



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

FAO No.3280 of 2007

Date of Decision: 15.10.2024

Hari Ram (deceased) through his LRs

.....Appellants

Versus

The Shahabad Co-operative Sugar Mills Limited

.....Respondent

CORAM : HON'BLE MR. JUSTICE PANKAJ JAIN

Present : Ms. Tanya Vashist, Advocate for
Mr. S.S. Nain, Advocate
for LRs of the appellant.

Mr. Sourabh Goel, Advocate with
Mr. Geetika Sharma, Advocate and Ms. Anju Bansal, Advocate
for the respondent.

PANKAJ JAIN, J. (ORAL)

Claimant is in appeal aggrieved of order passed by
Commissioner under Workmen's Compensation Act, 1923.

2. Claimant approached Commissioner under the Workman's
Compensation Act, 1923 seeking compensation on account of injuries
suffered by him in an accident arising out of and during the course of
employment.

3. The claimant has been awarded compensation to the tune of
Rs.85,675/-. It has been further ordered that claimant shall also be entitled
for interest @ 12% per annum in case the respondent/employer fails to



deposit compensation within a period of 30 days from the date of the order. Apart from the aforesaid compensation, nothing has been paid as penalty in terms of Section 4A of 1923 Act.

4. Counsel for the respondent is not in position to dispute that in terms of Section 4A(3)(a), the interest ought to have been awarded from the expiry of one month from the date the compensation fell due.

5. No provisional compensation was deposited with the Commissioner in terms of Section 4A(2). Thus, the impugned order is modified to the extent that the appellant is held entitled for an interest @ 12% per month from the date of expiry of one month after the accident. The claimant suffered injuries in accident on 1st of April, 1999. Thus, the appellant is held entitled for interest @ 12% per annum w.e.f. 1st of May, 1999.

6. Impugned order is modified to the aforesaid extent.

7. In the ultimate paragraph, the Commissioner noticed that the order on penalty shall be announced after serving show cause notice on the respondent.

8. Counsels are *ad idem* that no penalty has been awarded, though the Commissioner noticed the same. Consequently, penalty of 50% of the compensation amount is awarded under Section 4A(3)(b) as counsel for the respondent could not show any sufficient cause for not awarding penalty in favour of the appellant. The amount of penalty be paid to the appellant



within a period of 60 days from the date of receipt of certified copy of this order.

9. In case, the respondent fails to pay the amount of penalty within the time period stipulated hereinabove, the penalty amount shall also carry an interest @ 12% per annum from the date of this order.

10. Appeal is disposed off accordingly.

October 15, 2024

Dpr

(Pankaj Jain)

Judge

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No