

THE HON'BLE Dr. JUSTICE SHAMEEM AKTHER

M.A.C.M.A.No.2203 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 grant of compensation of Rs.7,98,000/- as against a claim of Rs.9,00,000/- to the respondents 1 to 5/claimants, by the Chairman, Motor Accident Claims Tribunal-cum-I Additional District Judge, Karimangar ('the Tribunal', for brevity), vide order, dated 15.09.2004, passed in O.P.No.144 of 2004.

2. Heard the learned Standing Counsel for appellant-Insurance Company, the learned counsel for respondents 1 to 5/claimants and perused the record.

3. The learned Standing Counsel for the appellant-Insurance Company would contend that the Tribunal had granted excessive compensation of Rs.7,98,500/- as against a claim of Rs.9,00,000/- on account of the death of the deceased-Shankaraiah in a road accident occurred due to rash and negligent driving of the driver of the Tractor bearing registration No.AP-15-V-5659. The Tribunal also granted interest at the rate of 9% per annum from the date of petition till the date of deposit, which is exorbitant and ultimately prayed to reduce the compensation.

4. On the other hand, the learned counsel for the respondents 1 to 5/claimants would contend that the Tribunal had taken all the relevant factors into consideration and granted just and reasonable

amount as compensation. There are no circumstances to interfere with the same and ultimately prayed to dismiss the appeal.

5. It is not in dispute that the deceased-Shankaraiah died in a road accident occurred on 04.11.2003 due to rash and negligent driving of the driver of the Tractor bearing registration No.AP-15-V-5659. So, the only point that arises for determination in this appeal is whether the compensation granted by the Tribunal in favour of respondents 1 to 5/claimants is liable to be reduced.

6. As seen from the material placed on record, the deceased was 43 years old and was working as Panchayat Secretary as on the date of the accident. The Tribunal had taken the monthly income of the deceased as Rs.8,000/-, deducted 1/3rd of it towards personal expenditure, applied appropriate multiplier '12' and granted an amount of Rs.7,67,952/- to the respondents 1 to 5/claimants, towards loss of future dependency. The Tribunal further awarded an amount of Rs.10,000/- to the 1st respondent/1st claimant towards loss of consortium and Rs.5,000/- each to respondents 2 to 5/claimants 2 to 5 towards loss of love and affection. In all, the Tribunal granted a compensation of Rs.7,97,952/- (rounded to Rs.7,98,000/-) to the respondents 1 to 5/claimants, which is just and reasonable. There are no circumstances to interfere with the same.

7. Admittedly, the Tribunal granted interest at the rate of 9% per annum on the amount granted as compensation. It is apt to refer to the decision of the Apex Court in Dharampal Vs. State Road Transport Corporation¹, wherein, the Apex Court awarded

¹ MANU SC 7680 2008

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 15.09.2004, passed in O.P.No.144 of 2004 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.7,98,000/-) from the date of application till realisation. The other terms of the Order under challenge remain unaltered. On deposit of the compensation, the respondents 1 to 5/claimants are permitted to withdraw the entire amount with interest.

Miscellaneous Petitions pending, if any, shall stand closed.

No order as to costs.

Dr. SHAMEEM AKTHER, J

04th July, 2018
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