



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

258

FAO-6862-2017

Date of decision : 12.01.2026

Ved Pal

..... Appellant

versus

Dalbir Singh and another

..... Respondents

CORAM : HON'BLE MR. JUSTICE PANKAJ JAIN

Present: Mr. Ajay Chauhan, Advocate for
Mr. Diwan S. Adlakha, Advocate
for the appellant.

None for the respondents despite service.

PANKAJ JAIN, J. (Oral)

1. Claimants are in appeal seeking modification of the order passed by the Commissioner under the Employees' Compensation Act, 1923.
2. The primary grievance of the claimants is with respect to interest as payable under Section 4A of the 1923 Act as well as penalty. The Commissioner while dealing with the statutory relief of interest and penalty observed as under:-

“xx xx xx Moreover, the applicant was not connects with manufacturing process of the respondent No. 1. The respondent No. 1 is therefore, directed to deposit the aforesaid amount of compensation in this Court, within 30 days from the date of receipt of this order, failing which respondent No. 1 will be liable to pay interest @12% per annum on the awarded amount, till the date of its realization. However, the respondent No. 1 is at liberty to recover the aforesaid amount of compensation from the contractor with whom the applicant/ workman was allegedly working. This is in terms of the



provision of the Employees Compensation Act 1923 as also there are different decisions of various Hon'ble High Courts as also of the Hon'ble Supreme Court of India.”

3. In the considered opinion of this Court and keeping in view the ratio of the law laid down by the Supreme Court in the case of in the case of *Pratap Narain Singh Deo vs. Srinivas Sabata (1976) 1 SCC 289*, the interest and penalty amount granted by the Commissioner needs to be modified. The claimants are held entitled to interest @ 12% per annum as per mandate of Section 4A of 1923 Act for the period commencing from 30 days after the date of incident, i.e. 30 days after 01.03.2005 till the date of actual realization and is also awarded penalty which shall be 25% of the compensation awarded by the Commissioner.

4. With the aforesaid modification in the impugned order, the present appeal is disposed off.

(PANKAJ JAIN)
JUDGE

12.01.2026
Dinesh

Whether speaking/reasoned :	Yes
Whether Reportable :	No