

THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM

CIVIL MISCELLANEOUS APPEAL No.1402 of 2011

JUDGMENT:

This appeal is filed against the order dated 25.10.2011 passed by the Commissioner, Workmen's Compensation, in W.C.No.91 of 2002 NF.

Heard learned counsel for the appellant; and Sri A. Ramakrishna Reddy, learned Standing Counsel for the respondent No.2-insurance company.

The only question which has been pressed for consideration is with regard to the date of payment of interest.

Whatever may be the position prior to the judgment of Hon'ble Supreme Court in Oriental Insurance Company v. Siby George¹, finality was given in Siby George (1 supra) with respect to the issue that compensation amount falls due and payable as on the date of accident. This was in line with the judgment of Supreme Court in Pratap Narain Singh Deo v. Srinivas Sabata².

My learned brother Justice A. Rajasheker Reddy had elaborately considered all the judgments cited by both the appellants as well as respondents in C.M.A.No.871 of 2015, and by order dated 04.12.2015 had held that the appellant/claimant is entitled to interest at 12% per annum from the date of accident till the date of realisation. However, though the amount of compensation is due on the date of accident, the liability to pay interest arises only after one month from the date of accident. This is on account of Section 4A(3) of the Workmen's Compensation Act, 1923.

¹ (2012) 12 SCC 540

² (1976) 1 SCC 289

With respect to the contention of learned Standing Counsel for insurance company that the insurance company may not be mulcted with liability in cases where the appeal against the owner stood dismissed and the owner having not been made a party respondent, the said contention is liable to be rejected for the reason that the issue had already been dealt in C.M.A.No.871 of 2015, dated 04.12.2015, by referring to the judgment of Division Bench of this Court in Meka Chakra Rao v. Yelubandi Babu Rao @ Reddemma³. The judgment of Division Bench being binding on this Court, and there being no reason for this Court to differ with the rationale in Meka Chakra, the contention of the learned Standing Counsel for insurance company is rejected.

Accordingly, the civil miscellaneous appeal stands disposed of. It is made clear that wherever the compensation amount has been deposited in pursuance of the orders of Commissioner, the payment of interest shall be reckoned from one month after the date of accident till the date of deposit. No costs. Miscellaneous applications, if any pending, shall also stand closed. No costs.

24th February, 2021

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CHALLA KODANDA RAM, J

³ 2001 (1) ALD 453

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24th February, 2021

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