

HON'BLE SRI JUSTICE A. SHANKAR NARAYANA

M.A.C.M.A. No.1273 OF 2005

JUDGMENT:

Having got dissatisfied with the award of Rs.9,34,500/- as compensation as against the claim of Rs.10,00,000/- laid under Section 166 of the Motor Vehicles Act, 1988 (for short 'the Act') read with Rule 455 of Andhra Pradesh Motor Vehicles Rules, 1989, by the order and decree, dated 22-09-2004, in O.P. No.210 of 2004 (old O.P. No.634 of 2003), on the file of the Chairman, Motor Accident Claims Tribunal - cum - II Additional District Judge, Nalgonda (for short 'the Tribunal'), for the death of one Y. Linga Reddy working as Telecom Mechanic in S.D.O.D. Office, Tandoor, at the age of 43 years, the instant appeal is preferred by respondent No.2 – M/s. New India Assurance Company Limited on the ground that the compensation granted was arbitrary and excessive including the interest at 9% per annum thereon.

2. The appellant and respondent No.8 herein, who are insurer and owner of Eicher Van bearing registration No.AP 9V 4005, respectively, are respondent Nos.1 and 2, respectively in O.P. before the Tribunal, while respondent Nos.1 to 7 are the petitioners.

3. For the sake of convenience, the parties are hereinafter referred to as they were arrayed in the O.P. before the Tribunal.

4. Admittedly, facts in this case are not in dispute, the same need not be reproduced herein.

5. In the instant case, the Tribunal basing on the salary certificate marked as Ex.A-8 and the communication sent thereof (Ex.A-8) by the Accounts Officer (Cash), Bharat Sanchar Nigam Limited, office of General Manager (West) Telecom, Telephone Exchange Building, Ameerpet, Hyderabad mentioning the salary particulars therein, the Tribunal taking into consideration the monthly salary of Rs.8,500/-, worked out the annual income at Rs.1,02,000/- and applied multiplier '15' taking the age of the deceased as 43 years and arrived at Rs.13,72,000 and after deducting 1/3rd there-from towards personal expenses, worked out Rs.9,15,000/- towards loss of dependency. The Tribunal has also granted Rs.15,000/- towards loss of consortium; Rs.2,000/- towards funeral expenses and Rs.2,500/- towards loss of estate and, thus, making a total of Rs.9,34,500/- and granted the same with interest at 9% per annum thereon.

6. Heard Sri Naresh Byrapaneni, learned standing counsel for the appellant - Insurance Company. No

representation for the respondents - petitioners. Though, served with notice, none appears for respondent No.8, who is owner of the vehicle.

7. The learned standing counsel for the appellant – Insurance Company fairly concedes that in view of Exs.A-7 and A-8, fixation of income at Rs.8,500/- per month by the Tribunal cannot be faulted, and that in view of the change in decisional law rendered by the Hon'ble Supreme Court in **Sarla Verma & others v. Delhi Transport Corporation and another**^[1] and **Rajesh and others v. Rajbir Singh and others**^[2], the amount of Rs.9,34,500/- granted by the Tribunal is just and adequate, and his only submission is to reduce the rate of interest from 9% per annum to 7.5% per annum.

8. It is true if the principles laid down by the Hon'ble Supreme Court in the aforesaid decisions are applied, the amount granted by the Tribunal towards compensation appears to be slightly nearer to which the petitioners are entitled. Therefore, reducing the rate of interest from 9% to 7.5% per annum in view of the decision in **Rajesh's Case** (Supra 2) while confirming the compensation determined by the Tribunal at Rs.9,34,500/-, the instant appeal is allowed.

9. In the result, the appeal is allowed in part, and the

order and decree, dated 22-09-2004, in O.P. No.210 of 2004 (Old O.P. No.634 of 2003), passed by the Tribunal are modified to the extent of reducing the rate of interest from 9% per annum to 7.5% per annum on the amount of Rs.9,34,500/- granted by the Tribunal from the date of petition till the date of deposit, while confirming the order and decree in all other respects. There shall be no order as to costs.

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

A. SHANKAR NARAYANA, J

April 07, 2016.

Mgr

[\[1\]](#) . (2009) 6 Supreme Court Cases 121

[\[2\]](#) . 2013 ACJ 1403