IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CR No.7274 of 2013
Date of decision:12.02.2015

State of Haryana
....Petitioner

Versus

National Insurance Company Ltd.
......Respondent

CORAM: HON'BLE MR.JUSTICE G.S.SANDHAWALIA

Present: Mr.Deepak Manchanda, Addl.A.G., Haryana, for the petitioner.

Mr.Harsh Aggarwal, Advocate, for the respondent.

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G.S.Sandhawalia J.(Oral)

Present revision petition is directed against the order dated 29.10.2013, passed by the Motor Accident Claims Tribunal, Kurukshetra (for short, the 'Tribunal'), wherein the claim of the State that it was not liable to pay the interest to the respondent-Insurance Company, which had satisfied the award, was rejected.

The facts show that a sum of ₹1,96,000/- was awarded as compensation for the death of a passenger in the bus owned by the State along with interest @ 12% per annum from the date of the petition, i.e., 12.09.1989 till its realisation along with costs, against the State of Haryana, the driver of the bus and the Insurance Company, jointly and severally. The Insurance Company preferred FAO No.1209 of 1991, wherein the stay was declined and on 04.10.1991, it was observed that the State Government would be liable to refund the amount to the Insurance Company in case of acceptance of the appeal. The said appeal has, now, been decided on 19.11.2012, by holding that the policy restricted the liability of the Insurance Company to a sum of ₹15,000/- with interest only and the amount in excess of the same is to be recovered by the claimants from the owner of the vehicle, namely, the State. The award was, accordingly, modified and the appeal was allowed to that extent, in favour of the Insurance Company.

It is not disputed that in view of the denial of stay on 04.10.1991, the Insurance Company, in pursuance of the execution carried out, deposited the due amount along with interest. In such circumstances, once the Insurance Company has indemnified the State, at that point of time and though the liability has, now, been held that of the State, over and above the sum of ₹15,000/- along with interest but the Insurance Company had parted with the said amount of compensation along with interest for all the period. Thus, it does not lie in the mouth of the State to submit that it is not liable to pay the interest element which the Insurance Company had already paid. In case the bus was not insured, the State would have been liable to pay the said amount, as directed by the Tribunal along with interest.

In such circumstances, the order passed by the Tribunal does not warrant any interference and the same is, accordingly, dismissed.

12.02.2015 (G.S.SANDHAWALIA)
sailesh JUDGE