



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 20.03.2023

CORAM

THE HON'BLE MR.JUSTICE R.VIJAYAKUMAR

C.M.A(MD)No.55 of 2018

S.Palaniammal

... Appellant/Petitioner

Vs.

1.S.Murugesan

2.The Branch Manager,
National Insurance Company Ltd.,
63, Rasi Plaza,
West Pradhakshanam Road,
Karur-639 002.

... Respondents/Respondents

PRAYER: Civil Miscellaneous Appeal is filed under Order Section 30 of the Workmen Compensation Act, to modify the order passed by the Deputy Commissioner of labour, Dindigul made in W.C.No.106 of 2013, dated 14.12.2015 by allowing the civil miscellaneous appeal.

For Appellant	: Mr.N.Sudhagar Nagaraj
For R2	: Mr.D.Sivaraman
For R1	: No Appearance

JUDGEMENT

The present appeal has been filed by the claimant challenging an award passed in W.C.No.106 of 2013 on the file of Deputy Commissioner of labour, Dindigul. The appeal has been filed primarily challenging the reckoning of interest from the date of passing of the award by the tribunal.

2. The learned counsel appearing for the appellant/claimant after referring to the last portion of the award had contended that the Deputy Commissioner of labour had directed the insurance company to deposit the award within a period of 30 days from the date of receipt of a copy of the award and in case of failure, the interest shall be calculated at the rate of 12% from the date of accident. The learned counsel appearing for the appellant had pointed out that the accident had happened on 5.10.2013 and the award was passed on 14.12.2015 and the claimant would be losing interest for the 2 year period.

3. The learned counsel appearing for the appellant further contended that as per Section 4-A of the Workmen's compensation Act, the compensation amount has to be paid within a period of 30 days from the date on which it has become due. In other words, 30 days from the date of the accident. The Hon'ble Supreme Court in a judgment reported in **2014 (2) SCC 298 (Saberabibi Yakubhai Shaikh & Others Vs. National Insurance Company Limited & Others)** has



specifically held that the amount becomes due on the date of accident and not from the date of the award passed by the tribunal.

4. Per contra, the learned counsel appearing for the insurance company had contended that they have deposited the amount within a period of 30 days as contemplated under the award. When the entire award amount has already been deposited, the question of again calculating interest would not arise.

5. I have carefully considered the submissions made on either side.

6. A perusal of the provision, namely Section 4-A and Section 3 of Workmen's Compensation Act will clearly indicate that the interest has to be reckoned only from the date of accident and not from the date of award. Therefore, the learned counsel appearing for the appellant is right in contending that the tribunal has erroneously directed the insurance company to pay interest only after a period of 30 days from the date of award but it should have been 30 days from the date of accident. A perusal of Section 4-A of Employee's Compensation Act would clearly show that the compensation amount has to be paid immediately on the date when it falls due that means on the date of accident itself. Any delay would naturally attract interest at the rate of 12%. Therefore, the tribunal was not right in awarding interest from 30 days after the date of receipt of copy of the award. Therefore, the award of the Deputy Commissioner of Labour, Dindigul in W.C.No.106 of 2013 is set aside to the extent that it directs the insurance company to pay interest after 30 days from the date of receipt of the award.

7. The quantum of compensation fixed by the Deputy Commissioner of Labour will carry interest at the rate of **(*)12%** from 06.10.2013 onwards. The balance amount shall be deposited by the insurance company.

8. With the above said observation, this Civil Miscellaneous Appeal is allowed to the extent as stated above. No costs.

Sd/-

Assistant Registrar (RTI)

(*)Corrected as per the order of this Court dated 20.04.2023 made in CMA(MD)No.55 of 2018.

// True Copy //

/05/2023

Sub Assistant Registrar(CS)

gbg



To

1.The Deputy Commissioner of labour,
Dindigul.

2.The Section Officer,
Vernacular Section,
Madurai Bench of Madras High Court,
Madurai. (2 COPIES)

+1 CC to M/s.D.SIVARAMAN, Advocate (SR-16525[F] dated 21/03/2023)

+1 CC to M/s.N.SUDHAGAR NAGARAJ, Advocate (SR-16508[F] dated
21/03/2023)

C.M.A(MD)No.55 of 2018
20.03.2023

RD (19/05/2023) 3P 6C