING THE CLAIM PETITION FOR COMPENSATION AND SEEKING ENHANCEMENT OF COMPENSATION.

IN MFA NO. 5507/2018 :

BETWEEN:

THE MANAGING DIRECTOR,
BENGALURU METROPOLITAN
TRANSPORT CORPORATION (BMTc),
K.H.ROAD, SHANTHINAGAR,
BENGALURU - 560 027.
REPRESENTED BY ITS CHIEF LAW OFFICER.

...APPELLANT

(BY SRI. DABALI FAKKIRAPPA SHIDRAMAPPA., ADVOCATE)

AND:

1. SRI. BIMAL GOGAI
S/O TEPURAM GOGAI,
AGED ABOUT 44 YEARS,
 2. SMT. GUNAMANI GOGAI
W/O BIMAL GOGAI,
AGED ABOUT 40 YEARS,
- BOTH R/AT KALAKATA GAON,
CAHARAJPUN SUB-DIVISION,
CHARAIDEA, SIVASAGAR DISTRICT-785 692.
ASSAM.

...RESPONDENTS

(BY SRI. VENKATESH PRASAD., ADVOCATE FOR R1 & R2)



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THIS MFA FILED U/S 173(1) OF MV ACT AGAINST THE JUDGMENT AND AWARD DATED 20/03/2018, PASSED IN MVC NO.7792/2016, ON THE FILE OF THE XVI ADDITIONAL JUDGE, COURT OF SMALL CAUSES & MEMBER, MACT, (SCCH-14), BENGALURU, AWARDED COMPENSATION OF RS.12,39,600/- WITH INTEREST @ 9% P.A. FROM THE DATE OF THIS SUIT TILL ITS REALIZATION.

THESE APPEALS ARE COMING ON FOR FURTHER HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE JAYANT BANERJI
&
HON'BLE MS. JUSTICE TARA VITASTA GANJU

ORAL JUDGMENT

(PER: HON'BLE MS. JUSTICE TARA VITASTA GANJU)

ORDER ON I.A. NO.1 OF 2024
IN MFA NO.5507 OF 2018

1. This is an application filed under Order 41, Rule 27 of CPC to allow filing an additional document as required by the respondent/BMTC. The application seeks to place on the record a sketch of the accident. The examination of the application and affidavit reflects that the only ground taken in this application is that the claimants had not produced the said document, and it further states that the BMTC had obtained the document on the same day of the accident. However, there is no reason referred to in the application



as to why the sketch was not put on record before the Tribunal.

2. It is apposite to set out the relevant extract of the application and affidavit as follows:

APPLICATION

"Application for production of the Additional documents under order 41 Rule 27 of CPC.

For the reasons stated in the accompanying affidavit the appellant respectfully prays that this Hon'ble Court may be pleased to permit the appellant to produce the following documents in the above appeal, in the interest of justice and equity."

AFFIDAVIT

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2. The above appeal has been filed by challenging the judgment and award passed by the Motor Vehicles Accident claims Tribunal, XVI Addl. Court of Small Causes, Bengaluru City (SCCH-14) in M.V.C. No.7792/2016 dated 20-03-2018, by challenging the finding of the tribunal on the point of negligence. The tribunal has held the accident is due to the entire negligence on the part of the driver of the bus on the ground that he has been charge sheeted by the police-and-no-spot-mahazer-and-sketch of the place of the accident has been produced to know the manner of accident, movement of the vehicle and spot of accident. The claimants have not produced the said documents except FIR and charge sheet to prove the negligence on the part of the driver of the bus. **Under the said circumstances the appellant has obtained the copy of spot sketch drawn by the police on the same day of the accident during investigation after disposal of the case by the tribunal.** The said document is necessary to know the factual aspect of movement of the vehicle, spot of accident and manner of



accident, while considering the manner of accident stated in the charge sheet Ex.P1.

