

In the High Court of Punjab & Haryana at Chandigarh

FAO No. 1753 of 1992 (O&M)

Date of decision : 31.1.2011

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| The New India Assurance Company Limited | Appellant |
| vs | |
| Avtar Singh and another | Respondents |

Coram: Hon'ble Mr. Justice Rajesh Bindal

Present: Mr. Inderjit Sharma, Advocate, for the appellant.

Mr. Gurcharan Dass, Advocate, for respondent no. 1.

Rajesh Bindal J.

The present appeal has been filed by the New India Assurance Company Limited against the order dated 19.6.1992, passed by the Commissioner under the Workman's Compensation Act, Panipat (for short, 'the Commissioner').

Briefly, the facts of the case are that Amrik Singh, aged 21/22 years old, employed with respondent no. 2, on truck bearing registration No. HRK-6817 for a monthly salary of ₹ 990/-, expired on 24.6.1988, during the course of employment. The claim petition filed by his father Avtar Singh before the Commissioner under the Employees Compensation Act, 1923 (for short, 'the Act'), was allowed. As the appellant Assurance company had not deposited the compensation amount within 30 days from the date of accident, the Commissioner also awarded interest @ 12% per annum to the claimants. It is against this order, the appellant Assurance company is in appeal.

The first contention raised by learned counsel for the appellant Assurance Company is regarding imposition of interest on account of delayed payment of compensation.

The second contention raised by learned counsel for the appellant is that the Commissioner has wrongly awarded payment of interest from the date of accident.

Heard learned counsel for the parties and perused the paper-book.

At the time of hearing, learned counsel for the appellant has not been able to point out any clause in terms of the policy which granted exemption to the appellant from liability from payment of interest on the amount of compensation. Reference can be made to judgment of Hon'ble the Supreme Court in **Kamla Chaturvedi vs National Insurance Company Limited and others** 2009 ACJ 115, wherein it was held that the Insurance company cannot avoid its liability to pay interest on the ground that there is no contract entered into by it with the insured for payment of interest as there is no exception stipulated in the policy for payment of interest by insurance company.

The issue regarding entitlement of interest to the claimants on the amount of compensation, has also been gone into by this court in **New India Assurance Company Limited vs Manphool Singh and others** (2008-1) PLR 706, wherein following judgment of Hon'ble the Supreme Court in **Pratap Narain Singh Deo vs Srinivas Sabata** (1976) 1 SCC 289, it has been opined that the claimants shall be entitled to interest not from the date of order/award of the Commissioner, but on expiry of one month from the date of accident.

For the reasons mentioned above, no case for interference is made out. Accordingly, the appeal is dismissed.

31.1.2011
vs.

(Rajesh Bindal)
Judge