THE HON'BLE Dr. JUSTICE SHAMEEM AKTHER

M.A.C.M.A.No.2103 of 2005

JUDGMENT:

Aggrieved by the grant of compensation of Rs.6,40,000/- by the Chairman, Motor Accident Claims Tribunal-cum-IV Additional District Judge, Tirupati ('the Tribunal' for brevity), vide order, dated 03.05.2005, passed in M.V.O.P.No.399 of 2001, as against a claim of Rs.12,00,000/-, the claimants preferred this appeal under Section 173 of the Motor Vehicles Act, 1988 ('the Act', for brevity) seeking enhancement of compensation.

2. Heard the learned counsel for the appellants-claimants, learned Standing Counsel for 3rd respondent-Insurance Company and perused the record.

3. The learned counsel for the appellants-claimants would submit that the Tribunal had not taken the correct multiplier and correct monthly income of the deceased-Govinda Reddy. The Tribunal ought to have added 15% to the monthly income of the deceased towards loss of future earning capacity, as the deceased was a Police Sub-Inspector aged 53 years as on the date of accident. No adequate amounts were granted under conventional heads and ultimately prayed to enhance the compensation as prayed for.

4. On the other hand, the learned Standing Counsel for the 3rd respondent-Insurance Company would contend that the Tribunal had taken correct age, adopted correct multiplier to the age of the deceased and assessed the compensation payable for loss of dependency. The Tribunal granted just and reasonable amounts

under the conventional heads. Grant of compensation of Rs.6,40,000/- to the appellants-claimants is quite just and reasonable. The learned Standing Counsel would specifically contend that grant of interest at the rate of 9% per annum on the amount granted as compensation is excessive. As per the settled legal position, the appellants-claimants are entitled for interest at the rate of 7.5% per annum on the amount granted as compensation and ultimately prayed to reduce the rate of interest granted by the Tribunal.

5. It is not in dispute that the deceased-Govinda Reddy died in a motor accident that occurred on 24.07.2001 due to the rash and negligent driving of the driver of the lorry bearing registration No.AP-16-U-3285. There is ample evidence to substantiate the same. Thus, the only question that arises for consideration in this appeal is whether the appellants-claimants, who are the wife and children of the deceased-Govinda Reddy, are entitled for enhancement of compensation.

6. As per the evidence placed on record, the deceased was aged 55 years and working as Police Sub-Inspector. Ex.A.6-Salary Certificate of the deceased and Ex.A.7-Pay Slip of the deceased are demonstrated and proved by examining P.W.3-M.Lokanadham. As per Ex.A.6, the deceased was getting monthly salary of Rs.7,179/- per month after deductions. As per the evidence of P.W.1 (wife of the deceased), the deceased was earning Rs.8,750/- per month. In Ex.A.3-Post-mortem certificate, the age of the deceased was shown as 53 years. So, it can be safely concluded that the deceased was aged 53 years as on the date of accident. There would be some

natural hike in the monthly income of the deceased, since he was a permanent employee in State Government service. However, under the Income Tax Act, some amount is liable to be deducted from the gross earnings of the deceased towards income tax. Taking all these factors into consideration, this Court deems it appropriate to take the monthly income of the deceased as Rs.9,000/-, i.e., Rs.1,08,000/- per annum. If 1/4th thereof is deducted towards his personal expenses, the contribution of the deceased to the family comes to Rs.81,000/- per annum (Rs.1,08,000/- minus 1/4th of it). 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 (considered between 51 to 55 years) is 11. Hence, the loss of dependency comes to Rs.8,91,000/- (Rs.Rs.81,000 x 11). Thus, the appellants-claimants are entitled for Rs.8,91,000/- towards loss of dependency.

7. It is apt to refer to the recent decision of the Apex Court in National Insurance Co. Ltd., Vs. Pranay Sethi and others[2], wherein, it was held as follows:-

> "Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses should be Rs.15,000/-, Rs.40,000/- and Rs.15,000/- respectively. The aforesaid amounts should be enhanced at the rate of 10% in every three years."

Taking into consideration the aforementioned decision of the Apex Court, this Court is inclined to grant Rs.40,000/- to the 1st appellant/1st claimant (wife) towards loss of consortium, Rs.15,000/- to the appellants-claimants towards loss of estate and another Rs.15,000/- towards funeral expenses. Thus, the appellants-claimants are entitled for a total compensation of Rs.9,61,000/-

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

(Rupees nine lakhs sixty one thousand only) (Rs.8,91,000/- + Rs.40,000/- + Rs.15,000/- + Rs.15,000/-). The Tribunal awarded interest at the rate of 9% per annum on the amount granted as compensation from the date of petition till realisation. As per the settled legal position, the appellants-claimants are entitled for interest at the rate of 7.5% per annum only on the enhanced amount of compensation.

8. Accordingly, this appeal is allowed in part modifying the order, dated 03.05.2005, passed by the Tribunal, enhancing the compensation from Rs.6,40,000/- to Rs.9,61,000/- with interest at the rate of 7.5% per annum only on the enhanced amount of compensation from the date of petition till realisation. On deposit of the compensation, the appellants-claimants are permitted to withdraw the entire amount along with the accrued interest. The apportionment of compensation shall be as under:

1st appellant (wife)	:	Rs.2,70,250/- (including loss of consortium of Rs.40,000/-
2nd appellant (son)	:	Rs.2,30,250/-
3rd appellant (daughter)	:	Rs.2,30,250/-
4th appellant (daughter)	:	Rs.2,30,250/-
TOTAL	:	Rs.9,61,000/-

Miscellaneous Petitions pending, if any, shall stand closed. No order as to costs.

Dr. SHAMEEM AKTHER, J

14th June, 2018
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