Signature Not Verified
Digitally Signed
Signed by: CHITTA RANJAN BISWAL
Reason: Authentication
Location: Orissa High Court, Cuttack
Date: 15-Apr-2026 14:10:57

IN THE HIGH COURT OF ORISSA AT CUTTACK

FAO No.504 of 2024

(From the judgment/award dated 25th June 2024 passed by the Addl. District Magistrate-Cum-Commissioner Employees Compensation, Mayurbhanj in E.C.Case No.3 of 2020)

Shabana Parveen and others …. **Appellants**

-versus-

Jaysen Hansdah and another …. **Respondents**

Advocate(s) appeared in this case:-

For Appellants : Mr.B.N.Rath, Advocate

For Respondents : Mr.S.Roy, Advocate
(For R-.2)

CORAM: JUSTICE B.P. ROUTRAY

JUDGMENT
09.04.2026

B.P. Routray, J.

1. Present appeal by the claimants is directed against the impugned judgment/award dated 25th June 2024 passed by the Addl. District Magistrate-Cum-Commissioner Employees Compensation, Mayurbhanj, in E.C.Case No.3 of 2020, wherein compensation to the tune of Rs.7,68,560/- has been granted on account of death of the

Signature Not Verified
Digitally Signed
Signed by: CHITTA RANJAN BISWAL
Reason: Authentication
Location: Orissa High Court, Cuttack
Date: 15-Apr-2026 14:10:57

deceased in course of his employment as a driver of car bearing Registration No.JH-O5-AK-4833.

2. Heard Mr. Rath, learned counsel for the Appellants and Mr. Roy, learned counsel for Respondent No.2.

3. The only grievance of the Appellants is that, the Commissioner while granting award did not pay the interest. The claimants being the Appellants have prayed for grant of interest from the date of accident.

4. It is true that grant of award by the Commissioner without interest thereon is grossly erroneous on the face of record. In ***Ajaya Kumar Das and another vrs. Divisional Manager and another, 2022 SCC OnLine SC 93,*** the Hon'ble Supreme Court has observed as follows:

> "5. The judgment of the High Court is inexplicable. Having dismissed the appeal of the insurer on the ground of limitation, there was no occasion for the High Court to interfere on merits with the award of interest on compensation under the Workmen's Compensation Act, 1923. When the appeal was dismissed on the ground of limitation, the High Court could not have entertained it on merits. The error on the part of the High Court has led a labourer and his spouse to travel all the way to this Court. Though the accident took place in 2000, the course of litigation would now end only with the present judgment.

Signature Not Verified
Digitally Signed
Signed by: CHITTA RANJAN BISWAL
Reason: Authentication
Location: Orissa High Court, Cuttack
Date: 15-Apr-2026 14:10:57

> To set the record straight, the High Court has erred on merits as well. Section 4A of the Workmen's Compensation Act, 1923 stipulates that the Commissioner shall direct the employer to pay interest of 12% or at a higher rate, not exceeding the lending rates of any scheduled banks specified, if the employer does not pay the compensation within one month from the date it fell due. In ***Saberabibi Yakubhai Shaikh v. National Insurance Co. Ltd.,*** this Court held that interest shall be paid on the compensation awarded from the date of the accident and not the date of adjudication of the claim in view of the decision of this Court in ***Oriental Insurance Co. Ltd. v. Siby George,*** where it was held that compensation would fall due from the date of the accident. Further, in the recent decision in ***P.Meenaraj vrs. P.Adigurusamy & Anr.,*** this Court reiterated that the applicant is entitled to interest from the date of accident while rejected the submission that the award of interest should be after the expiry of 30 days from the date of accident. Thus, there was no legal basis for the High Court to delete the order of payment of interest.

5. Further in ***Union of India vs. Rina Devi, 2019 (3) SCC 572,*** it has been observed as follows:-

> **"18.** The learned Amicus has referred to judgments of this Court in *Raman Iron Foundry* [*Union of India* v. *Raman Iron Foundry*, (1974) 2 SCC 231, para 11] and *Kesoram Industries* [*Kesoram Industries and Cotton Mills Ltd.* v. *CWT*, (1966) 2 SCR 688, para 33 : AIR 1966 SC 1370] to submit that quantum of compensation applicable is to be as on the award of the Tribunal as the amount due is only on that day and not earlier. In *Kesoram*

Signature Not Verified
Digitally Signed
Signed by: CHITTA RANJAN BISWAL
Reason: Authentication
Location: Orissa High Court, Cuttack
Date: 15-Apr-2026 14:10:57

