

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03.11.2016

CORAM

THE HONOURABLE MR.JUSTICE T.RAJA

C.M.A.Nos.35 & 128 of 2014

A.Ramanathan	..	Appellant in CMA No.35 of 2014
T.Palanivel	..	Appellant in CMA No.128 of 2014

-vs-

Mr.Gandhi
Proprietor AGT Traders
109-A, GST Road
Melavalampettai, Karunguli
Madhuranthagam Taluk
Kancheepuram District .. 1st Respondent in CMA No.35 of 2014
(R1 remained ex parte before the Forum)

T.S.Ravikumar .. 1st Respondent in CMA No.128 of 2014
(R1 remained ex parte before the Forum)

The Oriental Insurance Co.Ltd.,
Motor Third Party Accident Claim Cell
No.8, Esplanade, Chennai 600 108.. 2nd Respondent in CMA No.35 of 2014

ICICI Lombard General Insurance Ltd.,
No.140, Chotta Bhai Centre, 3rd Floor
T.P.Cell, Nungambakkam High Road
Chennai-34 .. 2nd Respondent in CMA No.128 of 2014

Memorandum of Grounds of Civil Miscellaneous Appeals under Section 30 of the Employees Compensation Act, 1923, against the final awards dated 12.01.2009 & 03.02.2010 made in E.C.Nos.001 of 2007 & 75 of 2008 respectively on the file of the Commissioner for Employees Compensation (Deputy Commissioner of Labour-II), Chennai.

For Appellants :: Mr.Terry Chella Raja for Mr.V.Velu

In both these appeals, a common question of law has arisen as to what is the actual date for accrual of interest on the compensation arrived at under the Employees Compensation Act, whether it falls due after thirty days from the date of accident or only after thirty days from the date of determination/adjudication of the compensation/claim?

3. The appellant in C.M.A.No.35 of 2014, Mr.A.Ramanathan, aged about 30 years, was engaged by the first respondent as Driver of the Swaraj Mazda lorry bearing Registration No.TN 21 Q 8852 and while he was on duty on 23.11.2006, the said vehicle met with an accident near Paramangani, Maduvangari ECR Road, as a result he sustained grievous multiple injuries and fractures all over his body. Therefore he filed the claim petition before the Deputy Commissioner of Labour-II, Chennai in E.C.No.001 of 2007 claiming a compensation of Rs.5,00,000/- on the ground that the accident occurred during the course of his employment. The Deputy Commissioner of Labour-II, Chennai passed an award on 12.1.2009

directing the second respondent Insurance company, being the insurer of the Swaraj Mazda lorry bearing Registration No.TN 21 Q 8852 owned by the first respondent, to deposit the compensation of Rs.2,15,352/- on his file within a period of thirty days from the date of receipt of a copy of the award, failing which the second respondent is liable to pay simple interest at the rate of 12% per annum on the compensation amount from the date of accident till the date of deposit.

4. The appellant in C.M.A.No.128 of 2014, Mr.T.Palanivel, aged about 22 years, was engaged by the first respondent as Driver of the lorry bearing Registration No.TN 05 T 4852 and while he was on duty on 12.12.2007, the said vehicle met with an accident near Madurantakam, Janakipuram, Kanchipuram District, as a result he sustained grievous multiple injuries and fractures all over his body. Therefore he filed the claim petition before the Deputy Commissioner of Labour-II, Chennai in E.C.No.75 of 2008 claiming a compensation of Rs.5,00,000/- on the ground that the accident occurred during the course of his employment. The Deputy Commissioner of Labour-II, Chennai passed an award on 3.2.2010 directing the second respondent Insurance company, being the insurer of the lorry bearing Registration No.TN 05 T 4852 owned by the first respondent, to deposit the compensation of Rs.2,39,080/- on his file within a period of thirty days from the date of receipt of a copy of the award, failing which the second respondent is liable to pay simple interest at the rate of 12% per annum on the compensation

amount from the date of accident till the date of deposit.

