

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.03.2019

CORAM:

THE HONOURABLE MR.JUSTICE M.GOVINDARAJ

C.M.A.NO.1878 OF 2011

Babu

... Appellant/Petitioner

Vs.

1.K.M.Sekar

(R1 was set exparte in the Trial Court)

2.Royal Sundaram Alliance Insurance Co. Ltd.,

No.45 & 46, Whites Road,

Chennai - 600 014.

... Respondents/Respondents

PRAYER: Civil Miscellaneous Appeal filed under Section 30 of the Workmen's Compensation Act, 1923, against the order dated 28.02.2011 (which is received by the appellant on 02.06.2011) made in W.C.No.372 of 2007 on the file of the Deputy Commissioner of Labour - I (Authority under the Workmen Compensation Act) Chennai.

For Appellant : Ms.M.Malar
for M/s.C and K Law Firm

For Respondent-2 : Mr.N.Vijayaraghavan

J U D G M E N T

The appellant is the claimant before the Authority under Workmen Compensation Act. An award came to be passed on 28.02.2011 awarding a compensation of a sum of Rs.2,21,004/- for the injury suffered by him. The liability to pay the compensation has been fastened on the insurance company in view of policy coverage. But, the Authority, while directing the respondent / insurance company to deposit the award amount, omitted to direct the deposit of the interest from the date of accident. On the contrary, granted a concession in favour of the insurance company that the deposit shall be made without interest within 30 days and in default to pay interest from the date of accident.

2. It is well 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 the word "falls due" as specified under Section 4-A of the Employee's Compensation Act, 1923, denotes 30 days after the date of accident and not the date on which the order quantifying the compensation was 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. If the amount is deposited in time prescribed there will not be any interest at all. The impugned order is contrary to the statute and the judgment of the Supreme Court and High Courts. It literally deprives the claimant of the accrued interest provided in the statute. 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 28.02.2011 passed in W.C.No.372 of 2007 by the Deputy Commissioner of Labour - I, (Authority under the Workmens' Compensation Act) Chennai, is set aside insofar as the award of interest alone.

6. The learned counsel for the second respondent / insurance company would submit that the entire award amount has

already been deposited.

7. In such an event, the second respondent is directed to deposit the interest from the date it fell due i.e., 30 days after the date of accident till the date of deposit 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. On such deposit being made, the appellant / claimant, is entitled to withdraw the same.

8. The Civil Miscellaneous Appeal is partly allowed. No costs.

s/d-

Assistant Registrar

True Copy

Sub-Assistant Registrar

TK
To

The Deputy Commissioner of Labour - I
(Authority under the Workmen Compensation Act)
Chennai.

+1 CC to Mr.N.Vijayaraghavan, Advocate sr 24336.

+1 CC to M/s.C & K Law firm, sr 23473.

C.M.A.NO.1878 OF 2011

VSNII (CO)
SP(30/05/2019)

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