
(2004) 05 RAJ CK 0004

In the Rajasthan High Court

Case No : Civil Special Appeal No. 31 of 2003

Paramjeet Kaur and Others

APPELLANT

Vs

Rajasthan State Road Transport Corporation and Others

RESPONDENT

Date of Decision : 26-05-2004

Acts Referred:

Motor Vehicles Act, 1988 — Section 171

Citation : (2005) 2 CivCC 420 : (2005) 2 RCR(Civil) 532 : (2005) 2 RLW 803 : (2004) 4 WLC 702

Hon'ble Judges : S.K. Keshote, J;Khem Chand Sharma, J

Bench : Division Bench

Advocate : K.N. Tiwari, for the Appellant; Ashok Mehta and Virendra Agrawal, for the Respondent

Judgement

Khem Chand Sharma, J.—The short question involved in this special appeal which requires adjudication of this court is confined only to the extent whether the claimant appellants is entitled to get interest on the amount of enhanced compensation.

2. The show cause notice issued by this court on 7.4.2003 was also confined only to the question of grant of interest on the enhanced amount.

3. At the very out set, it may be stated that respondents No. 3 and 4 have not been served, while respondent No. 2 has been reported, to have passed away. However, respondents No. 1 and 5, namely the Rajasthan State Road Transport Corporation and New India Insurance Company Ltd. have been duly served and are represented through their counsel. The respondent No. 1 is the only contesting respondent and counsel for the parties have prayed that service on respondents No. 3 and 4 may be dispensed with. Accordingly service on respondents No. 2 to 4 is dispensed with.

4. With the consent of the parties, we have heard arguments for final disposal of this special appeal.

5. On 9.2.89, Jarnel Singh, husband of appellant Smt. Paramjeet Kaur lost his life in a road accident which occurred due to rash and negligent driving of Bus No. RNP 2208 by its driver, belonging to the Rajasthan State Road Transport Corporation. Smt. Paramjeet Kaur and others, the dependents of deceased Jarnel Singh filed a claim petition before the Motor Accident Claims Tribunal. The learned Tribunal vide its judgment dated 18.11.95 awarded a claim of Rs. 1,67,000/-. The appellants, feeling aggrieved by the aforesaid sum awarded by the Tribunal, filed an appeal before the learned Single Judge for enhancement of compensation. The learned Single Judge vide its judgment dated 29.11.2002, applying the multiplier of 17 enhanced the amount of compensation from Rs. 1,67,000/- to Rs. 2,04,000/-.

6. Learned counsel for the claimants appellants argued that the learned Single Judge has not assigned any reason for not awarding compensation on the enhanced amount of compensation. He argued that the claimants are entitled to get interest on the enhanced amount of compensation in terms of Section 171 of the Motor Vehicle Act, from the date of filing of claim petition. In support of his argument, learned counsel has relied upon a decision of this court dated 27.1.2004 in D.B. Civil Special Appeal No. 61/2001, a copy of which has been placed for perusal of this court.

7. It is true that the learned Single Judge has not assigned any reason for not awarding interest on the enhanced amount of compensation. Section 171 of the Motor Vehicle 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. In Special Appeal No. 6172001 relied upon by the counsel for the appellant, the learned Single Judge declined to grant interest. The Division Bench of this court while deciding the special appeal awarded interest at the rate of 9% from the date of claim petition.

8. Recently in United India Insurance Co. Ltd. Vs. Patricia Jean Mahajan and Others Etc. Etc., the Apex Court while dealing with similar question and relying upon the following observations in an earlier decision in Smt. Kaushnuma Begum and Others Vs. The New India Assurance Co. Ltd. and Others, held that the reason indicated in the case of Kaushnuma Begum is a valid reason and it may be noticed that the rate of interest is already on the decline. We, therefore, reduce the rate of interest at 9% in place of 12% as awarded by the High Court. Thus, evidently, the Apex Court is also of the view that the claimants should get interest on the enhanced amount of compensation atleast at the rate of 9% per annum from the date of claim petition:

Now we have to fix up the rate of interest. Section 171 of the MV 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. Earlier, 12% was found to be reasonable rate of simple interest. With a change in economy and

the policy of reserve Bank of India, the interest rate has been lowered. The nationalised Banks are now granting interest at the rate of 9% on fixed deposits for one year. We, therefore, direct that the compensation amount fixed hereinbefore shall bear interest at the rate of 9% per annum from the date of the claim made by the appellants."

9. In this view of the matter and relying upon the aforesaid decisions of the Apex Court and that of this Court, we hold that the claimants appellants shall also be entitled to get interest on the enhanced amount of compensation @ 9% per annum from the date of claim petition.

10. In the result this appeal is partly allowed. The judgment of the learned Single Judge is modified to the extent that the appellants claimants shall be entitled to get interest @ 9% per annum on the enhanced amount of compensation from the Rajasthan State Road Transport Corporation (respondent No. 1) from the date of filing of claim petition before the Claims Tribunal till the amount is realised.