BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 07.03.2024

CORAM:

THE HON'BLE MR.JUSTICE MUMMINENI SUDHEER KUMAR

C.R.P.(MD)No.498 of 2020
and C.M.P.(MD)No.3120 of 2020

The National Insurance Company Ltd.,
Sivakasi Branch, Sivakasi,
Rep. by Branch Manager ... Petitioner / Respondent / 2nd Respondent

Vs.

P.Daniel ... Respondent /Petitioner/Claimant

PRAYER : Petition filed under Article 227 of the Constitution of India, against the petition and order dated 13.11.2019 and made in E.P.No.47 of 2019 in M.C.O.P.No.240 of 2001 on the file of the Motor Accident Claims Tribunal (I Additional District Judge), Tuticorin.

For Petitioner	:	Mr.S.Srinivasa Raghavan
For Respondent	:	Mr.V.Shathurthi for Mr.S.Kadarkarai

ORDER

The petitioner herein is the Insurance Company. Aggrieved by the order dated 13.11.2019 passed in E.P.No.47 of 2019 in M.C.O.P.No.240 of 2001 on the file of the Motor Accident Claims Tribunal (I Additional District Judge), Tuticorin, the present Civil Revision Petition is filed.

2. The short issue that arises for consideration in this Civil Revision Petition is as to whether the statutory deposit of Rs.25,000/- deposited by the Insurance Company, while preferring an appeal against the order passed in M.C.O.P is required to be adjusted as against the principal amount of compensation awarded by the learned Tribunal or towards the interest. Further question that arises for consideration is that in case, if the statutory deposit of Rs.25,000/- made by the Insurance Company is kept in fixed deposit by the Motor Accident Claims Tribunal, what should happen to the interest accrued thereon and the said fixed deposit.

3.The brief and undisputed facts that are relevant for disposal of the present case are as under:

The respondent herein filed M.C.O.P.No.240 of 2001, claiming compensation as a result of motor accident. The said claim petition was allowed by the Motor Accident Claims Tribunal - learned I Additional District Judge, Tuticorin, by decree dated 02.02.2009, awarding an amount of Rs.1,00,000/- towards compensation together with interest at 9% per annum. Aggrieved by the said award, the petitioner herein filed C.M.A.(MD)No.921 of 2010, before this Court by duly depositing an amount of Rs.25,000/-, towards the statutory deposit to the credit of M.C.O.P., on 04.03.2009. According to the learned counsel on either side, the said amount was kept in fixed deposit by the Motor Accident Claims Tribunal - learned I Additional District Judge, Tuticorin. C.M.A.(MD)No.921 of 2010 filed by the petitioner herein before this Court came to be disposed of by an order dated 29.11.2017, modifying the order passed by the learned Tribunal by reducing the interest to 7.5% per anuum from 9% per annum. Pursuant to the said order passed by this Court, dated 29.11.2017, the petitioner Company deposit an amount of Rs.1,66,420/- before the learned

Tribunal on 22.11.2018, calculating the interest by deducting the statutory amount of Rs.25,000/-.

4. Having not satisfied with the said deposit, the respondent herein filed E.P. No.47 of 2019 and the learned Tribunal after having enquired into the matter, came to the conclusion that the petitioner has to deposit a further sum of Rs.24,740/- towards the balance amount payable by the petitioner herein. Aggrieved by the same, the petitioner herein approached this Court by filing the present Civil Revision Petition.

5. It is the contention of the learned counsel for the petitioner that the statutory deposit of Rs.25,000/- was deposited by the petitioner as early as on 04.03.2009 and the said amount was kept in deposit which earned certain amount of interest and the said accrued on Rs.25,000/-, was not adjusted by the learned Executing Court and only Rs.25,000/- was given credit to. According to him, the said Rs.25,000/- together with interest thereon is required to be adjusted against the principal amount due under the order of the learned Tribunal or

against the interest is the question that was examined by the learned Execution Court. But, the learned Execution Court adjusted the same towards interest and thereby, required the petitioner herein to deposit a further sum of Rs.24,740/-.

6. In order to clarify this aspect, this Court has examined the matter in detail with the assistance of learned counsel on either side.

7. Firstly, the question of statutory deposit being credited to the principle or against the interest does not arise as the same was deposited only towards statutory deposit and not towards satisfaction of the decree. It only at the time of judgment debtor / Insurance Company complying with the decree or at the time of execution of the decree by the Execution Court, the amount that is deposited to the statutory deposit towards the interest accrued thereon will be adjusted while recording satisfaction of the decree or at the time of discharging liability of the Insurance Company.

8. Once the decree is passed by the learned Tribunal and the same has become final on confirmation or as modified by this Court, the entire amount that is liable to be paid by the Insurance Company under decree is required to be calculated in terms of the decree that has become final and after arriving at a total sum due under the decree. The entire statutory deposit of Rs.25,000/- together with interest accured thereon shall be straightaway deducted from the total amount due under the decree and the balance amount is required to be deposited by the Insurance Company. If the said procedure is adopted, the question as to whether the statutory deposit is required to be adjusted to the principal or interest, does not arise.

9. In the instant case, as is evident from the calculation memo filed, the interest was calculated on the compensation amount, till the date of statutory deposit and the amount of statutory deposit of Rs.25,000/- was deducted taking into consideration the date of such deposit and thereafter, once again interest is calculated on the remaining amount of Rs.1,35,729/- which includes the

principal as well as the interest. If such procedure is adopted that would amount to charging interest on interest, which is not the intent of the decree. Therefore, the procedure adopted by the learned Executing Court while calculating the amount is totally erroneous.

10. Be that as it may, both the counsel appearing for the respective parties have agreed that the petitioner Insurance Company would pay the entire amount of Rs.24,740/- due under the order under revision to the credit of E.P.No. 47 of 2019 within a period of two weeks from today and the interest amount, which is accrued on the statutory deposit should be refunded to the Insurance Company.

11. In view of the above, this Civil Revision Petition is disposed of, directing the petitioner to deposit Rs.24,740/- within a period of two weeks from today and the Executing Court is directed to refund the amount of interest accured on statutory deposit to the petitioner Company. The respondent is permitted to withdraw the entire amount on deposit of Rs.24,740/- except the

interest amount accrued on statutory deposit. No costs. Consequently, connected Miscellaneous Petition is closed.

07.03.2024.

Neutral Citation: Yes / No
Index : Yes / No
Internet : Yes/No
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To

1.The Motor Accident Claims Tribunal
(I Additional District Judge),
Tuticorin.

2.The Section Officer,
V.R.Section,
Madurai Bench of Madras High Court,
Madurai.

MUMMINENI SUDHEER KUMAR, J.

LS

C.R.P.(MD)No.498 of 2020

07.03.2024.