Industries [*Kesoram Industries and Cotton Mills Ltd.* v. *CWT*, (1966) 2 SCR 688, para 33 : AIR 1966 SC 1370] , the question was when for purposes of calculating "net wealth" under the Wealth Tax Act, 1957 provision for payment of tax could be treated as "debt owed" within the meaning of Section 2(*m*) of the said Act. This Court held that "debt" was obligation to pay. The sum payable on a contingency, however, does not become "debt" until the said contingency happens. The liability to pay tax arises on such tax being quantified. But when the rate of tax is ascertainable, the amount can be treated as debt for the year for which the tax is due for purposes of valuation during the accounting year in question. There is no conflict in the ratio of this judgment with the principle propounded in *Thazhathe Purayil Sarabi* [*Thazhathe Purayil Sarabi* v. *Union of India*, (2009) 7 SCC 372 : (2009) 3 SCC (Civ) 133 : (2009) 3 SCC (Cri) 408 : 2010 TAC 420] that in the present context right to compensation arises on the date of the accident. In *Raman Iron Foundry* [*Union of India* v. *Raman Iron Foundry*, (1974) 2 SCC 231, para 11] , the question was whether a claim for unliquidated damages does not give rise to "a debt" till the liability is determined. It was held that no debt arises from a claim for unliquidated damages until the liability is adjudicated. Even from this judgment it is not possible to hold that the liability for compensation, in the present context, arises only on determination thereof and not on the date of accident. Since it has been held that interest is required to be paid, the premise on which *Rathi Menon* [*Rathi Menon* v. *Union of India*, (2001) 3 SCC 714, para 30 : 2001 SCC (Cri) 1311] is based has changed. We are of the view that law in the

Signature Not Verified
Digitally Signed
Signed by: CHITTA RANJAN BISWAL
Reason: Authentication
Location: Orissa High Court, Cuttack
Date: 15-Apr-2026 14:10:57

present context should be taken to be that the liability will accrue on the date of the accident and the amount applicable as on that date will be the amount recoverable but the claimant will get interest from the date of accident till the payment at such rate as may be considered just and fair from time to time. In this context, rate of interest applicable in motor accident claim cases can be held to be reasonable and fair. Once concept of interest has been introduced, principles of the Workmen Compensation Act can certainly be applied and judgment of the four-Judge Bench in *Pratap Narain Singh Deo* [*Pratap Narain Singh Deo* v. *Srinivas Sabata*, (1976) 1 SCC 289 : 1976 SCC (L&S) 52] will fully apply. Wherever it is found that the revised amount of applicable compensation as on the date of award of the Tribunal is less than the prescribed amount of compensation as on the date of accident with interest, higher of the two amounts ought to be awarded on the principle of beneficial legislation. Present legislation is certainly a piece of beneficent legislation. [*Union of India* v. *Prabhakaran Vijaya Kumar*, (2008) 9 SCC 527, para 12]

19. Accordingly, we conclude that compensation will be payable as applicable on the date of the accident with interest as may be considered reasonable from time to time on the same pattern as in accident claim cases. If the amount so calculated is less than the amount prescribed as on the date of the award of the Tribunal, the claimant will be entitled to higher of the two amounts. This order will not affect the awards which have already become final and where limitation for challenging such awards has expired,

Signature Not Verified
Digitally Signed
Signed by: CHITTA RANJAN BISWAL
Reason: Authentication
Location: Orissa High Court, Cuttack
Date: 15-Apr-2026 14:10:57

> this order will not by itself be a ground for condonation of delay. Seeming conflict in *Rathi Menon* [*Rathi Menon* v. *Union of India*, (2001) 3 SCC 714, para 30 : 2001 SCC (Cri) 1311] and *Kalandi Charan Sahoo* [*Kalandi Charan Sahoo* v. *South-East Central Railways*, (2019) 12 SCC 387 : 2017 SCC OnLine SC 1638] stands explained accordingly. The four-Judge Bench judgment in *Pratap Narain Singh Deo* [*Pratap Narain Singh Deo* v. *Srinivas Sabata*, (1976) 1 SCC 289 : 1976 SCC (L&S) 52] holds the field on the subject and squarely applies to the present situation. Compensation as applicable on the date of the accident has to be given with reasonable interest and to give effect to the mandate of beneficial legislation, if compensation as provided on the date of award of the Tribunal is higher than unrevised amount with interest, the higher of the two amounts has to be given."

6. From the ratio decided by the Hon'ble Supreme Court in the aforesaid decisions, the law is well settled that the claimants entitled for interest @12% per annum on the compensation amount from the date of accident. Accordingly, Respondent No.2 is directed to pay the interest on the award amount from 31st December 2018, i.e. the date of accident.

7. Accordingly, present appeal is disposed of in terms of the principles decided in aforesaid decisions with a direction to disburse entire compensation amount, including interest payable from the date

Signature Not Verified
Digitally Signed
Signed by: CHITTA RANJAN BISWAL
Reason: Authentication
Location: Orissa High Court, Cuttack
Date: 15-Apr-2026 14:10:57

of accident till the date of deposit, in favour of the claimants-Appellants.

(B.P. Routray)
Judge

C.R. Biswal, A.R.Cum-Sr.Secretary