

THE HON'BLE Dr. JUSTICE SHAMEEM AKTHER

M.A.C.M.A.No.2637 OF 2005

JUDGMENT:

This appeal is filed under Section 173 of the Motor Vehicles Act, 1988 (for short, 'the Act'), by the appellant-Insurance Company aggrieved by the order dated 10.12.2004 in O.P.No.38 of 2004 on the file of the Motor Accident Claims Tribunal-cum-II Additional District Judge, Karimnagar at Jagtial (for short, 'the Tribunal').

2. Heard the learned counsel for the appellant-Insurance Company and perused the record. There is no representation for the respondents-claimants. This appeal pertains to the year 2005. Hence, it can be disposed of on merits basing on the material available on record.

3. Learned counsel for the appellant-Insurance Company would contend that the Tribunal granted excess compensation with higher rate of interest i.e., @ 9% per annum, which is not in accordance with law and ultimately prayed to reduce the same.

4. There is no dispute with regard to the death of the deceased-Soma Bhooma Reddy in a road accident occurred on 08.10.1999 due to the rash and negligent driving of the driver of jeep bearing No.AP 15E 4999. The only dispute is with regard to quantum of compensation.

5. The Tribunal while dealing with the claim, had taken the monthly income of the deceased as Rs.1,800/-, deducted 1/3rd thereof towards personal expenses, applied multiplier '16' and assessed Rs.2,30,400/- towards pecuniary damages. The Tribunal also granted

Rs.2,000/- towards funeral expenses, Rs.2,500/- towards loss of estate and Rs.5,000/- towards loss of consortium. In total, the Tribunal granted Rs.2,40,000/- towards compensation.

6. As far as the assessment of compensation is concerned, it is based on sound legal principles and the evidence on record. There is nothing to take a different view.

7. As regards 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 @ 7.5% per annum on the amount awarded as compensation. In the instant case, the Tribunal granted interest @ 9% per annum, which is excessive.

8. Hence, the quantum of compensation of Rs.2,40,000/- which was awarded by the Tribunal in favour of the respondents-claimants is confirmed, but the rate of interest awarded thereon is reduced from 9% per annum to 7.5% per annum. The other terms of the impugned order remain unaltered.

9. Accordingly, the appeal is partly allowed. No costs.

The Miscellaneous Petitions, if any, pending shall stand closed.

Date: 02.08.2018
ssp

Dr. SHAMEEM AKTHER, J

¹ MANU SC 7680 2008