
Chand Devi (Smt.) and Others Vs New India Assurance Co. Ltd. and Others

Civil Special Appeal No. 16 of 2005

Court: Rajasthan High Court (Jaipur Bench)

Date of Decision: Sept. 30, 2005

Citation: (2006) 1 ACC 462 : (2007) ACJ 503 : (2005) 4 RLW 2880 : (2006) 1 WLC 50

Hon'ble Judges: V.K. Bali, J; Raghvendra S. Chauhan, J

Bench: Division Bench

Advocate: Sweety Mishra, for P.S. Sirohi, for the Appellant; R.P. Vijay, for the Respondent

Final Decision: Allowed

Judgement

V.K. Bali, J.

The claimant-appellants have filed this appeal on a limited question. The Motor Accident Claims Tribunal by its orders dated

14.3.1995 determined compensation payable to the appellants to the tune of Rs. 1,80,000/- along with interest at the rate of 12% per annum from

21.7.1992 till its realisation. The Tribunal further held that interest at the rate of 15% will be payable if the amount of compensation was not paid

within two months. Aggrieved of the order aforesaid, respondent New India Assurance Co. Ltd. filed an appeal which was dismissed by the

learned Single Judge vide orders dated 20.8.2004. While, however, dismissing the appeal, claimant-appellants were held not entitled to interest

from 26.8.1996 when while admitting appeal of the respondent Insurance Co. learned Single Judge had stayed operation of the Award. Stay by

the learned Single Judge obviously continued upto the date when the learned Single Judge disposed of the matter. For the period from 26.8.1996

upto the date of decision i.e., 20.8.2004 learned Single Judge thus held the claimant appellants not entitled to any interest. On the counsel

contending before the learned Single Judge that an interim order of stay was granted in favour of the Insurance Co. on 26.8.96 and therefore, it

was not justified to impose interest on the Insurance Co. least for the period during which stay order was operating in his favour against the Award,

learned Single Judge observed as follows:

This part of the argument appears to be reasonable and hence it is ordered that the appellant-Insurance Co. although is liable to pay the amount

determined by the impugned award along with interest, it shall be under no obligation to pay interest for the period during which the stay order was

operating in its favour and hence this amount shall be deducted while calculating the amount of interest.

2. We have heard learned Counsel for the parties. We are of the firm view that all interim orders passed by a court sink or stand with the final

determination of the lis. Once the learned Single Judge has found no merit in the appeal preferred by the Insurance Co. either with regard to the

quantum of compensation or interest, interim arrangements made during the pendency of appeal could not possibly come to disadvantage of the

claimant- appellants. There could be no justification whatsoever so as not to pay interest from the date the Single Bench granted stay upto the date

of judgment when the appeal preferred by the Insurance Co. was dismissed. Respondent Insurance Co. cannot take advantage of the interim stay

granted to it on whatever plea it might have raised when ultimately its appeal was found to be devoid of any merit and was accordingly dismissed.

3. In view of the discussion made above, we set aside the directions given by the learned Single Judge in the impugned judgment dated 20.8.2004

that ""the Insurance Co. would be under no obligation to pay interest for the period stay order was operating in its favour and hence, the said

amount shall be deducted while calculating the amount of interest"". We rather hold and direct that the Insurance Co. shall pay interest for the

period mentioned above, as well.

4. The appeal is accordingly allowed. Parties are however left to bear their own costs.