



C.M.A.(MD) No.1306 of 2024

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

WEB COPY

DATED : 28.10.2024

CORAM:

THE HONOURABLE MR.JUSTICE SUNDER MOHAN

C.M.A.(MD)No.1306 of 2024

and

C.M.P.(MD)Nos.13994 & 14107 of 2024

The Divisional Manager,
New India Assurance Company Limited,
F-46, I Main road, Mangalam Buildings,
25th Floor, Anna Nagar East,
Chennai.
Appellant

...

vs.

1.Chinnasamy,
2.Chinnakannu,
3.The General Manager,
Hudson Agro Product Limited,
Santhan Chettivalsu,
melakaraipatti (post),
Palani Taluk, Dindigul.
Respondents

...

PRAYER: Civil Miscellaneous Appeal filed under Section 30 of the Employee Compensation Act against the order dated 28.12.2023 in E.C.No.02 of 2020 on the file of the Commissioner for Employees Compensation Court at Dindigul.



WEB COPY



C.M.A.(MD) No.1306 of 2024

For appellant : Mr.V.Sakthivel

For Respondents

for R1 & R2: Mr.S.Pugalendhi

for R3 : Mr.R.Sureshkumar

JUDGMENT

The insurance company has challenged the award of the commissioner on the sole ground that they are not liable to pay interest on the award amount as per the terms of the policy of the insurance.

2. Since the finding on liability is not under challenge, the facts leading to the filing of the claim petition before the Commissioner of Employees Compensation are not necessary for the disposal of this appeal.

3. The learned counsel for the appellant would submit that as per the terms of Ex.P7, the copy of the policy document, the insurance company is not liable to pay interest or penalty imposed on the insured on account of the failure to comply with the requirements of the Workmen Compensation Act.



C.M.A.(MD) No.1306 of 2024

WEB COPY

4. The learned counsel for the claimants/respondents 1 and 2, per contra, submitted that they are entitled to interest, whether it is payable by the appellant or by the insured/third respondent.

5. The learned counsel for the third respondent/the insured owner, per contra, submitted that the award of the commissioner is just and reasonable and no interference is called for.

6. The above appeal raises the following substantial question of law:

“1. Whether the Commissioner of Employees Compensation is right in directing the appellant insurance company to pay interest for the award amount from the date of accident till date of payment as against the terms and conditions of the Workmen Compensation Policy issued by this appellant to the second respondent/first respondent?”

7. The relevant portion of the insurance policy/Ex.P7, reads as follows:

“Provided that the Insurance granted hereunder is not extended to include:



C.M.A.(MD) No.1306 of 2024

(i)any interest and/or penalty imposed on the insured on account of his/her failure to comply with the requirements laid down under the W.C.Act, 1923.”

8. In view of the terms of the policy, it is clear that the appellant would be liable to pay only the compensation amount and not the interest on the compensation amount.

9. Hence, this Court is of the view that the award of the Commissioner, insofar as the direction to the appellant to pay the interest, cannot be sustained. The insured is liable to pay the interest to the claimants on the award amount. The question of law is answered accordingly.

10. The third respondent shall deposit the interest at 12% p.a from the due date till the date of deposit on the compensation amount within a period of six weeks from the date of receipt of a copy of this order.

11. The respondents 1 and 2 are permitted to withdraw the compensation amount deposited by the appellant and the interest to be



C.M.A.(MD) No.1306 of 2024

deposited by the third respondent by filing a suitable application before the Commissioner.

12. The appellant shall be permitted to withdraw the excess amount deposited, if any, towards interest by filing a suitable application before the Commissioner.

13. In the result, this Civil Miscellaneous Appeal is partly allowed.
No costs. Consequently, connected miscellaneous petitions are closed.

28.10.2024

NCC : Yes/No
Index : Yes / No
Internet : Yes / No
apd

To

1.The Commissioner for Employees Compensation Court at Dindigul.

2.The Section Officer,
V.R. Section,
Madurai Bench of Madras High Court,
Madurai.



WEB COPY



C.M.A.(MD) No.1306 of 2024

SUNDER MOHAN,J

apd

C.M.A.(MD) No.1306 of 2024

28.10.2024