BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 02.08.2024

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THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN

W.P(MD)No.18445 of 2024
and
W.M.P(MD)No.15690 of 2024

M/s.The Oriental Insurance Co. Ltd.,
Represented through its Assistant Manager,
Third Party HUB,
No.39/40, Saradha Shopping Complex,
Workshop Road,
Simmakal,
Madurai – 625 001. ... Petitioner

Vs.

1.The Joint Commissioner of Labour and
Workman's Compensation Commissioner,
Madurai.

2.Durai Arasu

3.M.Mohana

4.The Commissioner,
Income Tax Department,
Madurai. ... Respondents

Prayer: Writ petition filed under Article 226 of the Constitution of India, to issue a Writ of Mandamus, directing the first respondent to receive the

Demand Draft from the petitioner for the deposit of compensation and interest amount after deducting TDS as per the Income Tax Act, 1961.

For Petitioner	: Mr.C.Jawahar Ravindran
For Respondents	: Mr.G.V.Vairam Santhosh Additional Government Pleader for R.1 Mr.N.Dilip Kumar Standing Counsel for R.4

ORDER

Heard the learned counsel appearing for the writ petitioner, the learned Additional Government Pleader appearing for the first respondent and the learned Standing Counsel appearing for the fourth respondent. Considering the nature of relief to be granted, issuance of notice to the respondents 2 and 3 is dispensed with.

2.The writ petitioner is an insurance company. It suffered an award in E.C.No.116 of 2017 on the file of Joint Commissioner of Labour and Workman's Compensation Commissioner, Madurai. The petitioner is ready to settle the award amount. The first respondent wants the petitioner to deposit the entire award amount. The petitioner's stand is that they will deduct the tax and remit the balance amount.

3.When a similar writ petition was filed before me in W.P(MD)No. 9121 of 2023, I held as follows:

> *"2.The writ petitioner is an insurance company. It suffered an award in W.C.No.89/2021 on the file of the first respondent. The petitioner intends to challenge the said award by filing Civil Miscellaneous Appeal before this Court. As per the statutory requirement, the petitioner has to necessarily deposit the entire award amount before the first respondent. The question that has arisen for consideration is whether the petitioner can deduct Tax at Source before making such deposit. The first respondent insists that without making many such deduction, the entire award amount should be deposited. The stand of the petitioner is that they do not propose to retain the deducted amount but they would deposit the same with the fourth respondent. It has also stated that the issue as to whether the person who had suffered an award can deduct the tax at source before such deposit is presently pending consideration before the Hon'ble Division Bench in W.P.No.7693 of 2020. I am also informed that in similar cases, this Court has taken the view that the person who has suffered the award can deposit the deducted amount with the tax authority and that disbursal of the same can await the outcome of the writ petition that is now pending before the Hon'ble Division Bench."*

I am inclined to adopt the very same approach in this case also. The petitioner is permitted to deduct tax at source in the award amount and deposit the same with the first respondent. The first respondent is directed to accept the award amount minus TDS.

4.This writ petition is disposed of accordingly. There shall be no order as to costs. Consequently, connected miscellaneous petition is closed.

02.08.2024

NCC : Yes / No
Index : Yes / No
Internet : Yes / No
MGA

To

The Joint Commissioner of Labour and
Workman's Compensation Commissioner,
Madurai.

G.R.SWAMINATHAN,J.

MGA

W.P(MD)No.18445 of 2024

02.08.2024