



FAO-3128-2025 (O&M)

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IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

S.No.115

**FAO-3128-2025 (O&M)
Date of decision : 16.5.2025**

The New India Assurance Company Limited

... Appellant

VERSUS

Manoj and others

... Respondents

CORAM: HON'BLE MR. JUSTICE PANKAJ JAINPresent: Mr. Lalit Garg, Advocate,
for the appellant.

PANKAJ JAIN, J. (Oral)**CM-9966-CII-2025**

For the reasons mentioned in the application, the same is allowed and delay of 13 days in filing the appeal is condoned.

Main case

Challenge is to the order dated 10.2.2025 passed by the Commissioner under Employees' Compensation Act, Bhiwani.

2. Counsel for the appellant insurance company claims that the order passed by the Commissioner is bad as there is no evidence to prove employer-employee relationship between respondent No.1 and deceased Sandeep. It has been further contended that wages have been taken at ₹ 15,000/- per month which is much more than the minimum wages notified by State of Haryana i.e. ₹ 11,000/- on the date of accident. Further challenge is to the grant of interest on the date of accident till the date of actual realisation.



3. I have heard counsel for the appellant and have carefully gone through the records of the case.

4. The Commissioner while recording findings on issue No.1 relied upon the affidavit of the claimant as well as contents of GD No.31 dated 10.10.2020 proved on record Ex.P3.

5. Undisputedly, the same shows that the deceased died on 10.10.2020 while discharging his duties as a driver. In terms of Section 2(d) of the Employees' Compensation Act, 1923 (In short, "1923 Act"), a contract of employment can be oral or in writing, expressed or implied. In view of the fact that the deceased died while he was behind the wheel in a motor vehicular accident involving vehicle owned by respondent No.2., no exception can be taken to the findings recorded by the Commissioner on issue No.1. Resultantly, the argument raised is rejected.

6. So far as the issue with respect to minimum wages is concerned, the same is governed under Section 4(1B) of 1923 Act which reads as under :-

“S. 4(1B) The Central Government may, by notification in the Official Gazettee specify, for the purposes of sub-section (1), such monthly wages in relation to an employee as it may consider necessary.

(2) The half-monthly payment referred to in clause (d) of sub-section (1) shall be payable on the sixteenth day—

(i) from the date of disablement where such disablement lasts for a period of twenty-eight days or more, or



(ii) after the expiry of a waiting period of three days from the date of disablement where such disablement lasts for a period of less than twenty-eight days; and thereafter half-monthly during the disablement or during a period of five years, whichever period is shorter:

Provided that –

(a) There shall be deducted from any lump sum or half-monthly payments to which the employee is entitled the amount of any payment or allowance which the employee has received from the employer by way of compensation during the period of disablement prior to the receipt of such lump sum or of the first half-monthly payment, as the case may be; and

(b) No half-monthly payment shall in any case exceed the amount, if any, by which half the amount of the monthly wages of the employee before the accident exceeds half the amount of such wages which he is earning after the accident.”

7. Central Government by way of notification dated 3.1.2020 notified minimum wages to be ₹ 15000/- per month and the same has been so taken by the Commissioner.

8. So far as the minimum wages notified under Minimum Wages Act by the State Government is concerned, same has no relevance for computation under 1923 Act. In terms of Section 4A(1)(b) of 1923 Act, interest ought to have been awarded by the Commissioner from the date the



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amount fell due i.e. 30 days after the accident. In view thereof, order passed by the Commissioner is modified to the extent that interest @ 12% p.a. granted on compensation amount of ₹ 15,74,400/- shall be paid for the period commencing from the date i.e. 30 days after the accident i.e. 9.11.2020 till the date of actual realization.

9. Disposed off.

(PANKAJ JAIN)
JUDGE

May 16, 2025
Paritosh Kumar

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No