3. *It is submitted that the said document has been prepared by the police during investigation and it is not necessary to lead any oral evidence.*

[Emphasis Supplied]

3. Order 41, Rule 27 of the CPC reads as follows:

"27. Production of additional evidence in Appellate Court.— (1) *The parties to an appeal shall not be entitled to produce additional evidence, whether oral or documentary, in the Appellate Court. But if —*

(a) *The Court from whose decree the appeal is preferred has refused to admit evidence which ought to have been admitted, or*

(aa) *the party seeking to produce additional evidence establishes that, notwithstanding the exercise of due diligence, such evidence was not within his knowledge or could not, after the exercise of due diligence, be produced by him at the time when the decree appealed against was passed, or*

(b) *the Appellate Court requires any document to be produced or any witness to be examined to enable it to pronounce judgment, or for any other substantial cause;*

the Appellate Court may allow such evidence or document to be produced, or witness to be examined.

(2) *Wherever additional evidence is allowed to be produced by an Appellate Court, the Court shall record the reason for its admission."*

4. The Order requires the requisite party seeking to file a document to set out grounds for such filing, which would include whether the Court has refused to admit such



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evidence or the party seeking to produce the additional evidence establishes due diligence on their part.

4.1 The Supreme Court in ***Union of India Vs. Ibrahim Uddin and Another***¹ has held that the power under Order XLI Rule 27 of the CPC is an exception and not a rule, and additional evidence cannot be permitted to fill up lacunae or to improve a party's case. It has been categorically held that where the evidence on record is sufficient to enable the Appellate Court to pronounce judgment, no additional evidence can be allowed. It is apposite to set out relevant extract below:

"36. The general principle is that the appellate court should not travel outside the record of the lower court and cannot take any evidence in appeal. However, as an exception, Order 41 Rule 27 CPC enables the appellate court to take additional evidence in exceptional circumstances. The appellate court may permit additional evidence only and only if the conditions laid down in this Rule are found to exist. The parties are not entitled, as of right, to the admission of such evidence. Thus, the provision does not apply, when on the basis of the evidence on record, the appellate court can pronounce a satisfactory judgment. The matter is entirely within the discretion of the court and is to be used sparingly. Such a discretion is only a judicial discretion circumscribed by the limitation specified in the Rule itself. (Vide K. Venkataramiah v. A. Seetharama

¹ (2012) 8 SCC 148



Reddy [AIR 1963 SC 1526], Municipal Corpn. of Greater Bombay v. Lala Pancham [AIR 1965 SC 1008], Soonda Ram v. Rameshwarlal [(1975) 3 SCC 698: AIR 1975 SC 479] and Syed Abdul Khader v. Rami Reddy [(1979) 2 SCC 601 : AIR 1979 SC 553])”

[Emphasis Supplied]

5. In the present case, the application/affidavit as placed on record by the respondent reflects that the document was available to the respondent on the date of the accident. However, the document was not placed on record either during the time the claim petition was before the learned Tribunal or during the evidence conducted by the parties. No sufficient cause has been shown to have this document placed on record under the provisions of Order 41, Rule 47 of the CPC by the respondent.

6. The learned Tribunal has examined the other documents produced, which include the charge sheet (Exhibit P1) and the accident information report (Exhibit-P2) and has found that the complaint (Exhibit-P8) was lodged by an employee of M/s. Eagle Eye's Management Services and that the accident occurred right outside the office, while the deceased was on his way from his



workplace. In addition, evidence in this behalf was produced and marked as Exhibit-P8 by one Dinakaraj who was working in M/s.Eagle Eye's Management Service in relation to these circumstances as well. Thus, there is no real requirement to examine the document that is sought to be produced as the circumstances of the accident are already on record and the learned Tribunal has examined those to attribute negligence to the rider of the offending vehicle.

7. Accordingly, I.A.No.1/2024 stands dismissed.

MFA NO. 10401 OF 2018
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1. The present appeals seek to challenge the judgment and award dated 20.03.2018, in MVC No.7792/2016, passed by the Motor Vehicles Accident Claims Tribunal, Bengaluru City, SCCH-14 (hereinafter referred to as the 'Impugned Award'). By the Impugned Award, the learned Tribunal has awarded compensation to the appellants/claimants in a sum of Rs.12,39,600/-, along with interest at 9% per annum from the date of the petition till its realisation.



2. The challenge in the present appeals have been raised both by the appellant/insurance company, as well as by the appellants/claimants. While MFA No.10401/2018 has been filed by the appellants/claimants seeking for enhancement of the compensation awarded by the learned Tribunal, MFA No.5507/2018 has been filed by the insurance company seeking to reduce the compensation awarded by the learned Tribunal.

