

HON'BLE Dr. JUSTICE SHAMEEM AKTHER

M.A.C.M.A.No.1708 OF 2005

JUDGMENT:

This appeal, under Section 173 of the Motor Vehicles Act, 1988, is filed by the appellant-United India Insurance Company Limited aggrieved by the order, dated 01.02.2005, passed in O.P.No.141 of 2004 by the Chairman, Motor Accident Claims Tribunal-cum-II Additional District Judge, Nalgonda at Suryapet ('the Tribunal', for brevity), awarding compensation of Rs.5,00,000/- to respondent No.1/claimant with interest at 9% per annum from the date of petition till the date of deposit.

2. Heard learned Standing Counsel for the appellant and learned counsel for respondent No.1. Perused the record.

3. Learned Standing Counsel for the appellant – insurer would contend that respondent No.1 – injured was a Head Master. There is no evidence to show that respondent No.1 discontinued his service. Therefore, the Tribunal granting compensation of Rs.5,00,000/- with interest at 9% per annum is excessive and ultimately, prayed to allow the appeal.

4. Learned counsel for respondent No.1 would contend that the Tribunal had rightly assessed and awarded compensation. There are no circumstances to interfere with the same and ultimately, prayed to dismiss the appeal.

5. In view of the submissions made by the learned counsel for both sides, the point for determination is whether the Tribunal justified in granting compensation of Rs.5,00,000/- with interest at 9% per annum from the date of petition till the date of deposit.

6. Respondent No.1 – injured suffering injuries in a road accident that occurred on 21.03.2002 due to rash and negligent driving of auto-rickshaw bearing No.AP-24-U-6652 is not in dispute. The only dispute in this appeal is with regard to the assessment and award of compensation. There is evidence to show that there was amputation to right leg of respondent No.1 – claimant and as per the disability certificate, respondent No.1 sustained 60% disability. Further, the Tribunal, while determining compensation, has taken multiplier ‘8’, taking the age of respondent No.1 as 56 years. Therefore, there is justification in applying the multiplier and assessing and awarding the compensation at Rs.5,00,000/-. No interference is warranted.

7. However, concerning the rate of interest, it is apt to refer to the decision in **Dharam Pal and others v. State Road Transport Corporation**¹, wherein the Honourable Apex Court was pleased to grant interest at the rate of 7.5% per annum. In view of the above decision, the rate of interest awarded by the Tribunal at 9% per annum is excessive and the same is liable to be reduced to 7.5% per annum.

¹ Manu SC 7680 2008

8. Hence, the appeal is allowed in part modifying the order under challenge only to the extent of reducing the rate of interest from 9% per annum to 7.5% per annum from the date of petition till the date of deposit. The other terms of the order under challenge remain unaltered.

Miscellaneous Petitions, if any, pending in this appeal shall stand closed. There shall be no order as to costs.

July 03, 2018.
MD

Dr. SHAMEEM AKTHER, J



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