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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **<u>MAC.APP. 669/2024</u>**

HDFC ERGO GENERAL INSURANCE CO LTD .....Appellant

Through: Mr. Sameer Nandwani & Mr. Satish Kumar Arora, Advs. (through VC)

versus

RAM NIWAS & ANR. .....Respondents

Through: Mr. S.N. Parashar, Mr. Palvinder Singh & Mr. S.W. Nomani, Advs. for R1

CORAM:
HON'BLE MR. JUSTICE AMIT MAHAJAN

<u>O R D E R</u>

% **10.03.2025**

<u>CM APPL. 74944/2024</u> ***<u>(for condonation of delay)</u>***

1. For the reasons mentioned in the application, the same is allowed.

2. The delay of 40 days in filing the appeal is condoned.

3. The application stands disposed of.

<u>MAC.APP. 669/2024 & CM APPL. 74943/2024</u> ***<u>(for ex-parte stay)</u>***

4. The present appeal is filed challenging the judgment dated 06.08.2024 (hereafter '**the impugned award**') passed by the learned Presiding Officer, Motor Accident Claims Tribunal, Tis Hazari Courts, Delhi in MACT No. 349/2021.

5. The appellant challenges the impugned award on the ground that the policy of the insured vehicle was only a third party insurance and the victim who was a pillion rider in the insured vehicle, was not entitled for any compensation.

6. Without prejudice to the above arguments, it is contended

that the victim, pursuant to the amendment to the Motor Vehicles Act, 1988 ('**MV Act**') on 01.09.2019, is entitled to a lump-sum amount of ₹5,00,000/- only under Section 164 of the MV Act. It is also the contention of the Insurance Company that no interest could have been awarded on the compensation under Section 164 of the MV Act.

7. Concededly, in any Insurance policy, first party is the person insured and the second party is the Insurance Company and, therefore, any other person apart from the insured and the Insurance Company would be a third party. The argument that the person travelling with the insured on the same vehicle as a pillion rider cannot be treated as a third party, is without any merit.

8. In the opinion of this Court, any person whether or not travelling along with the insured would be a "third party".

9. With regard to the ground that the victim is only entitled to a compensation of ₹5,00,000/- under Section 164 of the MV Act, the learned counsel for the respondent does not dispute the said aspect.

10. The impugned award is modified to that extent.

11. The contention that no interest is payable on the compensation amount since the same has not been provided under Section 164 of the MV Act is also meritless.

12. The Courts are given the power to award interest on any amount that is claimed by the claimants unless specifically barred by the statute. It is pertinent to note that the power of the Courts to award interest is derived from the Interest Act, 1978. Accordingly, in any proceedings in relation to the recovery of any debt or damages, the Court may, if it so deems fit, allow interest to be paid to the person so entitled to such debt or

damages at a rate not exceeding the current rate of interest.

13. Even otherwise, Section 171 of the MV Act provides that where the Tribunal allows the claim of compensation under the MV Act, it may direct, in addition to the amount of compensation, a simple interest from such date which shall not be earlier than the date of making of the claim.

14. Undisputedly, insurance claim becomes payable from the date of instituting the claim. The delay occurs since the party who is liable to pay, disputes the said claim. The claimant, in such circumstances, would be entitled for a reasonable interest from the date of institution of the claim.

15. In view of the above, I find no merit in the present appeal and the appeal is, therefore, dismissed.

AMIT MAHAJAN, J

MARCH 10, 2025
"SS"