3. By an order of this Court dated 30.06.2023, this Court had allowed an application filed by the appellants/claimants seeking to condone the delay of 185 days in filing the appeal, with a direction that if the appellants succeed in the appeal, they shall not be entitled to interest for such period of delay.

4. The brief facts of the case are that on 06.02.2016, at about 7.30 a.m., while the deceased Pranab Jyoti Gogoi was crossing the road near the Outer Ring Road near J.P. Morgan Company Kadubisanahalli, Bengaluru, on his way to attend his Job. At that time, a BMTC bus bearing registration



No.KA-57/F-490 stated to be driven in a rash and without sounding any horn or indication, hit the deceased. As a result of the accident, the deceased died on the spot.

4.1 A claim petition was filed under Section 166 of the Motor Vehicles Act, 1988 (hereinafter referred to as 'the MV Act') by the mother and father of the deceased. It was stated therein that the deceased was about aged 22 years and working as a Security Guard at M/s. Eagle Eye's Management Services with a monthly salary of Rs.13,870/- other than perks and bonuses. It was further stated that the claimants were dependent on the deceased. The claim petition was contested by the respondent's/BMTC. It was averred that there was no negligence on the part of the driver of the BMTC Bus and that the driver was driving the bus cautiously.

5. On the basis of the pleadings, the following issues were framed by the learned Tribunal:

- 1. Whether the petitioners prove that Pranab Jothi Gogai S/o Bimal Gogai died due to injuries sustained by him in an accident occurred on 06.02.2016 at about 7.30 a.m.,*



on Outer Ring Road, near J.P. Morgan Company, Kadubisanahalli, Bengaluru, arising due to rash and negligent driving of driver of BMTC bus bearing No.KA-57-4-F-490?

2. Whether the petitioners are entitled for compensation? If so, how much?

3. What Order?"

6. The father of the deceased was examined as PW1, produced and exhibited 11 documents which included the charge-sheet (Exhibit-P1), accident information report (Exhibit-P2), Post Mortem Report (Exhibit-P3), complaint (Exhibit P10) and PAN card of the deceased (Exhibit-P11). The respondents' examined its Driver as RW1. However, no documents were filed on its behalf.

7. After examining the evidence and documents, the learned Tribunal found that on the date of accident, the driver of the offending vehicle was driving the vehicle from the northern side to the southern side in a rash and negligent manner and when he reached near J.P. Morgan Company, the bus hit the deceased who was crossing the road from east to west and the bus ran over the deceased



resulting in his death. The learned Tribunal also found that neither the claimants nor the respondents filed a sketch of the offence. However, the charge sheet was produced as Exhibit P1, which set out the details *qua* the accident.

8. The learned Tribunal also found that a complaint was made by one of the co-workers of the deceased, who was working in M/s. Eagle Eye's Management Services, describing the accident which is Exhibit-P8. Thus, it was held that the rash and negligent driving of the offending bus was proved. In addition, the learned Tribunal awarded notional income at Rs.8,000/- per month and after deducting 50% towards personal expenses and adding future prospects at 40%, applied the multiplier of 18, calculated the loss of dependency in the following terms:

$$\text{Rs.5,600} \times 12 \times 18 = \text{Rs.12,09,600/-}$$

9. Based on the calculations, the following amounts were awarded by the learned Tribunal:

Sl.No.	Particulars	Amount (Rs.)
1	Loss of Dependency	12,09,600/-



2	Transportation of the dead body and Funeral Expenses	15,000/-
3	Loss of estate	15,000/-
	TOTAL	12,39,600/-

10. The learned counsel for the appellants/claimants submits that the challenge in the present appeal is on three grounds. Firstly, he submits that the learned Tribunal ignored the salary statement that was placed on record by the claimants. He submits that as of January 2016, the deceased was earning a salary of Rs.13,870/-. He further submits that, however, the learned Tribunal did not take this into account since no other documents were produced. Secondly, he contends that no amounts were awarded for loss of consortium. Lastly, it is contented that future prospects should have been awarded at 50%.

