
(2020) 09 MP CK 0105

In the Madhya Pradesh High Court

Case No : Miscellaneous Appeal No. 619 Of 2011

Smt. Shanti & Ors.

APPELLANT

Vs

Kanhaiyalal & Anr

RESPONDENT

Date of Decision : 08-09-2020

Acts Referred:

Workmen's Compensation Act, 1906 — Section 30

Citation : (2020) 09 MP CK 0105

Hon'ble Judges : Rajeev Kumar Shrivastava, J

Bench : Single Bench

Advocate : Mahesh Haswani, H.K.Goyal

Final Decision : Disposed Of

Judgement

1. This Miscellaneous Appeal under Section 30 of Workmen's Compensation Act has been filed by the appellants feeling aggrieved by the award dated 30.11.2010 passed in Case No. 5/98 W.C.A. (Fatal) by Commissioner Workmen's Compensation Act, Labour Court No.1, Gwalior.

2. Learned counsel for the appellants submitted that the Labour Court No.1, Gwalior vide award dated 30.11.2010 has awarded Rs. 2,24,000/- as compensation along with interest at the rate of 6% per annum from the date of award. It is submitted that the trial Court has committed error in awarding the interest from the date of award, whereas interest ought to have been awarded from the date of accident. In support of this submission, learned counsel for the appellants has placed reliance on the judgments passed in the cases of Sabarabibi Yakobhai Shaik and others Vs. National Insurance Company Ltd. and others (2014 ACJ 467); Oriental Insurance Company Ltd. Vs. Siby George & Others (2012 ACJ 2126) Pitar Bai and others Vs. Laxman Chandra and Another (2019 ACJ 1392) and Divisional Forest Officer, Gwalior and Another Vs. Baijanti Bai and others. (1995 ACJ 1002), wherein it has been observed that the interest be given from the date of accident and not from the date of award.

3. Learned counsel for the appellants has further submitted that the amount of award under compensation is on lower side which should be reasonably enhanced. It is further prayed that the trial Court has also wrongly awarded interest at the rate of 6% per annum, whereas it should be at the rate of 12% per annum.

4. Per contra, learned counsel for the respondent No.1 has opposed the submission and prayed for dismissal of appeal.

5. Heard learned counsel for the parties and perused the available record.

6. The Hon'ble Apex Court in *Saberabibi Yakobbbhai Shaik and others Vs. National Insurance Company Ltd. and others* (2014 ACJ 467) has observed as under:-

"10. We have perused the aforesaid judgment. We are of the considered opinion that the aforesaid judgment relied upon by the learned counsel for the appellants is fully applicable to the facts and circumstances of this case. This Court considered the earlier judgment relied upon by the High Court and observed that the judgments in the case of *National Insurance Co. Ltd. v. Mubasir Ahmed*, 2007 ACJ 845 (C) and *Oriental Insurance Co. Ltd. v. Mohd. Nasir*, 2009 ACJ 2742 (SC), were per incuriam having been rendered without considering the earlier decision in *Pratap Narain Singh Deo v. Srinivas Sabata*, 1976 ACJ 141 (SC). In the aforesaid judgment, upon consideration of the entire matter, a four-judge Bench of this Court had held that the compensation has to be paid from the date of the accident.

11. Following the aforesaid judgments, this Court in *Oriental Insurance Company Limited versus Siby George*, 2012 ACJ 2126 (SC), reiterated the legal position and held as follows:

"(10). The Court then referred to a Full Bench decision of the Kerala High Court in *United India Insurance Co. Ltd. v. Alavi*, 1998 ACJ 1048 (Kerala) and approved it insofar as it followed the decision in *Pratap Narain Singh Deo.*, 1976 ACJ 141 (SC).

(11). The decision in *Pratap Narain Singh Deo*, 1976 ACJ 141 (SC), was by a four-judge Bench and in *Valsala K.*, 2000 ACJ 5 (SC), was by a three-judge Bench of this Court. Both the decisions were, thus, fully binding on the Court in *Mubasir Ahmed*, 2007 ACJ 845 (SC) and *Mohd. Nasir*, 2009 ACJ 2742 (SC), each of which was heard by two Judges. But the earlier decisions in *Pratap Narain Singh Deo* and *Valsala K.* were not brought to the notice of the Court in the two later decisions in *Mubasir Ahmed* and *Mohd. Nasir*.

(12) In the light of the decisions in *Pratap Narain Singh Deo*, 1976 ACJ 141 (SC) and *Valsala K.*, 2000 ACJ 5 (SC), it is not open to contend that the payment of compensation would fall due only after the Commissioner's order or with reference to the date on which the claim application is made. The decisions in *Mubasir Ahmed*, 2007 ACJ 845 (SC) and *Mohd. Nasir*, 2009 ACJ 2742 (SC), insofar as they took a contrary view to the earlier decisions in *Pratap Narain*

Singh Deo and Valsala K. do not express the correct view and do not make binding precedents."

12. In view of the aforesaid settled proposition of law, the appeal is allowed and the judgment and order of the High Court is set aside. The appellants shall be entitled to interest at the rate of 1 per cent from the date of the accident."

7. In a recent judgment in Pitar Bai and others Vs. Laxman Chandra and Another (2019 ACJ 1392), the Hon'ble Apex Court has observed as under:-

"26. In the instant case, the Commissioner has awarded interest, but has made it effective only from the date of award of Commissioner whereas, sub-section (3) of Section 4-A requires the Commissioner to direct the employer to pay interest from the date the amount fell due which would be the date of accident and not the date of judgment of Commissioner. The Supreme Court as early as in case of Pratap Narayan Singh Deo v. Srinivas Sabata, 1976 ACJ 141 (SC), held that the compensation becomes payable on the date of accident and not on the date of determination of amount by the Commissioner. Again, the Supreme Court in case of Oriental Insurance Co. Ltd. v. Khajuni Devi, 2002 (10) SCC 567, while dealing with the issue of relevant date from which the interest and penalty would be payable, has held that the relevant date for determining the rights and liability of parties is the date of accident and not the date of adjudication of the claim. Similar was the view of the Supreme Court in one of its earlier decision in Kerala State Electricity Board v. Valsala K, 2000 ACJ 5 (SC).

27. In view of the aforesaid legal position as has been laid by the Supreme Court in the aforesaid judicial precedents, this court has no hesitation in reaching to the conclusion that whenever the interest is to be awarded, the same shall have to be awarded from the date of accident, i.e. the date on which it fell due."

8. In the light of the aforesaid judgments of the Hon'ble Apex Court, it is clear that the interest should be awarded from the date of accident and not from the date of passing of award and to this extent the impugned award deserves to be interfered with.

9. So far as the rate of interest awarded by the Trial Court is concerned, it is apparent that the accident relates to the year 1998, therefore, the rate of interest, i.e. 6% awarded by the trial Court is correct and warrants no interference by this Court.

10. Resultantly, the appeal is partly allowed. It is directed that the appellants shall be entitled to the interest at the rate of 6% per annum on the compensation amount from the date of accident i.e., 29.1.1998. Rest of the directions contained in the impugned award passed by the Trial Court shall remain intact.

Misc. Appeal stands disposed of to the extent indicated above.