(2005) 09 RAJ CK 0045

In the Rajasthan High Court

Case No : Civil Special Appeal No. 16 of 2005

Chand Devi (Smt.) and Others — APPELLANT

Vs

New India Assurance Co. Ltd. and Others — RESPONDENT

Date of Decision : 30-09-2005

Acts Referred:

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.

