BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 07.04.2025

CORAM:

THE HONOURABLE MR.JUSTICE MUMMINENI SUDHEER KUMAR

W.P.(MD)No.7120 of 2025

The Branch Manager,
National Insurance Company Ltd.,
No.63, Rasi Plaza,
West Pradhatchanam Road,
Karur District – 639 002. ... Petitioner

Vs.

1.The Joint Commissioner of Labour,
Workmen Compensation Act Commissioner,
Dindigul.

2.Kanagambaram

3.Sivanandam

4.Sathiyabhavani

5.Giriraj ... Respondents

Prayer: Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus calling for the records relating to the impugned order passed by the Respondent No.1 herein in Na.Ka.No.A2/1578/2024 dated 10.04.2024 by refusing to receive the cheques towards deposit of compensation, quash the same and further direct the Respondent No.1 herein to accept the deposit of compensation amount and interest payable in EC No.28 of 2018 on the file of Respondent No. 1 herein by deducting TDS in accordance with Section 194A of Income Tax Act, 1961.

For Petitioner : Mr.D.Sivaraman

For Respondents : Mr.A.Baskaran,
Addl. Government Pleader for R1

ORDER

Heard the learned counsel appearing for the writ petitioner and the learned Additional Government Pleader appearing for the first respondent. Considering the nature of relief to be granted, issuance of notice to the respondents 2 to 5 is dispensed with.

2. The writ petitioner is an insurance company. It suffered an award in E.C.No.28/2018 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 concerned Income Tax authority. 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.

3. I am inclined to adopt the same approach in this case also. The petitioner is permitted to deduct tax at source on the interest component of the award amount and deposit the same with the concerned Income Tax authority. The first respondent is directed to accept the award amount after deduction of TDS as above. This writ petition is disposed of accordingly. There shall be no order as to costs.

07.04.2025

Neutral Citation: Yes / No
Index : Yes / No

vsm

To

The Joint Commissioner of Labour,
Workmen Compensation Act Commissioner,
Dindigul.

MUMMINENI SUDHEER KUMAR, J.

vsm

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