11. The learned counsel for the respondent/BMTC on the other hand contends, that the amounts as awarded by the learned Tribunal were correctly awarded. He further submits that since the employer failed to produce any evidence nor



was examined, the learned Tribunal has rightly awarded notional income. In addition, it was contended by learned counsel that the salary slips would show that in July 2015, the basic salary of the deceased was Rs.9,568/- while in January'2016 the basic salary had increased to Rs.13,870/. Thus, he submits that the salary slips by themselves cannot be believed. In addition, the learned counsel submits that the future prospects have been correctly awarded at 40%, since the deceased was working as a Security Guard.

12. Based on the contentions of the parties, the following questions are framed for consideration:

- (i) Whether the learned Tribunal had correctly awarded compensation taking the notional income at Rs.8,000/- per month?
- (ii) Whether the salary slip, could be taken into consideration, even though the employer was not examined by the claimants?

13. The learned counsel for the appellant/insurance company has produced a sketch, which he has produced



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along with I.A.No.1 of 2024, to submit that there was no negligence on the part of the bus driver. This aspect has already been decided in the order passed today separately.

14. This Court has examined the record. On an examination of the record, as per Exhibit P10 (salary slip), the wages that have been awarded for January/February'2016 including base wage at Rs.13,870/- by the M/s. Eagle Eye's Management Services (employer).The relevant extract is below:

FORM XIX
WAGE SLIP
(See Rule 78 (1) (b))

Name and Address of Contractor:
Eagle Eye's Management Services
No.854/G, 10th Main, HAL 2nd
Stage, Indiranagar, Bangalore - 38

Name and address of Establishment
under which contract is carried on
M/s. JP MORGAN SERVICES INDIA PVT.
LTD., Prestige Technology Park,
Marathahalli Sarjapura Outer Ring road,
Bangalore

Nature of Work: Security Service

Location of Work & Address
M/s. JP MORGAN SERVICES INDIA
PVT. LTD., Prestige Technology
Park, Marathahalli Sarjapura Outer
Ring road, Bangalore

ES No. 11984
Name of the Employee:
PRANAB JYOTI GOGOI
Father Name: BIMAL GOGOI
Sex: M
Designation: Security Guard
Identification Mark: NIL

Principal Employer & Address:
M/s. JP MORGAN SERVICES INDIA
PVT. LTD., Prestige Technology
Park, Marathahalli Sarjapura Outer
Ring road, Bangalore

Salary of the month of: JAN'2016



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No. of Days worked	Rate of wages per month	OT Hours if any & Amount	Gross Wages Payable	Deductions if any	Actual Wages paid
30	Basic 10350	4	Basic 10016	PF 1261	
	DA/VDA 510		DA/VDA 494	ESI 258	
	HRA 0		HRA 0	PT 0	
	Convey 1500		Convey 1452	TDS 0	
	Med. Allow 0		Med. Allow 0	INS. 0	
	Trav. Allow 0		Trav. Allow 0	Adv. 0	
	Bonus 0		Bonus 0	Find 0	
	Leave Wage W/Allowance 1210		Others 447	LWF 0	
			OT 1171		
			Leave encash 290		
			Washing Allow 895		
			NFH 0		
			Attend. Bonus 0		
	TOTAL 13870		TOTAL 14765	1519	13246

PF NO. KN/13723/19869	ESI No.5343616731	A/C. NO.	07-FEB-16
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[Emphasis Supplied]

15. The wage slip (Exhibit – P10) shows that the deceased was employed with M/s. Eagle Eye's Management Services, (Contractor) for security service. The Principal Employer name and address is stated as M/s.J.P.Morgan Services India Pvt. Ltd., Prestige Technology Park, Marathahalli, Sarjapura Outer Ring Road, Bangalore. The wage slip also shows deductions for Provident Fund & Employees State Insurance at Rs.1,519/- giving the P.F. number and E.S.I number of the deceased. It also reflects the stamp of the employer as well as the signature.



