



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 17.06.2026

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THE HONOURABLE MRS.JUSTICE T.V.THAMILSELVI

**CMA No. 1789 of 2025
and CMP.No.15742 of 2025**

M/s. United India Insurance Co. Ltd.,
No. 24, Whites Road, Chennai-600 014

Appellant/Second
opposite party.

Vs

1. N Magesh
W/o. Late Sakthivel, Residing at
No.8/109, Asari Street, B.Mettur,
Thuraiyur Taluk, Trichy District-621
003

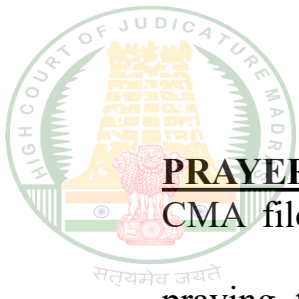
2.Minor Kirthish
No.8/ 109, Asari Street, B.Mettur,
Thuraiyur Taluk, Trichy District-

3.Indrani
No.S/ 138, Asari Street, B.Mettur,
Thuraiyur, Trichy District

..Respondents 1- 3/Claimants

4.M/s.Keyem Infra Project Pvt Ltd
(Formerly known as Keyem
Engineering Enterprises) Registered
Office @ Piot No. 64, Door No. 2, 4th
East Street, Kamaraj Nagar,
Tiruvanmiyur, Chennai-600 041

Respondent No.4/First
Opposite Party.

**PRAYER**

CMA filed under Section 30(1) of the Employees Compensation Act, 1923, praying to set aside the order of the Joint Commissioner of Labour-I, for Workmen Compensation, Chennai passed in EC.No.55/2023 dated 09-07-2024.

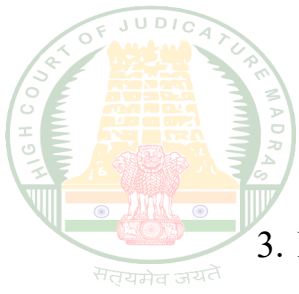
For appellant: Mr.Nageswaran Narichania

For respondents : Mr.S.Anburaja
Counsel For Caveator/For R1 To
R3

JUDGMENT

The appellant is the 2nd Opposite Party in E.C.No.55 of 2023 on the file of Joint Commissioner of Labour, Chennai. The respondents 1 to 3 are the claimants who filed a claim application before the Labour Commissioner, praying for compensation for the fatal death of Sakthivel who is the husband of the 1st claimant and father of the 2nd claimant and mother of the 3rd claimant. The said claim application was filed against the 4th respondent herein which had a policy with the 2nd respondent/appellant herein in the claim application.

2. Before the Labour Commissioner, both parties adduced evidence and on hearing both sides, the Labour Commissioner awarded compensation of Rs.16,14,600/- with interest at the rate of 12% per annum from the date of the accident till the date of deposit.



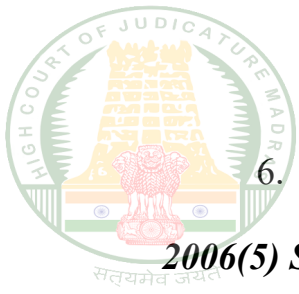
3. In respect of awarding interest, the appellant/2nd respondent/Insurance

Company preferred this appeal.

4. The learned counsel for the appellant argues that the Commissioner did not verify the records produced before the Forum as exhibits and came to a wrong conclusion that the appellant/second opposite party is liable to pay compensation. The forum below in spite of placing the reported judgment of the Supreme Court reported in (2006) 5 Supreme Court Cases 192 to the effect that the insurer is not liable to pay interest, the Commissioner passed an award to pay interest by the appellant which is liable to be set aside.

5. Upon perusal of the records and hearing the submissions of learned counsel on either side, the following substantial question of law is framed for consideration of this CMA.

“ Whether the order of the commissioner for workmen compensation granting interest to be paid by the appellant/second opposite party is valid particularly when the Supreme Court by its judgment reported in (2006) 5 Supreme Court Cases 192 has upheld that the insurer is not liable to pay interest on the award amount as per the terms and conditions of the policy?”