5. Be that as it may, my effort has become easier in view of the two decisions, one decided by the Apex Court in the case of **Pratap Narain Singh Deo v. Srinivas Sabata and another, (1976) 1 SCC 289** and another decided by the Hon'ble Division Bench of this Court in the case of **N.Ganesan v. Thilagavathi and others, 2010 (2) TN MAC 80 (DB)**. The Larger Bench of the Apex Court, way back in the year 1976, has held that the employer became liable to pay the compensation as soon as the personal injury was caused to the workman by the accident which admittedly arose out of and in the course of the employment. Following the aforesaid Larger Bench decision of the Apex Court in *Pratap Narain Singh Deo's case* (cited supra), a Hon'ble Division Bench of this Court in the case of **N.Ganesan v. Thilagavathi and others, 2010 (2) TN MAC 80**, has held as follows:-

"20. The Hon'ble Supreme Court of India in the decision reported in Pratap Narain Singh Deo's case , 1976 (1) SCC 829 (Four Judges Bench), has specifically formulated an issue and held that *"The employer therefore became liable to pay the compensation as soon as the aforesaid personal injury was caused to the workman by the accident which admittedly arose out of and in the course of the employment. It is therefore futile to contend that the compensation did not fall due until after the Commissioner's order dated 6.5.1969 under Section*

19.”

21. In *Ved Prakash Garg v. Premi Devi and others*, 1998 ACJ 1 (SC) (Two Judges Bench) the attention of the Hon’ble Supreme Court of India was not drawn to the Pratap Narain Singh Deo’s case. However, the Hon’ble Supreme Court of India on the facts of the said case, held that “*the Respondent-Insurance Company will be liable to pay the compensation with interest at 6% per annum thereon from the date of the accident till the date of payment to the claimants*”.

22. In a subsequent decision reported in 2000 ACJ page 5 (Three Judges Bench) (cited supra), the Hon’ble Supreme Court of India, has taken into consideration Pratap Narain Singh Deo’s case and also the Judgment of the Full Bench of the Kerala High Court reported in *United India Insurance Co. Ltd., v. Alavi* 1998 ACJ 1048, and approved the view taken by the Kerala High Court and held that “*the amount of compensation under Workmen’s Compensation Act is payable on the date of accident and not the amount of compensation payable on account of the amendment made in 1995, which is relevant*”.

23. It is pertinent to point out at this juncture that the attention of the Hon’ble Supreme Court of India was not drawn to Pratap Narain Singh Deo’s case and Kerala Electricity Board’s case (cited supra) while rendering its verdict in the decisions reported in *National Insurance Co.Ltd. v. Mubasir Ahmed and*

another, 2007 (1) TN MAC 214 : 2007 ACJ 845 and Kamala Chaturvedi v. National Insurance Co. & others, and in 2009 (1) TAC page 1. In the above said two decisions it has been held that *"unless adjudication is done, the question of compensation becoming due does not arise and therefore, it cannot be the date of accident and it has to be taken to be the date of adjudication of the claim"*.

24. It is a settled position of law and as held by the Hon'ble Supreme Court of India in decisions reported in Union of India v. K.S.Subramanian, 1977 (1) LLJ 5 (SC) and State of Uttar Pradesh v. Ram Chandra, 1977 (1) LLJ 200, that "the proper course for a High Court is to try to find out and follow the opinions expressed by Larger Benches of the Supreme Court in preference to those expressed by smaller Benches of the Court".

25. By applying the above ratio, we are of the considered opinion that the attention of the Hon'ble Supreme Court of India was not drawn to the Larger Bench decisions reported in Pratap Narain Singh Deo v. Srinivas Sabata and another, 1976 (1) SCC 289 and Kerala State Electricity Board v. Valsala K., 2000 ACJ 5 (SC) while deciding the cases reported in 2000 ACJ 845 and Kamala Chaturvedi v. National Insurance Co. and others, 2009 (1) TAC 1.

