

**HIGH COURT OF TRIPURA
AGARTALA
MFA(EC) 1 OF 2025**

TATA AIG, General Insurance Company Ltd.,
Having its office at 2nd Floor,
JP and Deci Jambukeswar Arcade,
No.69 Millers Road, Bangalore Karnataka,
Bangalore, Pin-560052

.....Appellant

VERSUS

1. Sri Ajit Kumar Reang,
Son of Late Baisakh Ray Reang.

2. Smti. Debirung Reang,
Wife of Sri Ajit Kumar Reang

Both are residents of Dankaraipara(Sikaribari)
PS- Ambassa, District-Dhalai Tripura.

Presently Residing at
Jagatpur PO- Abhoynagar,
P.S- East Agartala, District-West Tripura .

3) The Manager,
BBR(India) Private Limited,
Rear Side of Raj Bari Palace,
Palace Compound, Agartala,
District-West Tripura.

.....Respondents

For Appellant(s)	: Mr. P.K. Ghosh, Advocate. Mr. V. Deb, Advocate.
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For Respondent(s)	: Mr. Sovan Mahajan, Advocate. Mr. T. Ghosh, Advocate.
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Date of hearing and delivery of judgment and order	: 13.03.2026.
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Whether fit for reporting	: YES/NO.
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HON'BLE JUSTICE DR. T. AMARNATH GOUD

JUDGMENT & ORDER (ORAL)

1. This present appeal has been filed under Section 30 of the Employees' Compensation Act, 1923 challenging the Judgment and Award dated 18.10.2023 passed by the learned Commissioner, Employees' Compensation, West Tripura, Agartala in Case No. TS (EC) 02 of 2018.
2. The brief facts leading to the filing of the present appeal are that, on 09.11.2017, one Adharan Reang along with other labourers were engaged in construction work of a building in the MBB College area, Agartala, under the supervision and control of BBR (India) Pvt. Ltd., the employer. During the course of such employment, the said Adharan Reang allegedly slipped and fell on the ground, sustaining grievous injuries. He was immediately taken to AGMC & GBP Hospital, Agartala, where he succumbed to his injuries on 10.11.2017. In connection with the said incident, East Agartala P.S. U.D. Case No.54 of 2017 under Section 174 of Cr.P.C. was registered.
3. The respondent Nos.1 and 2, being the legal heirs of the deceased--Adharan Reang *alias* Bishal Reang, instituted a claim petition under Sections 2(n), 4, 4A and 22 of the Employees' Compensation Act, 1923 seeking compensation on account of the death of the said Adharan Reang.
4. Upon receiving notice, the appellant-Insurance Company appeared and contested the claim by filing written objection denying the allegations made by the claimant-respondents. The appellant contended *inter alia* that, no information regarding the alleged accident was provided to the Insurance Company, the accident and death of the deceased during the course of employment was denied, the claimant-respondents were not dependent upon the income of the deceased and the the Insurance Company was not liable to pay compensation.
5. After framing the issues and appreciation of the evidence on record, the learned Commissioner assessed the total compensation at Rs.9,05,900/- .The learned Commissioner further directed that the amount shall carry interest @12% per annum w.e.f. 09.12.2017, i.e., after expiry of one month from the date of

accident, until realization. The liability to pay the compensation was fastened upon the Insurance Company, since the employer had an insurance policy covering the employees during the relevant period.

6. Being aggrieved by the said judgment and award, the appellant-Insurance Company has preferred the present appeal seeking the following reliefs:-

- “ i) Admit the appeal,*
- ii) Call for the lower Court record.*
- iii) Issue notice upon the respondents.*

AND

iv) After hearing both sides, your Lordship may be pleased to set aside the impugned judgment dated 18-10-2023 passed by the Ld. Commissioner, Employees' Compensation, West Tripura, Agartala in Case No.TS(EC)02 of 2019.

AND

v) In the meantime may stay the further proceedings of the impugned judgment dated 18-10-2023 passed by the Ld. Commissioner, Employee' Compensation West Tripura, Agartala in Case No.TS(EC)02 of 2018.”

7. Heard Mr. P.K. Ghosh, learned counsel appearing for the appellant-Insurance Company and Mr. S. Mahajan, learned counsel and Mr. T. Ghosh, learned counsel appearing for the claimant respondents. Despite proper service of notice, none appears for employer respondent No.3.

8. Mr. P.K. Ghosh, learned counsel appearing for the appellant submits that the learned Commissioner erred in awarding interest @12% per annum on the awarded amount. It was contended that such rate of interest is not in accordance with law and that the provision regarding 12% interest applies only in case of penalty and not for compensation itself. On this ground, it was prayed that the rate of interest be reduced from 12% to 7.5% per annum following the uniform rate of interest as followed by this Court.