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16. The Supreme Court in ***Rajwati Rajjo and Others Vs. United India Insurance Company Ltd. And Others***² has held that proceedings under the MV Act are summary in nature and the MV Act being a beneficial legislation, strict rules of pleadings and evidence are inapplicable. The standard of proof is one of preponderance of probabilities, and once the occurrence of the accident is established, the Tribunal is required to award just compensation. Accordingly, the Court held that the salary certificate and pay slip, corroborated by the oral testimony of the dependants and co-workers, constitute reliable and corroborative proof of the income of the deceased and cannot be rejected merely on the ground that the author of such documents was not examined. The relevant extract is set out below:

*"11. Mr. Anuj Bhandari, Learned Counsel appearing on **behalf of the Appellants argued that the High Court was not justifying in rejecting the pay slip and salary certificate of the deceased by holding that the person issuing the said documents was not examined.** It was contended that the deceased's wife (Appellant No. 1 herein) had testified before the Learned Tribunal that the deceased was earning around Rs.*

² 2022 SCC OnLine SC 1699



17,000/- from his employment as a driver and also by doing agricultural work. The same had been testified by his co-workers (who were also eye-witnesses to the accident) as well. It was further contended that Appellant No. 1's evidence with regard to the salary of the deceased was corroborated by the salary certificate and pay slip of the deceased. There was no occasion for the High Court to set aside the Learned Tribunal's order with respect to a pure finding of fact and re-appreciate the entire evidence. It was also mentioned that the Appellants could not inadvertently produce the pass-book of the deceased (reflecting his salary as Rs. 12,000/- per month) before the Learned Tribunal, and copies of the same have been filed before this Court.

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20. It is well settled that Motor Vehicles Act, 1988 is a beneficial piece of legislation and as such, while dealing with compensation cases, once the actual occurrence of the accident has been established, the Tribunal's role would be to award just and fair compensation. As held by this Court in Sunita (Supra) and Kusum Lata (Supra), strict rules of evidence as applicable in a criminal trial, are not applicable in motor accident compensation cases, i.e., to say, "the standard of proof to be borne in mind must be of preponderance of probability and not the strict standard of proof beyond all reasonable doubt which is followed in criminal cases".

21. In view of the above, we do not agree with the view taken by the High Court while rejecting the salary certificate (Exhibit 19) and pay slip (Exhibit 20) of the deceased merely on the ground that the person issuing the two aforementioned documents was not examined before the Learned Tribunal. The said documents are conclusive proof of the income of the deceased and were also corroborated by the statements of the deceased's wife (Appellant No. 1 herein) and his co-workers. As such, the High Court was not justified in assessing the income of the deceased at Rs. 4,836/- per month on the basis of minimum wages fixed by the State at the relevant time. Resultantly, we



affirm the findings of the Learned Tribunal so far as they relate to assessing the deceased's income at Rs. 11,225/- per month on the basis of afore mentioned two documents. Annual income of the deceased, therefore, amounts to, Rs. 11,225/- × 12 = Rs. 1,34,700/-."

[Emphasis Supplied]

17. In view of the settled law as well as the documents produced, this Court deems it apposite to take the salary of the deceased at Rs.13,870/- per month for awarding of the compensation towards 'loss of dependency'.

18. Since indisputably, the deceased was a bachelor, the deduction of 50% towards personal income is requisite. The amounts towards loss of estate, as well as transportation and funeral expenses, are also required to be calculated in terms of **Sarla Verma's** case and **Pranay Sethi's** case.

18.1 On the aspect of future prospects, this Court agrees with the learned counsel for the respondent that since the deceased did not have a permanent job and was working as a Security Guard, future prospects at the rate of 40% ought to be awarded. There is thus no infirmity in this finding of the learned Tribunal either. Since, the deceased was aged



22 years as on the date of the accident, the appropriate multiplier to calculate the 'loss of dependency' would be '18'. Thus, the 'loss of dependency' is recomputed as follows:

Heads	Amounts
Loss of dependency	$\text{Rs.}13,870 + 40\% = 19,418/-$ $\text{Rs.}19,418 - \text{Rs.}9,709 (50\%) \times 12 \times 18$ =20,97,144/-

19. So far as concerns the ground taken by the claimants that no amounts have been awarded for loss of consortium. The law is settled in this behalf. The Supreme Court in ***National Insurance Co. Ltd. Vs. Pranay Sethi***³ case has held that the loss of consortium at the rate of Rs.40,000/- per person should be awarded. Since the deceased was survived by his mother and father, **Rs.80,000/-** (40,000 x 2) in addition are required to be paid.

