

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED 01.03.2017

CORAM

THE HON'BLE Dr.JUSTICE S.VIMALA

C.M.A.No.3489 of 2014

Arumugam

... Appellant/Petitioner

Vs

1.N.Jothy

2.United India Insurance Company Limited,
No.134, Chivilingi Building, IV Floor,
Greens Road, 4th floor,
Chennai 600 006.

... Respondents/Respondents

Civil Miscellaneous Appeal preferred under Section 30 of the Workmen's Compensation Act, 1923 against the Award dated 18.08.2014 made in W.C.No.24 of 2007 on the file of the Deputy Commissioner of Labour-I, Chennai.

For Appellant : Ms.M.Malar

For Respondents : Mr.Srinivasan Ramalingam for R2

J U D G M E N T

The appellant/applicant Arumugam claiming that he was an employee under the 1st respondent and suffered injuries in the course of employment, filed the claim petition No.24 of 2007 under Section 10[1] of the Employee's Compensation Act, 1923, before the Deputy Commissioner of Labour-I, Chennai.

2.The Commissioner awarded a sum of Rs.93,675/- 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 18.08.2014] 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 09.09.2006 till the date of deposit.

3.From which date, the interest falls due, i.e., on the quantum of compensation payable, i.e., 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, 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 18.08.2014] 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 09.09.2006, 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 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

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To

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

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

+1cc to Ms.M.Malar, Advocate, S.R.No.13373

+1cc to Mr.Srinivasan Ramalingam, Advocate, S.R.No.13235

C.M.A.No.3489 of 2014

GP(CO)

RRK(26/03/2018)



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