**IN THE PUNJAB & HARYANA HIGH COURT AT CHANDIGARH**

**CR-3816-2015**
**Date of decision : 17.02.2016**

National Insurance Company Ltd.

... Petitioner

Versus

Babita and others

... Respondents

***CORAM: HON'BLE MRS. JUSTICE REKHA MITTAL***

Present: Mr. R. C. Kapoor, Advocate
for the petitioner.

Mr. S.P. Chahar, Advocate
for respondents No.1 to 4.

***REKHA MITTAL. J.***

The present petition has been directed against order dated 20.01.2015 passed by the Motor Accident Claims Tribunal, Jhajjar (in short 'the Tribunal') whereby the claimants / decree holders have been held entitled to interest @ 7.5% from 06.11.2007 to 13.05.2011 on an amount of ₹3,81,346/-, amounting to ₹1,00,580/-.

The precise question that arise for determination is whether the petitioner is liable to pay interest on the aforesaid amount despite deposit in the Court (the Tribunal) on 06.11.2007 but was disbursed in favour of the decree holders/ claimants on 13.05.2011.

Counsel for the petitioner has made twofold submissions to assail the impugned order. The first submission made by counsel is that the application filed by the Insurance Company for deposit of the amount was duly signed by Sh. R. S. Kadian, Advocate, representing the claimants throughout the proceedings starting from application for compensation to execution of the award passed by the Tribunal. As Sh.Kadian knew about deposit made by the Insurance Company on 06.11.2007, the decree holder cannot claim interest on the principal amount much less the amount of ₹3,81,346/- (principal plus interest) for their failure to file an appropriate application for release of the said amount. Another submission made by counsel is that the Tribunal has wrongly held the decree holders entitled to interest @ 7.5% on the entire amount of ₹3,81,346/- that included the amount of interest as well.

Counsel for the respondents has fairly conceded that interest @ 7.5% shall be payable only on the amount of principal i.e. ₹2,22,000/ and the impugned order may be modified to that extent. He has vehemently opposed contention of the petitioner that the Insurance Company is not liable to pay interest for the period w.e.f. 06.11.2007 to 13.05.2011 on the principal amount of ₹2,22,000/-. It is urged that an endorsement made by Sh. R.S.Kadian, Advocate, representing the decree holders during proceedings for grant of compensation can not be treated as a notice of deposit to the claimants / decree holders. It is further argued that when the Insurance Company deposited the amount on 06.11.2007, Sh.R.S. Kadian, Advocate was not counsel of the decree holders because at that time, no proceedings by the claimants were pending in the Court. The decree holders filed the first execution petition in February 2011, therefore, they have rightly been held entitled to interest for the period from 06.11.2007 to 13.05.2011, when the amount was disbursed in their favour.

I have heard counsel for the parties and perused the records.

The only issue that survives for consideration is whether the Insurance Company can escape its liability to pay interest in view of the first submission made by counsel for the petitioner. The answer appears to be in the negative.

Counsel for the petitioner is not in a position to point out if any proceedings were pending between the decree holders and the Insurance Company at the time when the deposit was made on 06.11.2007. Sh.R.S.Kadian, Advocate was not a counsel for the claimants at the time of deposit by the insurer, therefore, an endorsement on the application for deposit by Sh. R. S. Kadian can not be treated as a notice of deposit to the decree holders. As the decree holders did not receive an intimation with regard to deposit through any legal process, no fault can be found in the impugned order so far as holding the decree holders entitled to interest @ ₹2,22,000/- for the period from 06.11.2007 to 13.05.2011.

No other point has been raised.

In view of what has been discussed hereinabove, the petition stands disposed of with modification in the aforesaid terms.

**(REKHA MITTAL)**
**JUDGE**

**February 17, 2016.**
*Davinder Kumar*