26. The learned Judge of this Court in the decision reported in Marimuthammal @ Marimuthu and another v. R.P.P.Construction (P) Ltd., Chennai

and others, 2007 (2) TN MAC 98 : 2007 (5) MLJ 1059 and A.Chairmen v. A.Thirumeni & another, 2008 (1) TN MAC 38, after taking into consideration the above cited Larger Bench decision of the Hon'ble Supreme Court of India, has correctly held that "*the interest on compensation is payable 30 days after the date of the accident in which workman sustained injuries resulting in death*".

27. In the result, the reference is answered as follows:-

i. The word "falls due" occurring under Section 4-A of the Workmen's Compensation Act, 1923 in the light of the ratio laid down in the Larger Bench decision of the Hon'ble Supreme Court of India reported in Pratap Narain Singh Deo v. Srinivas Sabata and another, 1976 (1) SCC 289 and Kerala State Electricity Board vs. Valsala.K, 2000 ACJ 5 (SC), means that interest for compensation amount would accrue 30 days after the date of the accident and not from the date of quantification/ orders passed by the Commissioner for Workmen-s Compensation.

(emphasis supplied)

ii. The decisions rendered by the Single Bench of this Court in the decisions reported in Marimuthammal @ Marimuthu and Another v. R.P.P.Construction (P) Ltd., Chennai and others, 2007 (2) TN MAC 98 : 2007 (5) MLJ 1059; A.Chairmen v. A.Thirumeni & another,

2008 (1) TN MAC page 38 had laid down the correct proposition in consonance with the ratio laid down by the Larger Bench of the Hon'ble Supreme Court of India in the above cited decisions."

6. In the light of the well settled legal position, it is made clear that the interest on the compensation amount would accrue thirty days after the date of accident and not from the date of quantification/orders passed by the Commissioner for Employees Compensation. In fact, while considering a similar issue in C.M.A.No.2733 of 2015 dated 30.11.2015 (Ravichandran v. Sadiq Hussain and others), I have also held that the interest at the rate of 12% per annum on the compensation shall accrue after thirty days from the date of accident until the date of deposit.

7. Coming to the cases on hand, Mr.A.Ramanathan, the appellant in C.M.A.No.35 of 2014, had sustained injuries during the course of employment on 23.11.2006 and the award came to be passed on 12.1.2009 in E.C.No.001 of 2007. Learned counsel for the second respondent has submitted that after receipt of the copy of the award on 2.2.2009, the compensation of Rs.2,15,352/- was deposited before the Deputy Commissioner of Labour-II, Chennai on 21.2.2009. So far as Mr.T.Palanivel, the appellant in C.M.A.No.128 of 2014, is concerned, he sustained the injuries during the course of employment on 12.12.2007 and the award came to be passed on 3.2.2010 in E.C.No.75 of 2008. Learned counsel for the second

respondent has submitted that the compensation of Rs.2,39,080/- was deposited on 6.5.2010 before the Deputy Commissioner of Labour-II, Chennai.

8. In the light of the above settled legal position, this Court hereby directs the second respondent Insurance company in each case to deposit the interest at the rate of 12% per annum on the compensation awarded to the appellant/claimant after thirty days from the date of accident till the date of deposit i.e., from 23.12.2006 in the case of Mr.A.Ramanathan, the appellant in C.M.A.No.35 of 2014 and from 12.1.2008 in the case of Mr.T.Palanivel, the appellant in C.M.A.No.128 of 2014, to the credit of the E.C.Nos.001 of 2007 & 75 of 2008 respectively on the file of the Deputy Commissioner of Labour-II, Chennai within a period of four weeks from the date of receipt of a copy of this order. On such deposit being made, it is open to the appellant/claimant in each case to withdraw the entire amount with accrued interest by moving appropriate application before the lower authority. With the above modification, the civil miscellaneous appeals are disposed of accordingly. No costs.

Index : yes

03.11.2016

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To

1. The Deputy Commissioner of Labour-II
Commissioner for Employees Compensation
Chennai

T.RAJA, J.

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C.M.A.Nos.35 & 128 of 2014

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