20. In addition, since no escalation has been awarded, escalation at the rate of 10% is also awarded on the

³(2017) 16 SCC 680



conventional heads of compensation. Thus, the revised calculation would be as follows :

Sl. No.	Particulars	Amount (Rs.)
1	Loss of Dependency (Rs.13,870+ 40% - 50% x 12 x18)	20,97,144/-
2	Loss of Consortium [Rs.40,000 x 2 (+)10%]	88,000/-
3	Loss of Estate [Rs.15,000/-(+)10%]	16,500/-
3	Funeral Expenses [Rs.15,000/-(+)10%]	16,500/-
	TOTAL	22,18,144/-
	Less: Awarded by the Tribunal	12,39,600/-
	Enhanced Compensation	9,78,544/-

21. Hence, the appellants/claimants are entitled to a total enhanced compensation of **Rs.9,78,544/-** along with interest at 9% per annum as awarded by the learned Tribunal, from the date of petition till its realization.

22. On the aspect of the interest at 9% awarded by the learned Tribunal, one of us (Justice Tara Vitasta Ganju) in a recent judgment dated 01.06.2026 in the case of **United India Insurance Co. Ltd. vs. Sri. Malyadri. M And**



Others⁴ has examined this issue in detail and found that the award of interest @ 9% per annum in cases of death and in cases of permanent disability has been regularly upheld by the Supreme Court. It is apposite to extract the relevant portion of the judgment below:

"15.1 A plain reading of the said provision shows that Section 171 of the MV Act does not prescribe any rate of interest and gives the discretion to the learned Tribunal to do so. It further sets out that the learned Tribunal shall award simple interest from the date of filing the claim.

*16. An analysis of the precedents also shows us that there is no 'straight jacket formula' in deciding interest. Interest is the compensation for the factum of money being held back from the family of a deceased or the injured. **The Courts have from time to time while discussing the principles for award of interest, held that the interest is awarded not because of any contractual obligation but because of the delay in claimants receiving compensation after the occurrence of the accident.***

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*23. In another a recent decision the Supreme Court in **Nidhi Bhargava & Ors. v. National Insurance Company Limited And Others [see:2025 INSC 526]** the issue of grant of interest in motor accident compensation claims was discussed and considered. In the accident in question, one of the claimants survived and suffered grievous injuries. **The Tribunal had awarded compensation together with interest at the rate of 9% per annum. Although the Delhi High Court reduced the compensation amount under certain heads, it maintained the award of interest at 9% per annum.** The Supreme Court ultimately restored*

⁴ NC: 2026:KHC:25458



the compensation awarded by the Tribunal and **specifically directed that payment be made with interest at the rate of 9% per annum.** Here again, the Supreme Court did not interfere with the rate of interest and, in fact, reinforced the obligation of timely payment by directing that in case of delay beyond two months, an additional 9% interest per annum would be payable on both the principal amount and accrued interest. The relevant extract is below:

15. The High Court interfered and reduced the compensation as awarded by the Tribunal only on the ground that Return for the Assessment Year 2008-2009 had to be excluded from consideration. It is not in dispute that the deceased was a businessman. The relevance of the Income Tax Return stems, in the context of the Act, for the period which it relates to i.e., the Financial Year concerned, and not on the date on which it is filed with the Income Tax Department. When faced with Returns for different Assessment Years, it would be upto the Tribunal concerned to adopt either the average income therefrom or choose an Assessment Year to rely upon. **There is good reason to leave judicial discretion on the Tribunal to adopt one of the afore-noted two courses of action, bearing in nature the social purpose and object behind the Act, which is a beneficial legislation.** It is quite unfortunate that the High Court in the present case has dealt with the matter in such a casual and superficial way where the rightful claim of the appellants under a welfare legislation has been drastically reduced without any cogent reason on a very tenuous ground, which we find to be totally unjustified. As pointed out in *Shivaleela v. Divisional Manager, United India Insurance Co. Ltd.*, 2025 SCC OnLine SC 563:

'13. ... In *K Ramya v. National Insurance Co. Ltd.*, 2022 SCC OnLine SC 1338, after taking note of, inter alia, *Ningamma v. United India Insurance Co. Ltd.*, (2009) 13 SCC 710, the Court held that the **'... Motor Vehicles Act of 1988 is a beneficial and welfare legislation that seeks to provide compensation as per the**



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contemporaneous position of an individual which is essentially forward-looking. Unlike tortious liability, which is chiefly concerned with making up for the past and reinstating a claimant to his original position, the compensation under the Act is concerned with providing stability and continuity in peoples' lives in the future. ...'

