

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED 01.03.2017

CORAM

THE HON'BLE Dr.JUSTICE S.VIMALA

C.M.A.No.1271 of 2016

1) Chandra

2) Minor Diwakar

3) Minor Narmadha

Minor petitioners 2 & 3 are represented by their mother Chandra as a natural guardian and nextfriend

4) Poongavanam

.... Appellants

Vs

1.M. Rajendran

2.M/s.National Insurance Co. Ltd,

Motor Third Party Cell,

No.751, Annasalai, 3rd Floor,

Chennai 600 002.

.... Respondents

Civil Miscellaneous Appeal preferred under Section 30 of the Workmen's Compensation Act against the Award dated 08.02.2016 made in W.C.No.242 of 2014 on the file of the Deputy Commissioner of Labour-II, Chennai.

For Appellant : Ms.M.Malar
For Respondents : No appearance

J U D G M E N T

The appellant Chandra claiming that her husband Kannaiyan was an employee under the 1st respondent, died in an accident, in the course of employment, filed the claim petition No.242 of 2014 under Section 10[1] of the Employee's Compensation Act, 1923, before the Deputy Commissioner of Labour-II Chennai.

2.The Commissioner awarded a sum of Rs.6,82,760/- as compensation to the applicant with a direction to the 2nd respondent/Insurance Company to deposit/pay that amount within a period of 30 days from the date of receipt of a copy of the order, [date of order being 08.02.2016] failing which, to pay interest at the rate of 12% p.a. after the expiry of 30 days from the date of accident, i.e., after the expiry of 30 days from 26.04.2014 till the date of deposit.

3.From which date, the interest falls due, i.e., on the quantum of compensation payable, which is the relevant date for commencement of payment of interest i.e., whether it is from the date of accident or it is the date on which there was determination/adjudication on the quantum of compensation payable, or it is after the expiry of 30 days from the date of accident, is the issue raised in this appeal.

4.The legality of the order permitting the respondents to pay the award amount without interest and to pay interest only in case of default, i.e., to pay the award amount within a period of 30 days from the date of receipt of a copy of the order, [date of order being 08.02.2016] failing which, to pay interest at the rate of 12% p.a. after the expiry of 30 days from the date of accident, i.e., after the expiry of 30 days from 26.04.2014, is under challenge in this appeal.

5.The issue in the present case is whether the workman is entitled to interest on the expiry of 30 days from date of accident or as ordered by the Tribunal, i.e., on expiry of 30 days from the date of receipt of the order by the respondents.

6.While considering similar issue in the case of M.Rajamanickam Vs G.Shivasankar and Another [C.M.A.No.166 of 2014], this Court held as follows:

"15.The decision of the Hon'ble Supreme Court in Pratap Narain Singh Deo. Vs. Shrinivas Sabata and Anr. [AIR 1976 SC 222], which has been delivered by the four Judge bench of the Hon'ble Supreme Court, has not been overruled so far. Thus, the legal position is clear that the liability to pay compensation arises on the date of accident and when it is not paid within the statutory period of 30 days, then the liability to pay interest commences, after the expiry of 30 days from the date of accident.

16.Permitting the employer to pay interest only after adjudication of the claim would pre-empt the employer to avoid/delay the payment, which would include the payment of provisional interest. The liability to pay interest at the earliest point of time would make the employer prompt enough to settle the claim for compensation, in order to avoid unnecessary payment of interest."

(Emphasis supplied)

7.Therefore, it is clear from the said order that the workman is entitled to interest after the expiry of 30 days from the date of the accident.

8.Following the decision referred supra, this Court is inclined to allow this appeal. In the result, the appeal is allowed, directing grant of interest on the amount of compensation ordered from the date of expiry of 30 days from the date of accident. Substantial question of law is answered in the above terms.

Sd/-
Assistant Registrar(CS-vii)

//True Copy//

Sub Assistant Registrar

gya/GLN
To

1.The Deputy Commissioner of Labour-II,
Chennai.

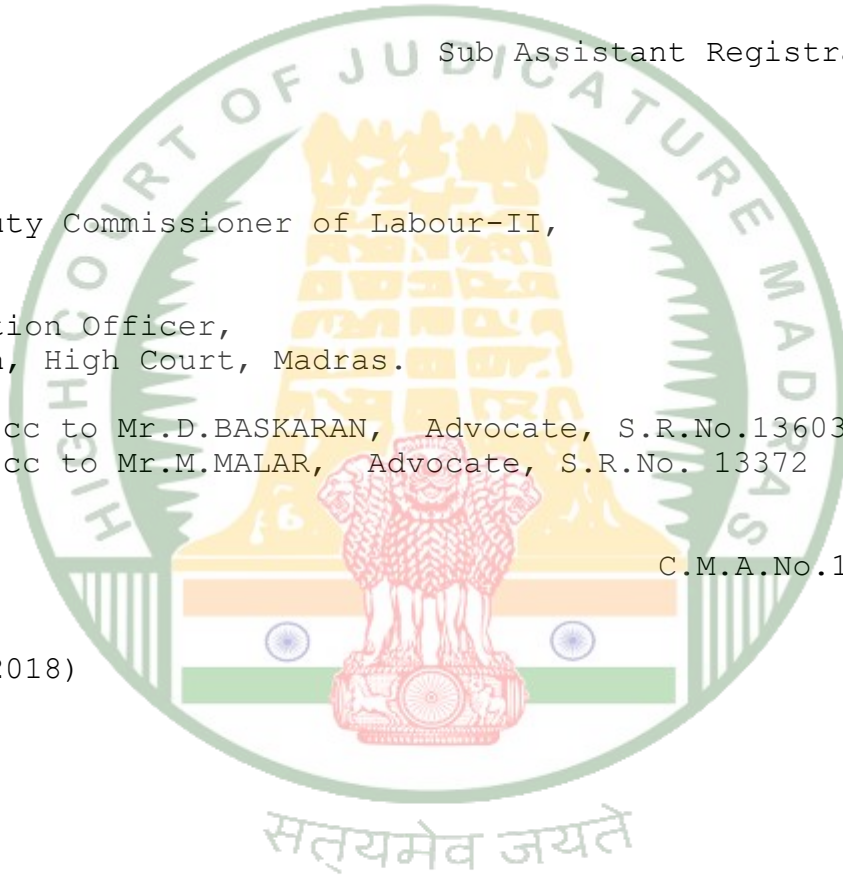
2.The Section Officer,
VR Section, High Court, Madras.

+lcc to Mr.D.BASKARAN, Advocate, S.R.No.13603

+lcc to Mr.M.MALAR, Advocate, S.R.No. 13372

C.M.A.No.1271 of 2016

MG(CO)
TR(15/03/2018)



WEB COPY