IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO No. 2992 of 2018(O&M)
Date of decision: 22.10.2018

United India Insurance Co. Ltd. …..Appellant

VERSUS

Satinder Pal Singh and others .....Respondents

CORAM: HON'BLE MRS. JUSTICE REKHA MITTAL

Present: Mr. Satpal Dhamija, Advocate for the appellant.

REKHA MITTAL, J. (Oral)

The present appeal directs challenge against order dated 10.01.2018 passed by the Commissioner, Employees Compensation Act, Circle Karnal whereby compensation has been assessed qua death of Ravinder Singh @ Raju in an accident that took place on 06.08.2002.

Counsel for the appellant would inform that the insurance company has already deposited the interest component in terms of order impugned, in compliance of order dated 19.09.2018 passed by this Court.

The sole submission made by counsel for the appellant is that the insurance company has wrongly been fastened with liability to pay interest for a fixed period of 10 years i.e. Rs.2,43,994/-. It is argued that as per plea of the claimants, occurrence in question took place on 06.08.2002 but application for compensation was filed in the year 2004. The owner/employer – respondent No.1 therein was proceeded against ex parte on 19.10.2005. The application was dismissed for non-prosecution on 18.09.2007 and restored on 24.09.2008. An ex parte award was passed on 13.09.2010 against the owner/employer. Later, the owner filed an application for setting aside ex parte award and the same was allowed on

28.08.2014 subject to payment of costs of Rs.5000/-. Thereafter, the owner/employer supplied particulars of the insurance company and as such the insurance company was impleaded as a party in the year 2014. It is argued that as the insurance company was impleaded for the first time in the year 2014, the insurance company has wrongly been fastened with liability to pay interest for a period of 10 years even though entitlement of the claimants qua interest may be more than what has been allowed by the Authority concerned.

Indisputably, respondents/claimants have been held entitle to compensation qua death of Ravinder Singh @ Raju in occurrence dated 06.08.2002. Counsel for the insurance company has not challenged liability of the insurance company to pay compensation and interest. As per provisions of Section 4-A of the Employee's Compensation Act, 1923 (in short 'the Act'), interest at the rate of 12% is payable on expiry of 30 days from the date of accident qua the compensation assessed under the Act. As the principal amount was retained by the insurance company and utilized for its business purpose whereas the claimants have been denied benefit of said money which they have been held entitle to being compensatory in nature, no error much less illegality can be found in the order impugned imposing liability to pay interest at the rate of 12% per annum on the insurance company, as a measure of indemnification of the insured.

For the foregoing reasons, the appeal fails and is accordingly dismissed in limine.

OCTOBER 22, 2018 **(REKHA MITTAL)**
'D. Gulati' **JUDGE**

Whether speaking/reasoned : yes/no
Whether reportable : yes/no