(underlined in original)

16. On the strength of the reasons afore-indicated, the Impugned Order is modified to the extent that the original amount [Rs.31,41,000/- (Rupees Thirty-One Lakhs Forty-One Thousand)] awarded by the Tribunal in MACT No. 357515/2016 as compensation is restored. **Payment be made to the Appellants by the Respondent No. 1 at the rate of 9% interest per annum after adjusting amount(s), if any, that may have been paid during the interregnum. The exercise be completed within two months from today, failing which an additional 9% interest per annum shall be payable for the period of delay, both on the principal amount as well as on the interest component, till the date of actual payment.** No order as to costs, in the circumstances.

[Emphasis Supplied]

23.1 In ***S. Kumar v. United India Insurance Co. Ltd.*** [see : 2019 INSC 217], case a similar view was taken where the **Supreme Court approved the award of interest at 9% per annum, observing that the learned Tribunal's grant of 15% interest was 'exorbitant' but that the High Court had still allowed a 'comparatively higher' rate of interest at 9% p.a.**

24. Thus, an analysis of the precedents shows that the award of interest over the last 5-10 years has infact consistently been awarded @ 9% p.a. or upholding such an award.



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29. An analysis of the foregoing discussions of the Supreme Court, reflects that the Supreme Court has consistently held that the award of interest is intended to recompensate the claimant for being deprived of the use of money, which ought to have been paid at the time of occurrence of the accident. The rate of interest, therefore, must be just, fair and reasonable, having regard to the prevailing economic conditions and bank rates.

29.1. The award of interest is usually determined at the prevailing bank rate of interest on a case-to-case basis and at the rate which is just and fair and reasonable.

29.2 There cannot be any 'straitjacket formula' in determining the rate of interest and that the same must depend on the facts and circumstances of each case. The guiding principle remains that the rate must neither be punitive nor non-existent but must strike a balance between fairness to the claimant and reasonableness to the insurer.

29.3 The rate of interest 9% is more appropriate in case involving death and serious injury especially, where there is a long delay in the claimants receiving the compensation.

[Emphasis Supplied]

23. In view thereof, this Court is not inclined to interfere with the interest awarded by the learned Tribunal in the present case.

24. Accordingly, this Court proceeds to pass the following:

ORDER

- (i) The appeal in MFA No.10401 of 2018 is ***allowed in part;***



(ii) The appeal in MFA No.5507 of 2018 is ***dismissed;***

(iii) The Judgment and Award dated 20.03.2018, in MVC No.7792/2016, passed by the Motor Vehicles Accident Claims Tribunal, Bengaluru City, SCCH-14 is modified, enhancing the compensation by **Rs.9,78,544/-** along with interest at the rate of 9% per annum as awarded by the learned Tribunal from the date of petition till realization;

(iv) The remaining portion of the Impugned Award of the Tribunal remains undisturbed;

(v) The appellant/Insurance company is directed to pay the enhanced compensation with interest as awarded by the Tribunal within eight weeks from today;

(vi) On such deposit of compensation, the same shall be released in favour of the appellants/claimants, on



filing of an appropriate application for withdrawal of the enhanced amount;

(vii) The amounts deposited by the Insurance company, if any, shall be transferred to the concerned Tribunal for disbursement.

(viii) The Registry is directed to draw the modified Award accordingly;

(ix) The Registry is directed to transmit a copy of this judgment along with its records and the amounts deposited by the Insurance Company to the concerned Tribunal forthwith;

(x) No order as to costs.

Sd/-
(JAYANT BANERJI)
JUDGE

Sd/-
(TARA VITASTA GANJU)
JUDGE

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List No.: 1 Sl No.: 19