

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 25.10.2017

CORAM:

THE HONOURABLE MR.JUSTICE M.GOVINDARAJ

C.M.A.No.1421 of 2013

1. M.Thanga Ponnammal
2. M.Shoban Babu (Minor)
3. Madhavi (Minor)
Rep. by mother of the 1st appellant
4. Pechiammal
5. S.Solaiappan ... Appellants/Petitioners

Vs.

1. S.Kasthuri
2. Oriental Insurance Co.Ltd.,
Motor Third Party Cell,
Oriental House - 2nd Floor,
No.115, Broadway Road,
Chennai - 600 108. ... Respondents/Respondents

PRAYER: Civil Miscellaneous Appeal filed under Order 30 of the Workmen's Compensation Act, 1923, to set aside the order dated 14.08.2012 in W.C.No.154 of 2011 on the file of the Deputy Commissioner for Labour -II (Commissioner for Workmen's Compensation - II), Chennai - 600 006 and pass an award for a sum of Rs.9,96,165/- against the respondents payable by the second respondent with interest at the rate of 12% p.a. from the date of accident.

For Appellants : Mr.A.Shanmugaraj
For Respondent 2 : Mr.N.Sampath

J U D G M E N T

Aggrieved by the award of the Deputy Commissioner for Labour -II (Commissioner for Workmen's Compensation - II) appellants / claimants have preferred the above appeal. The grievance of the appellants / claimants is that the Commissioner for Workmen's Compensation ought to have awarded interest on the award amount after a period of 30 days from the date of accident as per Section 4-A of Employee's Compensation Act, 1923 and not from the date of order passed by him.

2. The issue involved in this appeal is settled by a decision of the Larger Bench of the Hon'ble Supreme Court in PRATAP NARAIN SINGH DEO VS. SHRINIVAS SABATA AND ANOTHER [1976 A.C.J.141] wherein, the Hon'ble Supreme Court has held that if the word "falls due" as specified under Section 4-A of the Employee's Compensation Act, 1923, denotes the date of accident and not the date of order passed by the authority, the claimant is entitled for interest after 30 days from the date of accident.

3. A Division Bench of this Court in N.GANESAN VS. THILAGAVATHI AND ANOTHER [2010 (2) TN MAC 80 (DB)] has also followed the above-mentioned judgment and has held as follows:

"27. (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 v. 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."

4. The principle is well settled by the Hon'ble Supreme Court and the authority should have ordered interest from the date the amount falls due (i.e) 30 days after the accident. But, in the impugned order, the authority has awarded interest, in default of deposit of award amount within a period of 30 days from the date of order. The impugned order is contrary to the statute and the judgment of the Supreme Court and High Courts. It literally deprives the claimants of the accrued interest provided in the statute. If the amount is deposited in time prescribed there will not be interest at all. The spirit of the beneficial legislation in a social welfare state will be defeated by such an order.

5. Since, the issue is well settled by the Hon'ble Supreme Court, the impugned order dated 14.08.2012 in W.C.No.154 of 2011 passed by the Deputy Commissioner for Labour - II (Commissioner for Workmen's Compensation - II), Chennai, is set aside insofar as the award of interest alone. The second respondent is directed to deposit the interest portion from the date of accrual as per Section 4-A of the Act at 12% per annum within a period of four weeks from the date of receipt of a copy of this order.

6. With the above direction, this Civil Miscellaneous Appeal is allowed. No costs.

Assistant Registrar
Dt.24.1.18

/True Copy/

Sub Assistant Registrar

To

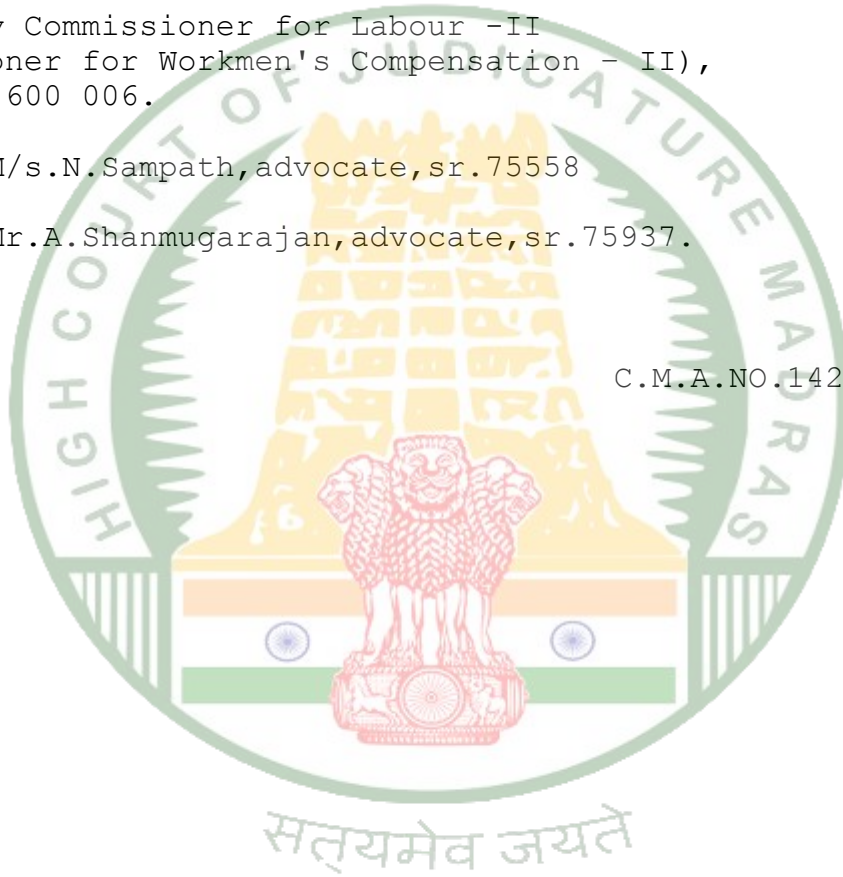
The Deputy Commissioner for Labour -II
(Commissioner for Workmen's Compensation - II),
Chennai - 600 006.

+1 cc to M/s.N.Sampath, advocate, sr.75558

+1 cc to Mr.A.Shanmugarajan, advocate, sr.75937.

Gp(co)
krd 7/2

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