THE HON'BLE Dr. JUSTICE SHAMEEM AKTHER

M.A.C.M.A.No.2535 of 2005

JUDGMENT:

This appeal, under Section 173 of the Motor Vehicles Act, 1988, is filed by the appellant-the United India Insurance Company, aggrieved by the grant of compensation of Rs.5,32,200/- to the respondents 1 to 4/claimants, as against a claim of Rs.5,00,000/-, by the Chairman, Motor Accidents Claims Tribunal-cum-Principal District Judge, Nalgonda ('the Tribunal', for brevity) vide order, dated 27.07.2004, passed in O.P.No.1434 of 2002.

2. Heard the learned counsel for both sides and perused the record.

3. The learned Standing Counsel for the United India Insurance Company representing the appellant would contend that the Tribunal awarded excessive compensation of Rs.5,32,200/- with interest @ 9% per annum from the date of petition till the date of deposit, as against a claim of Rs.5,00,000/- and ultimately prayed to reduce the compensation.

4. On the other hand, the learned counsel for the respondents 1 to 4/claimants would contend that though there are four dependants of the deceased, the Tribunal deducted 1/3rd of the income towards personal expenses of the deceased, instead of 1/4th. Further, the Tribunal granted meagre amounts under other conventional heads. In view of the same, there is justification in granting the aforementioned compensation to the respondents 1 to 4/claimants

and ultimately prayed to dismiss the appeal by confirming the Order under challenge.

5. There is no dispute that the deceased-Shaik Ameer Hamza died in a motor accident occurred on 30.10.2002 due to rash and negligent driving of the driver of the lorry bearing registration No.AP-36-T-7488. So, the only point that arises for consideration in this appeal is whether the compensation granted by the Tribunal in favour of the respondents 1 to 4/claimants is liable to be reduced.

6. As seen from the impugned order, the Tribunal had taken the monthly income of the deceased as Rs.3,900/-, deducted 1/3rd of it towards personal expenses of the deceased and by applying multiplier '16', granted an amount of Rs.4,99,000/- towards loss of dependency. But, as per the judgment of the Apex court in case between Sarla Verma v. Delhi Transport Corporation[1], the appropriate multiplier applicable to the age of the deceased (38 years) is '15'. The Tribunal deducted 1/3rd of the income of the deceased as his personal expenses, but it ought to have deducted 1/4th towards personal expenses of the deceased since are there four dependants (respondents 1 to 4/claiamants) on the deceased. Further the Tribunal had granted Rs.15,000/- towards loss of consortium to the 1st respondent-wife, Rs.15,000/- towards loss of estate and Rs.3,000/- towards funeral expenses. It goes to show that the Tribunal granted lesser amounts under conventional heads. In a recent decision in National Insurance Co. Ltd., Vs. Pranay Sethi and others[2], the Apex Court awarded a sum of Rs.70,000/- under conventional heads. In view of the same, the Tribunal is

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[1] AIR 2009 SC 3104
[2] 2017 (6) ALD 170 (SC)

justified in granting an amount of Rs.5,32,200/- towards compensation in total.

7. Admittedly, the Tribunal granted interest at the rate of 9% per annum from the date of petition till deposit or realisation, on the amount granted as compensation. It is apt to refer to the decision of the Apex Court in Dharampal Vs. State Road Transport Corporation[3], wherein, the Apex Court awarded interest at the rate of 7.5% per annum on the amount awarded as compensation. There are number of other citations, wherein, interest was awarded at the rate of 7.5% per annum on the amount awarded as compensation. In view of the same, awarding interest at the rate of 9% per annum on the amount awarded as compensation by the Tribunal is held excessive.

8. Accordingly, this appeal is allowed in part, modifying the Order, dated 27.07.2004, passed in O.P.No.1434 of 2002 by the Tribunal, only to the extent of reducing rate of interest from 9% per annum to 7.5% per annum on the amount granted as compensation (Rs.5,32,200/-) from the date of petition till realisation. The other terms of the Order under challenge remain unaltered. On deposit of the compensation, the respondents 1 to 4/claimants are permitted to withdraw the entire amount with interest.

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

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Dr. SHAMEEM AKTHER, J

20th July, 2018
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[3] MANU SC 7680 2008