

NAFR

HIGH COURT of CHHATTISGARH, BILASPUR**MAC No. 1156 of 2012**

Smt. Ghasnin Bai W/o Late Devi Singh Bariha Aged About 49 Years,
R/o village Kaudiya, Thana and Tahsil Pithoura, Distt. Mahasamund
C.G.

---- Appellant**Versus**

1. Executive Engineer (Sanchar & non Sudhar) Regional Office, Chhattisgarh State Electricity Board, Mahasamund, Distt. Mahasamund C.G. At Present Chhattisgarh State Electricity Distribution Company, Chhattisgarh.
2. Junior Engineer Chhattisgarh State Electricity Board, Sankra, Tahsil Pithoura, Distt. Mahasamund C.G. At Present Chhattisgarh State Electricity Distribution Company.
3. Manager Bajaj Allayans Gen. Insurance Company Ltd. Shivmohan Bhawan, Vidhan Sabha Road, Pandari, Thana and Tahsil Raipur, Distt. Raipur C.G.

---- Respondents

For Appellant	:	Shri Sanjay Pathak, Advocate.
For respondent No.1	:	Shri NK Vyas, Advocate.

SB: Hon'ble Shri Justice P. Sam Koshy**Judgment on Board****27.02.2018.**

1. The present appeal under Section 30 of the Employees Compensation Act, 1923 (in short, the Act, 1923) has been filed against the award dated 01.08.2012 passed by the Commissioner for Workmen Compensation, Labour Court No.2, Raipur, in case No.60/2011/WC Act/Fatal. Vide the said impugned award, the Commissioner has awarded a compensation of Rs.2,85,360/-.
2. According to counsel for the appellant, the compensation awarded is on the lower side. The same ought to have been much more than what has been awarded by the Tribunal. According to him, since the

insurance company had covered the risk for Rs.4,00,000/- per persons, the claimant ought to have been awarded maximum of Rs.4,00,000/- as per the policy issued by the respondent No.3.

3. The said contention of the appellant would not be acceptable for the reason that since the claim application was filed under the provisions of the Act, 1923, the calculation has to be made as enumerated in Section 4 of the Act, 1923. In the instant case, a perusal of records would show that the Commissioner has infact quantified the compensation purely in accordance with Section 4 of the Act, 1923, where the maximum salary of an employee prescribed is Rs.4000/- and the relevant factor in pursuance to his age is 140.68. Thus, this court does not find any scope of interference in so far as principal amount of compensation is concerned.
4. However, as regards the payment of interest is concerned, this court is of the opinion that the payment of interest part has been envisaged under Section 4-A of the Act, 1923. Sub-section of 3 of Section 4-A of the Act, 1923, specifically deals with the said issue of granting interest. For ready reference, it would be relevant to refer sub section 3 of Section 4-A of the Act, 1923, which reads as under:

“Where any employer is in default in paying the compensation due under this Act within one month from the date it fell due, the Commissioner shall,
 a). direct that the employer shall, in addition to the amount of the arrears, pay simple interest thereon at the rate of twelve percent per annum or at such higher rate not exceeding the maximum of the lending rates of any scheduled bank as may be specified by the Central Government, by notification in the Official Gazette, on the amount due;

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5. The said statutory provision clearly envisages that in the event of their being default of payment of compensation due, under the Act, within one month from the date it fell due, the amount shall automatically carry interest @ 12 percent per annum. Once when the statute clearly envisages that the principle amount would carry interest, there is no reason why the Commissioner should not award interest on the said principal amount.
6. In the instant case indisputably the accident occurred on 02.11.2005 and the deceased died on 10.04.2006. That, immediately after the accident nor after the matter was brought to the notice of the employer the compensation was paid by the insurance company or by the other respondents. Under the circumstances, the claimant shall be entitled for interest on the awarded amount in accordance with Section 4-A (3) of the Act, 1923.
7. The Workmen's Compensation Act is a social security legislation. The object of enactment of the said Act was to provide speedy, cheaper and efficient mechanism in determining the payment of compensation due to an injured or family members of a deceased. This being the reason, sub-section 4-A was required to be enacted by amendment made in the year 1959, expecting that the compensation under Section 4 shall be paid as soon as it falls due.
8. In view of the aforesaid, this court is of the opinion that the claimant in the instant case shall also be entitled for interest on the said awarded amount from the date of accident till the actual payment is made and in view of sub-section 3 of Section 4-A of the Act, 1923,

this court quantifies the interest @ 12 percent as stated in the Act from the date of accident.

9. Accordingly, the appeal stands allowed and disposed of.

10. It is made clear that the liability of payment of interest part also shall be upon the insurance company as has been held by the Commissioner.

Sd/-
(P. Sam Koshy)
Judge

inder