

THE HON'BLE DR.JUSTICE SHAMEEM AKTHER

M.A.C.M.A.No.2912 OF 2005

JUDGMENT:

This appeal, under Section 173 of the Motor Vehicles Act, 1988, is filed by the appellant/the National Insurance Company Limited, aggrieved by the grant of compensation of Rs.4,20,500/- along with proportionate costs and interest at the rate of 12% per annum from the date of the petition till the date of payment, as against a claim of Rs.6,00,000/-, to respondent Nos.1 to 5/claimants, by the learned Chairman, Motor Accident Claims Tribunal – cum – District Judge at Adilabad (for short, “the Tribunal”) *vide* order, dated 25.01.1999, passed in O.P.No.354 of 1996.

2. Heard the submissions of the learned Standing Counsel appearing for the National Insurance Company Limited representing the appellant. Learned counsel for respondent Nos.1 to 5/claimants would submit that he gave no objection in this case. Perused the material on record.

3. Learned Standing Counsel for the National Insurance Company Limited representing the appellant would contend that the Tribunal had granted excess compensation taking salary of the deceased Induru Rajaiah on higher side and also other factors into consideration; that the Tribunal had also granted excess rate of interest at the rate of 12% per annum and ultimately, prayed to reduce the same.

4. None appeared for respondent Nos.1 to 5/claimants. The matter pertains to the year 2005. So, it can be disposed of basing on the material available on record.

5. In view of the submissions made by the learned Standing Counsel appearing for the National Insurance Company Limited, the point that arises for determination is:

“Whether the compensation of Rs.4,20,500/- along with interest at the rate of 12% per annum from the date of the petition till the date of payment awarded in favour of respondent Nos.1 to 5/claimants is excessive and the same is liable to be reduced?”

6. **POINT:-** As seen from the entire material on record, there is ample evidence on record to show that the deceased Induru Rajaiah succumbed to the injuries in a motor accident that occurred on 21.08.1996 due to the rash and negligent driving of the driver of lorry bearing No.AP-09-U-291. The only dispute is with regard to the assessment and award of compensation and interest. The Tribunal, taking into consideration the evidence on record and the age, earning capabilities etc., of the deceased Induru Rajaiah, having deducted 1/3rd towards his personal expenses and applying the multiplier “17” for the age of “35” of the deceased, had rightly assessed the compensation payable to the claimants at Rs.4,20,500/-. There is no infirmity in the said order. Hence, with regard to compensation, the impugned order does not warrant interference of this Court.

7. As regards the rate of interest, it is apt to refer to the decision of the Apex Court in **Dharampal Vs. State Road**

Transport Corporation¹ wherein the Apex Court awarded interest at the rate of 7.5% per annum on the amount awarded as compensation. In the instant case, the Tribunal granted interest at the rate of 12% per annum, which is excessive.

8. Accordingly, the quantum of compensation of Rs.4,20,500/-, which was awarded by the Tribunal in favour of respondent Nos.1 to 5/claimants is confirmed, but the rate of interest awarded thereon is reduced from 12% per annum to 7.5% per annum. The other terms of the impugned order remain unaltered.

9. In the result, the appeal is partly allowed. There shall be no order as to costs.

10. Miscellaneous petitions pending, if any, in this appeal shall stand closed.

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Date : 09.08.2018
AMD

¹ MANU SC 7680 2008

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