

**CWP-3930-2023****1****IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH****(202)****CWP-3930-2023****Date of Decision : July 21, 2025****Himachal Aluminium and Conductors, GT Road, VPO Mohtli (near Pathankot), District Kangra, Himachal Pradesh through its Authorized representative Sh. Subhash Mahajan****.. Petitioner****Versus****Neelam Devi and others****.. Respondents****CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI**

Present: Mr. Kushagra Mahajan, Advocate, for the petitioner.

None for respondents No. 1 to 4.

Mr. Rahul Rampal, Addl. A.G., Punjab, for respondent No.5.

Ms. Manvi Verma, Advocate, for
Mr. Rajneesh Malhotra, Advocate, for respondent No.6.

Mr. Dheeraj Mahajan, Advocate, for respondent No.7.

HARSIMRAN SINGH SETHI J. (ORAL)

1. In the present writ petition, the challenge is to the impugned notice dated 14.11.2022 (Annexure P-6) by which, the petitioner has been directed to deposit 50% penalty alongwith interest otherwise, the same is being stated to be recovered as per law.

2. Learned counsel for the petitioner submits that an Award was passed under the Employees' Compensation Act, 1923 against the petitioner on 10.06.2021 (Annexure P-2).



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3. Learned counsel for the petitioner further submits that in the said Award, a direction was issued to issue a show cause notice to the petitioner under Section 4-A (3) (b) of the 1923 Act as to why, 50% penalty of the compensation amount of Rs.7,88,240/- be not imposed for non-payment of compensation whereas, no such notice was issued and directly, an order has been passed for deposit of the said amount, which is incorrect as the said penalty can only be imposed after giving an opportunity of hearing and objecting the penalty imposed.

4. Learned counsel for the petitioner further submits that without giving the said opportunity of hearing and objecting, the order has been passed for deposit of the amount, which is incorrect.

5. No one appears on behalf of respondents No. 1 to 4.

6. I have heard learned counsel for the parties and have gone through the record with their able assistance.

7. A bare perusal of the Award would show that a show cause notice was required to be issued to the petitioner before imposing the 50% penalty of the compensation amount for non-payment of the same in accordance with the provisions of the Employees' Compensation Act, 1923. The compliance of the same can only be done by issuing a show cause notice to the petitioner and seeking his response qua the show cause notice and thereafter, passing an appropriate order whether the petitioner is liable for the payment of such 50% of the amount of the compensation for not complying with the provisions of 1923 Act or not.

8. No such procedure which may have been adopted has been brought to the notice of this Court rather, straightaway an order has been

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passed for the deposit of 50% of compensation amount, which cannot be treated as a correct interpretation of the Award dated 10.06.2021, corollary of which, the order dated 14.11.2022 (Annexure P-6) has been passed.

9. The said impugned order dated 14.11.2022 (Annexure P-6) is set aside. The matter is remanded back before the appropriate authority under the Employees' Compensation Act, 1952 at Pathankot. The petitioner will appear before the said authority on 18.08.2025. The respondent No.7 is also given liberty to approach the said authority. The Commissioner under the Employees' Compensation Act, 1952 is directed to adjudicate upon the matter after giving due opportunity of hearing to the petitioner qua the issue that whether the petitioner is liable for payment of 50% of the penalty of the compensation amount for delaying the payment under 1952 Act, by passing an appropriate speaking order, which speaking order will be passed within a period of four months of the first hearing.

9. Parties are directed to appear before the authorities concerned on 18.08.2025.

10. The present writ petition is disposed of in above terms.

July 21, 2025*harsha***(HARSIMRAN SINGH SETHI)****JUDGE**

Whether speaking/reasoned : Yes

Whether reportable : No