

2025:PHHC:137032



[118] IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

FAO-8375-2015 (O&M)

Date of Decision : 29.09.2025

Parmila and others ...Appellants

versus

U.B. Engineering Limited and others ...Respondents

Coram : **HON'BLE MR. JUSTICE PANKAJ JAIN**

Present: Mr. Govind Chauhan, Advocate
for the appellants.

Mr. Vinod K. Kaushal, Advocate
for respondent Nos.3 & 4.

None for respondent Nos.5 & 6.

PANKAJ JAIN, J. (ORAL)

[1] The only dispute in the present appeal raised by the claimants is with respect to calculation of the compensation payable to the claimants. The Tribunal has assessed the compensation taking the wages of the deceased as Rs.4348/- relying upon the notification issued by State under Minimum Wages Act.

[2] In the considered opinion of this Court, the approach of the Commissioner is patently erroneous. Section 4 (1) (B) of 1923 Act reads as under:-

“4 (1B) The Central Government may, by notification in the Official Gazette, 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.*

[3] Under Section 4 (1) (B) of 1923 Act, Central Government issued notification on 31.05.2010, wherein the wages notified for the purpose of Section 4(1) are Rs.8,000/-. Date of accident is 13.12.2010.

[4] In view of the above, the wages for the purpose of calculation of compensation payable to the claimants has to be Rs.8,000/- and not Rs.4348/- as held by the Commissioner.

[5] Accordingly, the Award is modified to the extent that the claimants shall be entitled for a compensation of Rs.8000 x 50/100x178.49 =Rs.7,13,960/-.



[6] Apart from the above, the claimants shall also be entitled for interest @ 12% per annum. In view of Section 4A for the period commencing from 30 days after the date of accident i.e. w.e.f. 12.01.2011 till the date of actual realization.

[7] Claimants shall also be entitled for penalty which shall be 50% of the aforesaid compensation. The penalty amount shall carry interest @ 6% per annum from the date of filing of the application till the date of actual realization.

[8] The appeal stands disposed off.

[9] All pending miscellaneous application(s), if any, stands *disposed off*.

(PANKAJ JAIN)
JUDGE

29.09.2025
'R. Sharma'

Whether speaking/ reasoned : *Yes/No*
Whether reportable : *Yes/No*