

IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED:20.10.2017
CORAM:

THE HONOURABLE MR.JUSTICE M.GOVINDARAJ

C.M.A.No.1614 of 2006

M. Kabali ... Appellant

Vs.

1. Vijayakumar

2. United India Insurance Co.Ltd,
No.38, Anna Salai,
Chennai 600 002. ... Respondents

Prayer : Civil Miscellaneous Appeal filed under Order 30 of the Workmen's Compensation Act, 1923, to set aside the order dated 07.04.2004 in W.C.No.199 of 2003 on the file of the Deputy Commissioner for Labour-II (Commissioner for Women's Compensation-II), Chennai-600 006 and pass an award for a sum of Rs.2,11,152/- against the respondents payable by the second respondent with interest at the rate of 12% p.a from the date of accident.

For Appellant : Mr. A.Shanmugaraj
For R2 : Mr. C.Paranthaman

J U D G M E N T

Aggrieved by the award of the Deputy Commissioner of Labour - II (Commissioner for Workmen's Compensation - II), appellant/claimant has preferred the above appeal. The grievance of the appellant/claimant is that the Commissioner for Workmen 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 reported in 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 reported in 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 07.04.2004 passed by the Deputy Commissioner of Labour - II (Commissioner for Workmen's Compensation - II) 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.

Sd/-
Assistant Registrar(CS IX)

//True Copy//

Sub Assistant Registrar

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To

1. The Deputy Commissioner of Labour - II
(Commissioner for Workmen's Compensation - II)
Chennai-6.

2. United India Insurance Co.Ltd,
No.38, Anna Salai,
Chennai 600 002.

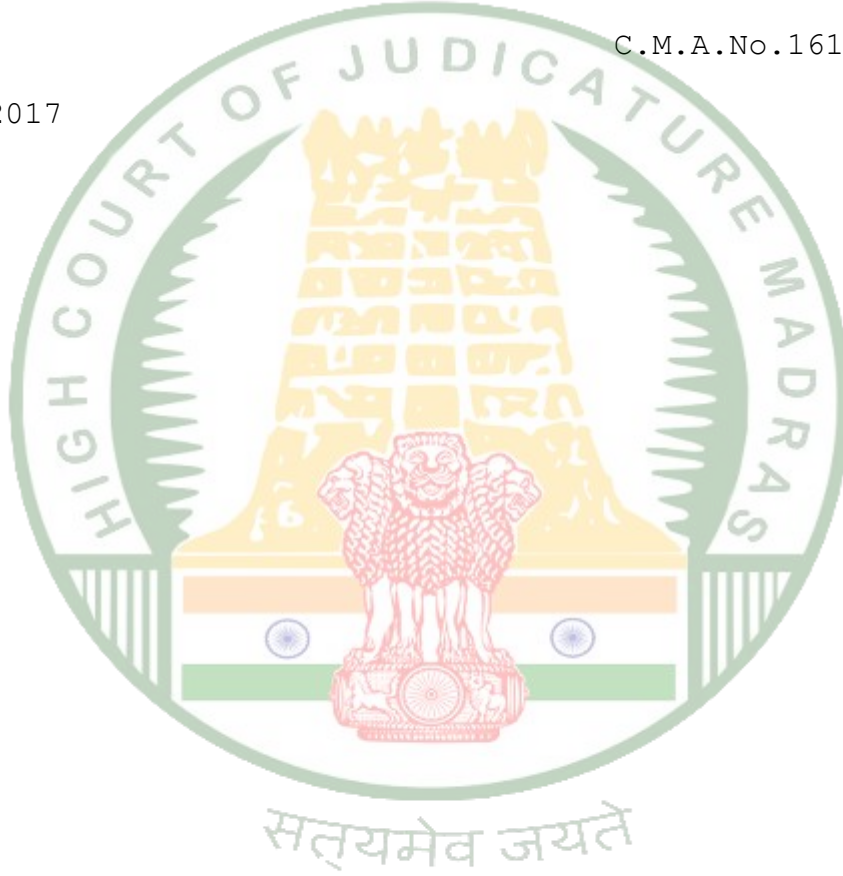
+lcc to Mr.C.Paranthaman, Advocate Sr.No.74393

+lcc to Mr.A.Shamugaraj, Advocate Sr.No.74528

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PPA(CO)

sm:27.12.2017



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