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CMA.No.127 of 2014

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 15.06.2023

CORAM:

THE HONOURABLE MR.JUSTICE A.A.NAKKIRAN

CMA.No.127 of 2014

1. Kalaiarasi
2. S.Pandurangam
3. Sundari
4. Minor Mohana Prasad

Appellants

Vs

1. SRM Civil Service Private Limited
Kanchipuram 605751
2. United India Insurance Company Limited
Chennai-17

Respondents

Prayer:- This Civil Miscellaneous Appeal has been filed, against the award, dated 16.07.2009, made in WC.No.113 of 2009, by the Deputy Commissioner of Labour II, Chennai.

For Appellants : Ms.A.Subadra for Ms.M.Malar

For Respondents : Mr.J.Micheal Visuvasam-R2

JUDGEMENT

1. This Civil Miscellaneous Appeal has been filed, against the award, dated 16.07.2009, made in WC.No.113 of 2009, by the Deputy Commissioner of Labour II, Chennai.



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2. The Appellants/ claimants, who are the wife, father and mother of the deceased, namely, Elumalai, have filed the claim petition before the Deputy Commissioner for Workmen Compensation Labour-II at Chennai, seeking a compensation of Rs.6,00,000/-, for the death of the deceased, who died on 10.09.2008, during the course of his employment with the 1st Respondent. The claim petition was resisted, on various grounds, by the 2nd Respondent Insurance Company, by filing a counter. On the side of the claimants, Ex.A1 to Ex.A10 were marked and PW.1 was examined.
3. The Labour Commissioner, finding that the deceased died during the course of his employment with the 1st Respondent and that the employee worked under the 1st Respondent was insured with the 2nd Respondent Insurance Company, the Tribunal has awarded a total compensation of Rs.4,36,940/- to be payable by the 2nd Respondent Insurance Company within thirty days from the date of receipt of a copy of the order, failing which, it shall carry interest 12% p.a. from thirty days from the date of the incident, i.e. 19.06.2011. Aggrieved by the same, this appeal has been filed by the claimants.
4. This Court heard the learned counsel on either side and considered their submissions and also perused the entire materials placed on record.
5. It is represented by the learned counsel on either side that there is no dispute in respect of the quantum of compensation and the only substantial question of law arises for consideration in this appeal is as to whether the Labour



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Commissioner committed an error in not granting interest at 12% p.a. on the total compensation in terms of Section 4A of the Workmen Compensation Act?

6. In so far as interest payable is concerned, as per Section 4A of the Workmen Compensation Act, where there is any default in paying the compensation due under this Act within one month from the date it fell due, the Commissioner shall direct that the employer shall, in addition to the amount of the arrears, pay simple interest thereon at the rate of twelve per cent per annum.
7. The issues as to what is the actual date for accrual of interest on the compensation arrived at under the Workmen Compensation Act and whether it falls due after thirty days from the date of accident or only after thirty days from the date of adjudication of the compensation are very well settled in a catena of decisions by various Courts to the effect that the interest on the compensation amount would accrue thirty days after the date of that accident and not from the date of quantification/orders passed by the Commissioner for Workmen Compensation. One of such decisions are (1)2000 ACJ 5 (SC) (Kerala State Electricity Board Vs. Valsala) and (2) 2010 2 TNMAC 80 (DB) (N. Ganesan vs. Thilagavathi and others). Following the said decisions and the settled position of law, this Court holds in the case on hand that the interest for compensation would accrue 30 days after the date of accident till the date of deposit, which interest is fixed at 12% per annum.
8. In fine, this Civil Miscellaneous Appeal is partly allowed. In so far as the



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quantum of compensation is concerned, the impugned judgement of the

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Labour Commissioner is confirmed and with respect to interest payable, the impugned compensation shall carry interest at 12% p.a. thirty days after the date of the accident till the date of deposit. The 2nd Insurance Company is directed to deposit the entire award amount with interest as stated above, after deducting the amount, if any already, deposited, within a period of six weeks from the date of receipt of a copy of this order. On such deposit is being made, the claimants are entitled to withdraw the same. No costs.

15.06.2023

Index:Yes/No
Web:Yes/No
Speaking/Non Speaking
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To

1. The Deputy Commissioner of Labour II, Chennai.
2. The Record Keeper, VR Section, High Court, Madras

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