9. Per contra, learned counsel appearing for the respondents submitted that the award passed by the learned Commissioner is fully in accordance with law. In support of his contention, learned counsel placed reliance upon paragraphs 3 to 6 and 9 of the judgment of the Hon'ble Supreme Court passed in *Civil Appeal No.2586 of 2025 (arising out of SLP(C) No.1530 of 2022)* titled

Shanti & Ors. vs. National Insurance Company. The same is produced here-in-under:-

“3. It is the submission of the learned counsel for the appellants that there is a statutory mandate to award interest under Subsection 3(a) @ 12 % per annum and the discretion conferred on the Commissioner is only to the extent of granting a higher rate, which again should not exceed the lending rate specified for scheduled banks.

4. The learned Standing Counsel for the respondent-Insurance Company refutes the claim, on the contention that the insurer is not liable to indemnify the insured for the default committed by the insured. It is pointed out that in the present case the owner of the vehicle, was the father of the deceased and the contention was that the deceased was employed as a cleaner in the truck owned by the father. The mother and the other siblings were the claimants. There is a specific contention taken by the Insurance Company that there was no intimation about the accident, given to the Insurance Company. It is submitted that even if the liability is mulcted on the Insurance Company, they are entitled to recover the interest awarded, from the insured; since there is no question of indemnification of a default committed by the employer.

5. At the outset, we have to find that there is a mandate in so far as payment of 12% interest if there is a default committed in making the provisional payment. We cannot but notice that under Section 4A(3), the interest liability arises on default of the employer, in paying the admitted compensation due under the Act within one month from the date it fell due and if there is such default, necessarily interest shall run at the rate provided. That the interest runs from the date of the accident is declared by this Court in Pradeep Narain Singh Deo US. Srinivas Sabate and North East Karnataka Road Transport Corporation us. Sujatha².

6. That the interest statutorily provided is 12% comes out from the provision itself. The discretion is only in so far as awarding a higher rate of interest; exceeding the prescribed lending rates applicable to scheduled banks. The discretion is only in so far as applying a higher rate, ensuring that it does not exceed the lending rate prescribed for scheduled banks. Hence 12% simple interest per annum necessarily has to be applied. The legislative intent is very clear insofar as Sub-clause(b) of Section 4A(3) conferring a discretion on the Commissioner/Authority to impose a penalty not exceeding 50% of the amounts awarded while no such discretion is available under clause (a). In the instant case, the Commissioner has awarded only 40% penalty.

9. On the above reasoning, we find the claim of the appellants to be substantiated by the statutory provision. We modify the award insofar as the rate of interest @ 12% per annum from the date of accident.”

10. I have heard the learned counsel for the parties and carefully perused the records of the case. The primary grievance of the appellant in the present appeal relates to the rate of interest awarded by the learned Commissioner. Section 4-A(3)(a) of the Employees’ Compensation Act, 1923 clearly provides that where the employer defaults in paying the compensation due within one month from

the date it falls due, the Commissioner shall direct payment of simple interest at the rate of 12% per annum or such higher rate as may be notified. Thus, the provision itself prescribes the statutory rate of interest. In the present case, the learned Commissioner awarded interest @12% per annum, which is the statutory rate prescribed under the Act. In view of the above statutory provision, this Court does not find any illegality or infirmity in the award of interest @12% per annum granted by the learned Commissioner. The prayer of the appellant seeking reduction of the rate of interest from 12% to 7.5% therefore cannot be accepted.

11. It is settled that compensation under the Employees' Compensation Act becomes due on the date of the accident and if the same is not paid within one month thereof, the Commissioner is required under Section 4-A(3) of the Act to award simple interest at the rate of 12% per annum. However, it is also a fact that this Court has been granting rate of interest @ 7.5 % interest in a uniform manner and the counsel appearing for the appellant has prayed for reduction of the rate of interest from 12 % to 7.5 % but, at this juncture, while considering the Employees' Compensation Act, 1923, wherein, Section 4-A of the said 'Act' categorically states that a simple interest of 12 % or higher rate as fixed by the Scheduled Bank needs to be imposed and in the present case, the rate of interest fixed by the concerned authority under the statute is only 12 %, this Court is not inclined to reduce interest from 12 % to 7.5 % simple interest per annum as prayed by the learned counsel.

12. Accordingly, in terms of the award, the interest remains undisturbed. It is further submitted that the awarded amount has already been deposited and the same has been released in favour of the claimant and there is no further amount required to be deposited or received. Recording the said submission, the appeal stands dismissed.

13. With the above observation, the appeal stands disposed of. The judgment and award passed by the learned Commissioner, Employees' Compensation, West Tripura, Agartala in Case No. TS(EC) 02 of 2018 dated 18.10.2023 is hereby confirmed.

14. As a sequel, stay if any, stands dismissed. Pending application(s) if any also stands closed.

DR. T. AMARNATH GOUD, J

Suhanjit
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SUHANJIT SINGHA
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