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HIGH COURT OF CHHATTISGARH AT BILASPUR

MAC No. 1325 of 2022

1 - Oriental Insurance Company Limited Behind Amar Talkies, Balak Chowk, Dhamtari, Tahsil And Dist. Dhamtari (C.G.) At Present-Through Regional Manager, Pachpedi Naka, Raipur (C.G.) (Insurer)

... Appellant (s)

versus

- 1** - Veersingh (Dead) S/o Rambhau Dhruv Aged About 68 Years R/o-Village Kotadadar, Post Bhurkoni, Tahsil Pithora, Distt. Mahasamund (C.G.) (Claimants)
- 2** - Rathkunwar W/o Veersing Aged About 54 Years R/o-Village Kotadadar, Post Bhurkoni, Tahsil Pithora, Distt. Mahasamund (C.G.) (Claimants)
- 3** - M/s Sainath Construction Company Partner Manish Kumar Sahu S/o Ravishankar Sahu, Priyanka Colony, Kurud, Tahsil Kurud, Distt.-Dhamtari (C.G.) (N.A. No. 1)

... Respondent(s)

For Appellant (s)	:	Mr. Harshmander Rastogi, Advocate
For Respondent Nos. 1 & 2	:	Mr. Shikhar Shukla, Advocate
For Respondent No. 3	:	None

Hon’ble Shri Justice Sachin Singh Rajput

Judgment on Board

09/10/2026

This appeal is preferred under Section 30 of the Employees’ Compensation Act, 1923 (for short, the “Act of 1923”), challenging the legality, correctness and judicial propriety of the order dated 14.09.2022

passed by the Commissioner for Employees' Compensation, Labour Court, District Dhamtari (C.G.) (for short, the "Commissioner") in Case No. 06/W.C. Act/2019/Fatal. By the impugned order, the learned Commissioner, while allowing the application under Section 4 of the Act of 1923, awarded compensation of Rs. 8,48,940/- in favour of respondent Nos. 1 and 2/claimants.

2. As per the pleadings of the application, the deceased, namely Ganpat Kumar Dhruv, was employed with respondent No. 3 and died due to electrocution in an accident that occurred on 03.11.2017 during the course of his employment. The incident was reported to Police Station Madhavpara, whereupon a merg was registered under Section 174 of the Cr.P.C. The claimants filed an application seeking compensation of Rs. 8,48,940/-. The deceased was stated to be 27 years of age, earning Rs. 265/- per day, and working with respondent No. 3.

3. The respondent No. 3 filed a written statement admitting the accident but pleading that the negligence was attributable to the deceased. It was further pleaded that the expenses incurred for the treatment of the deceased were borne by respondent No. 3 and that an Ex-gratia amount of Rs. 25,000/- was also paid to the family members of the deceased. It has been further pleaded that the labourers were insured with the appellant/Insurance Company and, as there is no violation of the terms and conditions of the insurance policy, the liability to pay compensation rested with the Insurance Company.

4. The appellant/Insurance Company filed a written statement denying the averments made in the claim application, except the admitted facts, and pleaded that the incident was not reported to it and there is no violation of the terms and conditions of the insurance policy had been violated. Hence, the claim application was liable to be dismissed.

5. The learned Commissioner, upon considering the pleadings of the

respective parties, framed the following issues which are as under:-

Issue	Conclusion
Whether Ganpat Kumar Dhruv, son of Veersingh Dhruv, was employed by Non-applicant No. 1 and died in an accident arising out of and in the course of his employment?	proved
Whether the applicants are dependants of the deceased Ganpat Kumar Dhruv?	proved
Whether, on the date of the accident, the workers of respondent No. 1 were insured with respondent No. 2?	Proved
Whether the applicants are entitled to receive compensation from the non-applicants? If so, to what extent and from whom?	“Yes, ₹8,48,940/- with interest at 12% per annum from 24.04.2019 till realization, from respondent No. 2/Insurance Company.”
Relief and costs	As per the final paragraph (Clause 29) of the award.

6. The parties led evidence in support of their respective pleadings. On assessment of the evidence and material available on record, the learned Commissioner awarded the aforesaid compensation. Assailing the same, this appeal has been filed.
7. The appeal was admitted on 17.06.2026 on the following substantial question(s) of law:-
- 1) Whether the Labour Court erred in law in holding that the deceased was the employee of respondent No.3.

2) Whether the finding recorded by the Labour Court fastening liability upon the appellant/Insurance Company to pay interest on the amount of compensation is perverse and illegal.

8. Learned counsel for the appellant submits that the respondent Nos. 1 & 2/claimants have failed to establish the employer–employee relationship between the deceased and respondent No. 3, as no cogent and reliable evidence has been adduced to substantiate the same. Unless such relationship is established, the appellant–Insurance Company cannot be saddled with the liability to pay compensation. He further submits that the interest awarded on the compensation by the learned Commissioner cannot be fastened upon the Insurance Company. Accordingly, he prays that the substantial question of law be answered in favour of the appellant and the appeal be allowed.

9. Mr. Shikhar Shukla, learned counsel for respondent Nos. 1 and 2/claimants, supports the impugned award and submits that the claimants have duly established the employer–employee relationship between the deceased and respondent No. 3. He submits that the learned Commissioner framed Issue No. 1 in this regard and, upon appreciation of the evidence, decided the same in favour of the claimants. The finding regarding the employer–employee relationship is a finding of fact recorded by the learned Commissioner and does not warrant interference by this Court in the present appeal. He further submits that the insurance company is liable to pay interest on the awarded amount in view of the judgment of the Hon'ble Supreme Court in the case of **Ved Prakash Garg Vs. Premi Devi and others** reported in **(1997) 8 SCC (1)**.

10. Heard learned counsel for the parties and perused the record.

11. The appeal has been admitted on the aforesaid two substantial

questions of law, which this Court is required to answer.

12. The first substantial question of law pertains to the employer–employee relationship between the deceased and respondent No. 3. In this regard, the learned Commissioner framed Issue No. 1 and, upon appreciation of the evidence on record, decided the same in the affirmative. Further, respondent No. 3 categorically admitted in his evidence that the deceased was employed by him. The appellant/Insurance Company has not adduced any cogent evidence to rebut the said finding. The finding recorded by the learned Commissioner is based on proper appreciation of the evidence available on record. Therefore, this Court finds no reason to interfere with the same. Accordingly, the first substantial question of law is answered in the negative and against the appellant.

13. The next submission of Mr. Rastogi, learned counsel for the appellant/Insurance Company, pertains to its liability to pay interest on the compensation awarded. The said submission cannot be accepted in view of the law laid down by the Hon'ble Supreme Court in *Ved Prakash Garg v. Premi Devi* (supra), wherein it was held that insurance company will be liable to make good not only the principal amounts of compensation payable by insured employers but also interest thereon.

14. In view of the aforesaid legal position, the appellant/Insurance Company is liable to indemnify the insured employer in respect of the compensation awarded along with interest. Accordingly, the second substantial question of law is also answered against the appellant.

15. Consequently, the appeal fails and is hereby dismissed.

Sd/-
(Sachin Singh Rajput)
JUDGE