
(1996) 07 MP CK 0080
In the Madhya Pradesh High Court
Case No : M.A. No. 364 of 1992

New India Insurance Company	Vs	APPELLANT
Harvindra		RESPONDENT

Date of Decision : 11-07-1996

Acts Referred:

Workmens Compensation Act, 1923 — Section 4A, 4A(3)

Citation : (1998) 3 LLJ 1114

Hon'ble Judges : N.P. Singh, J

Bench : Single Bench

Advocate : S.K. Rao, for the Appellant; R.K. Gupta, for the Respondent

Final Decision : Partly Allowed

Judgement

N.P. Singh, J.—Heard Shri S.K. Rao, Counsel for the appellant and Shri R.K. Gupta, counsel for the respondents.

2. This is an appeal u/s 30 of the Workmen's Compensation Act, 1923 (hereinafter referred to as the Act) against the award dated April 9, 1992 passed by the Commissioner for Workmen's Compensation, Jabalpur in Case No. WC/ 78 of 1990 (N.F.) awarding compensation of Rs. 27, 493/-, to the claimant / Respondent No. 1 and cost of Rs. 150/- within 30 days, in default to pay penalty @ 15% and to pay interest @ 12% on the compensation amount u/s 4A of the Act.

3. The claimant/Respondent No. 1 moved an application before the Commissioner for Workmen's Compensation for grant of compensation on the ground that he was an employee of Respondent No. 2 and in course of his employment on April 12, 1990 he was driving Truck No. MBK-25, belonging to the Respondent; No. 2, from Mahasamund to Raipur. While on Ring Road when he was trying to save a cyclist, who was going along with the road a truck coming from the opposite direction dashed against him, as a result of which he suffered permanent disability on his right hand. The Commissioner for Workmen's

Compensation, after considering the evidence adduced in the case, awarded compensation to the claimant/Respondent No. 1 as mentioned above.

4. Shri S.K. Rao, learned counsel for the appellant, has contended that he has preferred appeal on the question of law as to whether a composite order for grant of compensation and to pay penalty and interest, in case of default to pay compensation amount within 30 days, is without jurisdiction and illegal. The contention of Shri Rao is not well founded.

Sub-section (3) of Section 4A of the Act reads as under :

"(3) Where any employer is in default in paying the compensation due under this Act within one month from the date it fell due, the Commissioner may direct, that, in addition to the amount of the arrears, simple interest at the rate of six per cent per annum on the amount due together with, if in the opinion of the Commissioner there is no justification for delay, a further sum not exceeding fifty percent of such amount, shall be recovered from the employer by way of penalty".

5. It is obvious that the Commissioner for Workmen's Compensation while awarding compensation may also direct the employer to pay interest and penalty in case of default in paying the compensation within the stipulated time.

6. There is no legal bar for making a composite order for payment of compensation and imposing penalty and interest against the employer for default in paying the compensation amount within the stipulated period.

7. It is evident from Sub-section (3) of Section 4A of the Act that simple interest @ 6% may be awarded by the Commissioner for Workmen's Compensation in case of default by the employer in paying the compensation amount to the claimant within the stipulated time.

8. In the instant case, the Commissioner for Workmen's Compensation has allowed interest @ 12 % on the compensation amount in case of default in making the payment, which is not in consonance with Sub-section (3) of Section 4A of the Act. The rate of interest awarded by the Commissioner for Workmen's Compensation is reduced to 6%.

9. The award under appeal is modified to this extent and in the result the appeal is allowed in part.