

HONOURABLE Dr. JUSTICE B.SIVA SANKARA RAO

C.M.A. No.1278 of 2004

JUDGMENT:

The applicant, filed W.C. No.131 of 2002 for compensation of Rs.3,00,000/- against respondent No.1—owner of the lorry bearing No.AP 7U 6219 and respondent No.2—insurer before the Tribunal i.e., Commissioner for Workmen's Compensation & Assistant Commissioner of Labour-I, Guntur, but on contest, the Tribunal awarded a compensation of Rs.1,08,485/- with no interest, vide order dated 02.12.2003, not by any specific order of refusal. Impugning the legality and correctness of the quantum of compensation and non-granting of interest, the applicant maintained this appeal.

2) Heard learned counsel for appellant/ claimant, who reiterated the contentions in the grounds of appeal in support of the appeal to award interest and to grant compensation as prayed for. Whereas it is the contention of the learned standing counsel for respondent No.2—insurer to the appeal that the so-called disability is only 15% permanent disability that too from the pelvic fractures, which may cause urinary infection often, the compensation awarded by the Tribunal taking 40% of loss of earning capacity in arriving the amount is, but for no cross objections, highly excessive and requires to be reduced, hence to dismiss the appeal, thereby not even to grant any interest on it.

3) Heard learned counsel for appellant and learned standing counsel for 2nd respondent. Perused the material on record.

4) The evidence on record shows that the appellant suffered only 15% permanent disability that is not even permanent disability in strict sense as mentioned as permanent partial disability. Once such is the case, the compensation arrived no way requires interference much less to enhance but for no cross objections to reduce.

5) However, coming to the rate of interest to be awarded even

Section 4-A of Workmen Compensation Act, amended by Act 8 of 1959 to the W.C Act, 1923 and with further amendment to sub-Section 3 by amended Act 30/1995 says the Commissioner shall, while awarding compensation, pay simple interest. Thus, the refusal to award interest is no way sustainable that too without even assigning any reasons in that regard. The claimant is entitled to interest at 7.5% per annum, which is reasonable from catena of expressions by considering the prevailing market rate and bank lending rate of interest.

6) Accordingly and in the result, the appeal is partly allowed, while confirming the compensation awarded by the Tribunal, awarding rate of interest at 7.5% per annum from the date of claim petition i.e., 01.08.2002 till date of deposit made pursuant to the award of the Tribunal. The 2nd respondent—insurer is directed to deposit the interest, within one month, failing which the claimant can execute and recover. No order as to costs.

7) Miscellaneous petitions, if any pending in this Appeal shall stand closed.

Dr. B. SIVA SANKARA RAO, J

Dt.24.06.2016
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