

HIGH COURT OF CHHATTISGARH, BILASPUR

Order Sheet

MAC No.740 of 2014

Iffco Tokio General Insurance Co. Limited **Versus** Smt. Sita Bai Sahu
& Ors.

06.10.2020	Shri P. Acharya, Advocate for the appellant/Insurance Company. Shri Sudhir Kumar Bajpai, Advocate for the respondent Nos.1 to 5/claimants. None for the respondents No.6 & 7. Learned counsel for the appellant/Insurance company submits that finding of the learned Claims Tribunal fastening liability upon Insurance Company to pay interest at the rate of 12% as also 50% penalty on the awarded amount of compensation is contrary to the provisions of Section 4 (A) (3) (a) and (b) of the Employees Compensation Act, 1923 (for short 'the Act of 1923). He further submits that appellant-Insurance Company is only liable to pay the amount of compensation awarded by the learned Commissioner under the Act of 1923. Supporting the impugned award passed by the Commissioner, learned counsel for respondent Nos.1 to 5/claimants submits that claimants are entitled for amount of compensation as soon as deceased -employee suffered accidental injuries, but in case at hand, appellant-Insurance Company, who is insurer and issued policy covering risk of deceased, has not deposited the

amount of compensation within the period prescribed under the Act of 1923.

This appeal is admitted for consideration on the following substantial questions of law :-

“(i). Whether the Commissioner under the Act of 1923 is justified in fastening liability upon appellant -Insurance Company for payment of interest at the rate of 12% p.a. on the amount of compensation under Section 4 (A) (3) (a) of the Act of 1923 ?.

(ii). Whether the Commissioner is justified in holding the appellant -Insurance Company liable to make payment of penalty to the tune of 50% of the amount of compensation amended under the provisions of Section 4 (A) (3) (b) of Act of 1923 ?”

With the consent of the parties, appeal is heard finally. Order passed signed and dated separately.

Sd/-

(P. R. Ramachandra Menon)
Chief Justice

Sd/-

(Parth Prateem Sahu)
Judge