

**HON'BLE SRI JUSTICE A. SHANKAR NARAYANA**

**MACMA No. 770 of 2005**

**JUDGMENT:**

The instant appeal is preferred by the New India Assurance Company Limited, who is respondent No.3 in O.P. No. 482 of 2002 on the file of the learned Chairman, Motor Accidents Claims Tribunal-cum-II Additional District Judge, West Godavari District, Eluru, challenging the quantum of compensation awarded by the Tribunal, under Section 173 of the Motor Vehicles Act read with Rule 455 of the Andhra Pradesh Motor Vehicles Rules.

2. The Chairman, Motor Accidents Claims Tribunal-cum-II Additional District Judge, West Godavari District, Eluru, by the order dated 25.03.2004 passed in OP No.482 of 2002, granted compensation of Rs.6,04,040/- with interest at 12% p.a. for the death of one Koppiseti Siva Sankar, who was working as Attender in Sub-Registrar's Office, Ravulapalem, earning Rs.4,642/- per month. He was aged about 40 years.

3. Coming to the facts, while the deceased was returning on his Scooter bearing registration No.AP-5A-5927 from Kothapet, after remitting the office cash at Bank, reached near Janakammarai, Veditreswaram junction of Ravulapalem, at which time a mini bus bearing registration No.AP15T 2520, driven by the first respondent in a rash and negligent manner, dashed against his scooter due to which his death occurred.

The petitioners projecting that had the accident did not occur the deceased would have lived for 70 years and they are totally dependent on the deceased and sought compensation from the respondents 1 and 2.

4. The Tribunal framed three issues, and by examining PWs.1 and 2 marked Exs.A1 to A11 and Ex.B1. The Tribunal, taking the salary of the deceased at Rs.4642/- per month and after deducting 1/3<sup>rd</sup> towards his personal expenses, applied the multiplier '15' taking the age of the deceased as 40 years, and estimated the total loss of dependency at Rs.5,57,040/-. The Tribunal further granted Rs.15,000/- towards loss of consortium, Rs.10,000/- towards loss of estate and Rs.2,000/- towards funeral expenses. Thus, a total sum of Rs.6,04,040/- was awarded with interest at 12% p.a.

5. The aforementioned order was challenged by the Insurance Company contending in the grounds of appeal that the Tribunal ought to have granted rate of interest at 5.5% p.a., instead of 12% p.a., and the Tribunal ought not to have resorted to II Schedule to Section 163-A of the Motor Vehicles Act.

6. Heard Sri Kota Subba Rao, learned counsel for the appellant and Sri Ramachandar Rao Vemuganti for respondents 1 and 2. Respondents 3 and 4 are not necessary parties as per the endorsement and memo filed respectively.

7. During the course of arguments, learned counsel for the appellant fairly conceded that in view of the decision of the Hon'ble Supreme Court in **Sarla Verma v. Delhi Transport Corporation** <sup>[1]</sup>, the other grounds need not be looked into but

the rate of interest granted by the Tribunal at 12% p.a., may be reduced. Learned counsel for the respondents 1 and 2 submits that the respondents 1 and 2 somehow could not file any cross-objections and appeal seeking enhancement of compensation and since, the amount granted was on lower side to maintain interest at 12% p.a.

8. However, in view of the decision of the Apex Court in **Rajesh and others v. Rajbir Singh and others**<sup>[2]</sup> the interest granted by the Tribunal at 12% p.a., is reduced to 7.5% p.a. Thus, the award and decree are modified to that extent.

9. Accordingly, the Civil Miscellaneous Appeal is allowed in part as indicated above. There shall be no order as to costs.

10. As a sequel thereto, miscellaneous applications, if any, pending in this appeal stand disposed of.

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**A. SHANKAR NARAYANA, J**

Date: 23.02.2015.  
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<sup>[1]</sup> (2009) 6 SCC 121

<sup>[2]</sup> 2013 ACJ 1403 = 2013(4) ALT 35