



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

FIRST APPEAL (ST) NO. 23360 OF 2011
WITH
CIVIL APPLICATION NO. 3830 OF 2011
WITH
CIVIL APPLICATION NO. 3831 OF 2011

Digitally
signed by
SNEHA
JAYPRAKASH
BANG
Date:
2026.04.08
15:12:37
+0530

The Oriental Insurance Co. Ltd.)
Oriental House, Churchgate, Mumbai-20.)Appellant/Applicant
(Org. Opponent No.4)

Versus

1. Reetu Manohar Karamchandani)
Aged 49 years, Widow Of Deceased)
2. Samir Manohar Karamchandani)
Major son of the deceased)

Both residing at E-6, 605,)
Landmark Co-operative Housing)
Society, Poonam Nagar,)
Majakali Caves Road,)
Andheri (East), Mumbai-400093.)
3. Awale D. D.,)
M.I.D.C., P/6, Ambedkar Nagar,)
Road No.6, Andheri, Mumbai-400093))
[owner of MRS 6384 Truck])
4. Mehboob S. Patel,)
Khan Compound, R/3,)
Behind Tiwari Hospital, 90 Ft. Road,)
Sakinaka, Mumbai-400072.)
5. The United India Insurance Company))
Limited, Stadium House,)
Veer Nariman Road, Churchgate,)
Mumbai-400020.)Respondents
(Resp. 1 & 2 Org. Applnts.
Resp. 3 to 5 Org. Opps, 1 to 3)



Mr. Devendranath S. Joshi for Appellant/Applicant.

Mr. T. J. Mendon for Respondent No.1 and Respondent No.2.

CORAM : JITENDRA JAIN, J.
DATED : 07th APRIL 2026

JUDGMENT :

1. By a separate order, delay in filing the appeal is condoned.
2. Since narrow issue is involved, appeal is taken up for final hearing at the admission stage.
3. The appeal is filed by the insurance company challenging an order dated 8th January, 2010 passed by the Motor Accident Claims Tribunal, (MACT), Mumbai whereby interest on compensation awarded was granted from the date of application till the date of realization.
4. Learned counsel for the insurance company submits that the original application was filed in the year 1999 and for a period of almost 5 years, the original applicant did not remove the objections. He therefore submits that for this period of 5 years, the insurance company cannot be made liable to pay interest. He submits that if the applicant had removed the objection within a reasonable period, then the matter could have been decided earlier and the liability would not have been saddled on the insurance company insofar as interest is concerned. Even, after the order passed under Section 140 of the Motor Vehicles Act, 1988 (M.V. Act), the applicant removed the objections after one year and, therefore, the interest liability cannot be saddled for this period on the insurance company.



5. Learned counsel for the respondent states that the application was filed in the year 1999. In the year 2000, the insurance company appeared at the hearing of application under Section 140 of the M.V. Act and the insurance company filed written statement in the year 2002. An order under Section 140 of the M.V. Act came to be passed in 2003. He submits that, it is the practice in the MACT Court that the court fees are paid after the order is passed under Section 140 of the M.V. Act since most of the applicant cannot afford payment of the court fees. He submits that the Tribunal passed an order under Section 140 of the M.V. Act in 2003 and immediately thereafter the court fee was paid and the objection was removed. Learned counsel for the respondents, therefore, defended order of the MACT.

6. I have heard Mr. Joshi, learned counsel for the insurance company and Mr. Mendon, learned counsel for the respondents.

7. Section 171 of the M.V. Act provides that the Tribunal may direct payment of simple interest at such rate and such date not earlier than the date of making the claim. The said Section prohibits awarding interest for the period prior to the date of filing the application but it does not prohibits the grant of interest from the date of application. Any interpretation of Section 171 of the M.V. Act to mean that the period taken for removing the objection should not be considered for grant of interest would be reading something in Section 171 of the M.V. Act which is not permissible. On the contrary, when there is an express provision for not granting interest, prior to the date of application and in the absence of any express provision for not granting the interest during the period when the objection is not removed, the contention raised by the learned counsel that for the period when objection is not removed should be excluded for grant of interest



cannot be accepted.

8. It is also important to note that, most of the applications filed before the MACT are by the people who have low means of income. For making an application to the Tribunal for grant of compensation, court fees have to be paid. Unless court fees are paid, the application remains under objection. Therefore, immediately on filing the application, procedure under Section 140 of the M.V. Act for no fault liability is pursued by the applicant, so that the amount received under Section 140 of the M.V. Act can be utilized for payment of court fees. In this case the order under Section 140 of the M.V. Act was passed in 2003 (though such application was filed immediately) and within one year thereof the applicant had removed the objection. Therefore, no fault can be attributed to the applicant for the time taken by the Court for hearing of application under Section 140 of the M.V. Act. The period thereafter of about one year, looking at the fact that this is a Social Welfare Legislation and also the fact that during this period the amount, though awarded subsequently, remained with the insurance company who had utilized this money for their own business, cannot be brushed aside. Therefore, keeping these factors in mind, the period of one year after order under Section 140 of the M.V. Act can be considered as a reasonable period for removing the objections. Therefore, even on this count the contention raised by the insurance company cannot be accepted.

9. Assuming, the objections would have been removed by the applicant immediately on filing of the application, still it is an accepted fact that the MACT generally takes about 5 to 7 years, minimum, for deciding the application finally. Therefore, even if the objections were removed in 1999, the application could not have been heard for atleast a period of 5 to 6 years. Therefore, whether objections are removed or not removed is



inconsequential, insofar as the award of interest is concerned.

10. For all the above reasons, in my view, no infirmity can be found in the order of the Tribunal in awarding interest from the date of the application and, therefore, the appeal is required to be dismissed.

11. Statutory deposit of Rs. 25,000/- to be transferred to the MACT, Mumbai and the parties are at liberty to make an application for payment of the same. The decretal amount to be paid to the original claimant alongwith the interest till today.

12. Appeal is disposed of. Consequently, civil applications do not survive.

[**JITENDRA JAIN, J.**]