IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED 19.01.2021

CORAM

THE HONOURABLE MR. JUSTICE S.M.SUBRAMANIAM

C.M.A.No.1113 of 2016

Parasuraman .. Appellant

Versus

1.Muthukumar

2.ICICI Lombard General Insurance Company Ltd.,
No.84 & 86, Arihant Plaze,
Walltax Road, Park Town,
Chennai - 600 003. .. Respondents

Prayer: Civil Miscellaneous Appeal filed under Section 30 of the Workmen Compensation Act 1923, against the award dated 17.08.2014, made in W.C.No.157/2011 on the file of the Deputy Commissioner of Labour - I, Chennai.

For Appellant : Mr. F. Terry Chellaraja

For Respondents : R1 - Ex-parte
R2 - Mr. Sree Vidhya

J U D G M E N T

The respective learned counsel appearing on behalf of the appellant as well as the respondent fairly made a submission that the award of interest is the only challenge which needs to be adjudicated in the present appeal. As far as the award of interest is concerned, the Deputy Commissioner of Labour granted the statutory interest of 12% per annum, on condition that the opposite party should deposit the award amount, within a period of 30 days, failing which they are liable to pay 12% from the date of expiry of 30 days.

2. Section 4(A) 3(a) of the Employees Compensation Act contemplates that the Commissioner may direct that, in addition to the amount of arrears pays simple interest thereon at the rate of 12% per annum, when the statute stipulates 12% per annum, the said interest is to be paid from the date of accident

and not on the expiry of 30 days from the date of award. The concept of payment of interest on expiry of 30 days was an invented theory and cannot be adjudicated by this Court. This apart, there is no logic behind grant of 30 days except direction are issued to deposit the amount, within a period of 30 days. Such a period of 30 days is granted by the Courts, by exercise its discretionary power and otherwise the statute requires the compensation is to be paid by the person who is liable to pay immediately and the awards are passed enabling the person to deposit the award amount. Such a time granted by the Courts, do not exclude the interest to be paid to the victim from the date of accident. This being the principles to be adopted, this Court is of the considered opinion that all such cases, the statutory interest of 12% per annum is to be granted from the date of accident and not from the date of expiry of the period fixed by the Court for deposit of award. In the present case, the quantum of award is fairly admitted by the learned counsel for the appellant.

3. In view of the fact that there is no serious dispute about the quantum of compensation award. This Court is inclined to direct the second respondent Insurance Company to pay interest at the rate of 12% per annum from the date of accident. Accordingly, the award amount of Rs.1,55,002/- along with the interest at the rate of 12% per annum from the date of accident is to be deposited by the second respondent-Insurance Company, within a period of 12 weeks from the date of copy of the judgment. On such deposit, the claimant is permitted to withdraw by filing an appropriate application and payments are to be made through RTGS . Thus, the award dated 17.08.2014 passed in W.C.No.157/2011 stands modified and CMA.No.1113 of 2016 stands allowed in part. No cost.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

AT
To
1. The Deputy Commissioner of Labour-I,
Chennai.

+1cc to Mr.R. SREEVIDHYA, Advocate, S.R.No.3316
+1cc to Mr.M. MALAR, Advocate, S.R.No.2720

KV(CO)
SM/25/02/2021