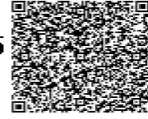


FAO-5438-2008(O&M)

2025:PHHC:095735



234/2

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

FAO-5438-2008 (O&M)

Date of decision :24.07.2025

Deepak & ors.

..... Appellants

Versus

National Insurance Co., Ltd. & anr.

..... Respondents

CORAM : HON'BLE MR.JUSTICE PANKAJ JAIN

Present :- Mr. Ashwani Bakshi, Advocate and
Mr. Harshit Kataria, Advocate for the appellants.

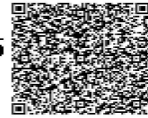
Mr. Gopal Mittal, Advocate for respondent No.1.

PANKAJ JAIN, J. (ORAL)

1 Claimants are in appeal aggrieved of order dated 22.04.2008 passed by Commissioner, Rohtak under the Workmen's Compensation Act, 1923 (now known as Employees' Compensation Act, 1923) (for short 'the 1923 Act').

2 The grievance of the claimants is denial of interest and penalty. Commissioner while declining interest & penalty to the claimants observed as under :-

“Relief: It has been noticed during the proceeding of this case that a considerable time was taken by the petitioner in processing their claim. This has been a prime factor for the delay in announcement of award in their favour. Hence W.C. Commissioner feels that imposition of interest and penalty on compensation would be against the principles of natural justice on the ground that no one can take benefit of his own mistake.



Under these circumstances respondent No. 1 is directed to deposit the compensation amount of Rs. 199400/- As calculated above within one month of communication of these order. If the compensation directed to pay above is not paid within period as specified above it shall be liable to pay a penal interest on compensation amount @ Rs. 12% per annum from the date of communication of these orders till the payment is actually is deposited with the W.C. Commissioner.”

3 In the considered opinion of this Court, the Commissioner has completely misread the provision contained under Section 4A of the 1923 Act which provides for interest and penalty. The 1923 Act, being a piece of beneficial legislation, casts a duty upon the employer to compensate the employee or the legal representatives of a deceased employee who are left in destitute due to an accident arising out of and in the course of employment. The amount thus accrues in terms of Section 4A of the 1923 Act upon the expiry of 30 days from the date of the accident.

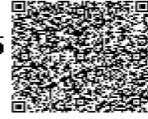
4 In view of above, this Court finds that the reasoning afforded by the Commissioner cannot be sustained.

5 Resultantly, the award is modified to the extent that the claimants shall be entitled for interest @12% p.a. on the awarded compensation amount of Rs.1,99,400/- for the period commencing from 30 days after the date of accident till the date of actual realization.

6 Apart from the aforesaid interest, the claimants shall also be entitled to a penalty amounting to 50% of the awarded compensation, which shall be borne by respondent No. 3. The penalty shall also carry interest @7% p.a. for the period as stated hereinabove.

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7 Appeal stands disposed off accordingly.

8 Pending miscellaneous application, if any, also stands disposed off.

24.07.2025

Pooja Sharma-I

(PANKAJ JAIN)
JUDGE

Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No