IN THE HIGH COURT AT CALCUTTA

CIVIL APPELLATE JURISDICTION

APPELLATE SIDE

PRESENT: - THE HON'BLE JUSTICE PRASENJIT BISWAS

FMA 592 of 2019
With
CAN 2 of 2018

Sagar Barui
versus
The New India Assurance Company Limited & Anr.

For the Appellant/Claimant : Mr. Soujanya Bandopadhyay, Adv.

For the Insurance Company : Ms. Jaita Ghosh, Adv.

Delivered on : 27.02.2025 (dictated in open court)

Prasenjit Biswas, J.:-

1. Leave is granted to the learned advocate on record of the appellant to correct the name of the appellant in the cause title of the memo of appeal.
2. This appeal is directed against the impugned judgment and award passed by the learned 10th Bench, City Civil Court at Calcutta in connection with MACC No. 809 of 2006.
3. By passing the impugned judgment, learned Bench awarded compensation to the tune of Rs. 2,12,400/- against the respondent/Insurance Company and with a further direction to pay the same within a month from the date of receipt of the copy of the award, failing which the said awarded

compensation shall carry interest @ 8% per annum from the date of award till realisation.

4. It is submitted by the learned advocate at the behest of the appellant that the compensation award was deposited by the respondent/Insurance Company without interest accrued thereon. So, this appeal is preferred only to get the interest amount which was accrued on the awarded compensation amount.

5. It appears that the learned Tribunal awarded interest on the amount of compensation conditionally from the date of award till realisation. In the present appeal the challenge is restricted only to the aforesaid part of the order pertaining to the award of interest.

6. Learned advocate appearing on behalf of the respondent/Insurance Company concedes the said fact that only the awarded amount was deposited but the accrued interest on the compensation amount was not given to the appellant/claimant.

7. It is further assailed by the learned advocate appearing on behalf of the appellant that the award of interest over the amount of compensation is a statutory obligation casts upon the Tribunal under Section 171 of the Motor Vehicles Act and accordingly, the appellant/claimant is entitled to get the said awarded interest.

8. I deem it appropriate to reproduce herein below Section 171 of the Motor Vehicles Act, 1988 which provides for award of interest where the claim is allowed. Section 171 of the Motor Vehicles Act stipulates as thus:

> *"171. Award of interest where any claim is allowed. – Where any Claims Tribunal allows a claim for compensation made under this Act, such Tribunal may direct that in addition to the amount of compensation simple interest shall also be paid at such rate and from*

such date not earlier than the date of making the claim as it may specify in this behalf."

9. So, Section 171 of the Motor Vehicles Act empowers the Tribunal to direct that in addition to the amount of compensation, simple interest shall also be paid at such rate and from such date not earlier than the date of making the claim as may be specified in this behalf. Interest is compensation for forbearance or detention of money which ought to have been paid to the claimant. No rate of interest is stipulated/fixed under Section 171 of the Motor Vehicles Act and the duty has been restored upon the Tribunal to determine such rate of interest. Interest takes care to the period between the date of claim and the date of payment.
10. In the impugned judgment and award, the Tribunal awarded compensation to the tune of Rs. 2,12,400/- with direction that same should be paid within the time frame as indicated by the Tribunal, failing which the said award shall carry simple interest @ 8% per annum from the date of the award till realisation.
11. At the time of hearing, learned advocate on behalf of the respondent/Insurance Company submits that the rate of interest may be reduced from 8% to 6% on the awarded compensation.
12. It has already been observed in the foregoing paragraphs that the duty of the Tribunal to add interest on the amount of compensation and it must be simple and shall also be paid at such rate as it thinks fit and proper. So, I see no reason to reduce the rate of interest from 8% to 6% per annum on the total awarded compensation considering the facts and circumstances of the case.
13. At the outset, it has to be stated that the learned advocates appearing on behalf of the parties in the present appeal was ad idem on the usual practice being followed by the Tribunal of awarding interest on the amount

of compensation from the date of filing of the claim petition till realisation on the said amount.

14. No doubt, Section 171 of the Motor Vehicles Act uses the word “may”. However, it is more than an obligation casts upon the Tribunal to consider the question of payment of interest. There is no reason as to why a party which has not unduly delayed the proceedings should be denied interest from the date of filing of the claim petition.

15. In view of the above discussion, I have no hesitation in holding that the Tribunal while passing the judgment and award impugned in the present appeal has correctly awarded interest @ 8% per annum in default of making payment of compensation amount within a stipulated period as indicated in that impugned judgement and award. The Tribunal has not assigned any reason in not awarding the interest from the date of filing of the claim petition. It is not the case that hearing of the claim petition was prolonged at the instance of the claimant/appellant. Further, it does not appear that any inordinate delay had occurred in adjudication of the claim petition due to the claimant.

16. In the facts and circumstances there is no reason to deprive the claimant for getting interest on the awarded compensation from the date of filing of the claim petition. Accordingly, the appellant/claimant is entitled to the interest @ 8% per annum on the amount of compensation awarded to him from the date of filing of the claim petition till the date on which the principal amount of compensation realised.

17. Awards be modified accordingly.

18. Respondent no.1/Insurance Company is hereby directed to deposit the awarded interest as indicated above before the office of the learned Registrar General, High Court at Calcutta within a period of six weeks from this date.

If the said amount is deposited before the learned Registrar General, the same shall be disbursed in favour of the appellant after proper identification.

19. The appeal stands allowed in the aforesaid terms.

20. The connected application if any, is hereby disposed of accordingly.

21. All parties shall act on a server copy of the judgment and order uploaded from the official website of this High Court at Calcutta.

22. Urgent Photostat certified copy of the impugned judgment be given to the parties upon compliance of all legal formalities.

(Prasenjit Biswas, J.)