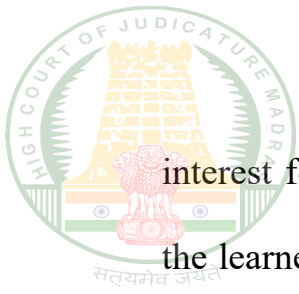
6. At the time of arguments, learned counsel by relying on the ratio **2006(5) SCC 192 [New India Assurance Co.Ltd., Vs. Harshadbhai Amrutbhai**

Modiya and another] and submitted that a proviso in the contract excluded from the liability of the insurer 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.

7. The relevant portion of the above said authority is as under:-

“Under a contract of insurance, the appellant insurer undertook the liability to reimburse the insured if the latter became liable to pay compensation under, inter alia, Workmen’s Compensation Act, 1923 (for short “the Act”) However, a proviso in the contract excluded from the liability of the insurer any interest and / or penalty imposed on the insured on account of his/her failure to comply with the requirements laid down under the WC Act, 1923. An employee of the insured met with an accident. At the instance of his heirs and legal representatives, the Commissioner of Workmen’s Compensation awarded against the insured a certain sum with 9% interest from the date of filing of the claim till realisation in favour of the claimants. The appellant was directed to pay the said amount. The appeal of the appellant under Section 30 of the Act was dismissed. The appellant then filed the present appeal.”

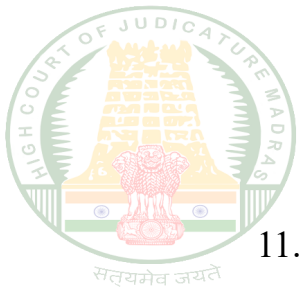
8. The learned counsel for the appellant, by relying on the above ratio laid down in the supra referred judgment, contended that insurer is not liable to pay



interest for compensation under the Workmen's Compensation Act. Therefore, the learned counsel for the appellant-insurance company prayed to set aside the award of interest granted at the rate of 12% per annum for the compensation. Such grant of interest is erroneous and sought to set aside the same.

9. Learned counsel for the respondents 1 to 3/claimants, by relying upon the recent judgment of the Honorable Supreme Court in **2022 SCC Online 93, [Ajaya Kumar Das and Another Vs. Divisional Manager and Another]** wherein the Apex Court has held that award of interest should be after expiry of 30 days from the date of the accident. Therefore, the claimants are entitled to interest thereafter till the deposit of the compensation.

10. Considering the submissions of both parties, it is transpired that though the appellant has relied on the ratio laid down in the earlier Supreme Court judgment, (2006) 5 SCC 192, in respect of the awarding interest, as on date, in view of the recent judgment of the Supreme Court in 2022 SCC Online SC 93, learned Commissioner is right in awarding interest on the compensation after expiry of the 30 days of the date of the accident. As such, interest is to be calculated after 30 days of the accident, till the disbursal of the compensation. Therefore, the objections raised on the side of the appellant is not sustainable one.

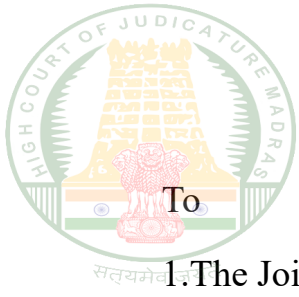


11. Therefore, considering the proposition laid down by the Honourable Supreme Court in the decision **2022 SCC Online SC 93 (cited supra)**, this court is inclined to dismiss this Civil Miscellaneous Appeal. Accordingly, this CMA is dismissed. The award passed by the Joint Commissioner of Labour-I for Workmen Compensation, Chennai, in E.C.No.55 of 2023 dated 09.07.2024 is sustainable. The appellant/insurance company is directed to deposit the award amount with interest within 8 weeks from the date of receipt of a copy of this judgment. On such deposit, the claimants/respondents 1 to 3 are permitted to withdraw the award amount as per manner known to law. As far as the minor claimant is concerned, his respective portion of compensation is to be deposited in any one of the Nationalised Bank at the Interest Bearing Deposit Scheme and the same is to be renewed periodically till they attain the age of majority. No costs. Consequently, connected miscellaneous petition is closed.

17-06-2026

Index: Yes/No
Speaking/Non-speaking order
Internet: Yes
Neutral Citation: Yes/No

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To

1. The Joint Commissioner for
Employee's Compensation-1, Chennai.

2. The Section Officer, V.R. Section,
High Court, Madras.



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T.V.THAMILSELVI J.

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