

IN THE HIGH COURT OF JHARKHAND AT RANCHI

M.A. No. 81 of 2015

Smt. Sudama Devi wife of late Laxman Mandal, resident of village-
Sathiwad, Post-Chapuadih, P.S. Bengabad, District-Giridih PIN Code-
815312

..... Appellant

Versus

1.Amjad Nabib Khan, son of Ghulam Muddin, resident of 1190, Block No.
45, Ichhapore No. 03. Tal Choryasi, P.S. Surat Post and District-Surat Pin
394510 (Gujrat).

2. Sriram General Insurance Company Limited (HQ) E/8, EPIP, RIICO
Industrial Area Sitapur, Post and P.S. Sitapur, Jaipur, PIN Code-302002
(Rajasthan)

3. Sriram General Insurance Company Limited Through Branch Manager
2nd Floor, Jha Niwas Opposite Hotel Yuvraj Plance Diversion Road, Doranda
Post and P.S. Doranda, Ranchi-834002, District-Ranchi

..... Respondents

CORAM: HON'BLE MR. JUSTICE SANJAY KUMAR DWIVEDI

For the Appellant :Mr. Arvind Kumar Lall, Advocate

For the Insurance Company : Mr. Ashutosh Anand, Advocate

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11/ 23.07.2026: Heard Mr. Arvind Kumar Lall, learned counsel for the
appellant and Mr. Ashutosh Anand learned counsel for the Insurance
Company.

2. This appeal has been preferred under Section 30(1) (a) of
the Employee's Compensation Act, 1923 for enhancement of the awarded
amount passed in W.C. Case No. 22 of 2013 by Award dated 31.10.2014
by the learned Presiding Officer, Labour Court, Deoghar.

3. Mr. Arvind Kumar Lall, learned counsel for the appellant
submits that on 26.05.2012 the deceased/Laxman Mandal was going to
unload the stone chips at Bengabad from the truck bearing Registration
No. GJ-5AT-0629 on the instruction and direction of his employer- Amjad

Nabib Khan and the said truck turned turtle due to rash and negligent driving of his driver Anwar Khan due to which said Laxman Mandal sustain serious injuries on his head and his both legs were broken. The said Laxman Mandal was brought Navjeevan Nursing Home at Giridih and during course of treatment he died. The F.I.R being Bengabad P.S. Case No. 62 of 2012 was registered for the same and the truck in question was seized. Inquest report of the dead body of Laxman Mandal was conducted and after investigation, Bengabad Police submitted chargesheet against the driver Anwar Khan of the offending vehicle. He submits that the claimant is dependent of the deceased employee being widow has filed W.C. Case No. 22 of 2013 before the Presiding Officer, Labour Court, Deoghar claiming that deceased-Laxman Mandal was getting monthly wages of Rs. 6,000/- per month plus Rs. 50/- per day as khuraki from the employer. The deceased was aged about 48 years at the time of accident and compensation was claimed as Rs. 5,00,000/- with interest at the rate of 12 % per annum since 26.06.2012. The said offending truck was insured with Sriram General Insurance Company Limited-O.P. Nos. 2 and 3

4. Mr. Arvind Kumar Lall, learned counsel for the appellant submits that compensation of Rs. 5,83,270/- was allowed by the learned Presiding Officer, Labour Court on contest of O.P. Nos. 2 and 3 and ex-parte against O.P. No. 1 and direction was made to pay the said compensation amount within 30 days from that order. He next submits that the learned Labour Court while passing the Award has not passed any order of penalty under section 4(A) of the Employees Compensation Act, 1923 which is

mandatory provision. He further submits that from which date interest is to be paid, has not been disclosed. Lastly, he submits that funeral expenses have not been provided to the claimant. He submits that all these are mandatory which is required to be passed in Award, which is missing in the Award passed by the learned Presiding Officer, Labour Court. He relied in the case of "**Jugal Kishor Ray Vs. Ashok Prasad Yadav and Another**" (**Special Leave Petition (Civil) No. 20520 of 2024**) and submits that the said Award may kindly be modified.

5. Mr. Ashutosh Anand, learned counsel for the Insurance Company submits that Insurance Company is not liable to pay penalty and interest. He relied in the case of "**L.R. Ferro Alloys Ltd. Vs. Mahavir Mahto and Another**" reported in **(2002) 9 SCC 450** and submits that the appeal may kindly be dismissed.

6. It is an admitted position that accident took place on 26.05.2012 pursuant to that deceased/Laxman Mandal died and later on F.I.R being Bengabad P.S. Case No. 62 of 2012 was registered in which chargesheet has been submitted against the driver of the offending vehicle. The owner of the offending vehicle has not appeared before the learned Presiding Officer, Labour Court and also before this Court and subsequently, the Co-ordinate Bench of this Court has found that since the liability has been fastened upon the Insurance Company and owner is not the necessary party hence the requirement of notice upon Owner-respondent no.1 has been dispensed with.

7. The compensation of Rs. 5,83,270/- was allowed and interest has been directed to be paid however from which date interest is required

to be paid, is not indicated in the Award. It is well known that interest in such type of cases are required to be paid from the date of accident i.e. 26.05.2012 and in view of that appellant shall be entitled for payment of interest in terms of Award from 26.05.2012 till the payment.

8. Section 4A of the Employees Compensation Act deals with the compensation which has been given to the employees. Section 4A (3) (a) of the Employees' Compensation Act reads as under:-

*"4-A-Compensation to be paid when due and penalty for default-
(3). Where any employer is in default in paying the compensation due under this Act within one month from the date it fell due, the Commissioner shall-
(a) direct that the employer shall, in addition to the amount of the arrears, pay simple interest thereon at the rate of twelve per cent per annum or at such higher rate not exceeding the maximum of the lending rates of any scheduled bank as may be specified by the central Government by notification in the Official Gazette, on the amount due"*

9. The Employees Compensation Act is a beneficial piece of legislation and a duty is cast upon the employer to pay the adequate compensation within one month from the date it fell due. The accident took place on 26.05.2012 and the employer has not paid the compensation within 30 days. Section 4A of the Act prescribes the situation where the interest has to be calculated and even penalty has to be given with a consideration of the justification for withholding the compensation and interest.

10. Section 4A(3) (b) of the Act reads as under:-

*" if, in his opinion, there is not justification for the delay, direct that the employer shall, in addition to the amount of the arrears and interest thereon, pay a further sum not exceeding fifty per cent of such amount by way of penalty.
Provided that an order for the payment of penalty shall not be passed under clause (b) without giving a reasonable opportunity to the employer to show cause why it should not be passed."*

11. In view of above provision, penalty was liable to be given and there was no justification of not awarding the compensation to the

appellant within 30 days. However, the learned Presiding Officer, Labour Court has not decided the penalty and interest has been awarded however date has not been indicated in the Award.

12. The Act is a beneficial piece of legislation and in view of that provisions therein ought to have complied with, particularly considering the fact that the death had occurred in the family and the widow who is the appellant may not be fully aware of the Act and the provisions therein. All these are the aspects which were required to be considered at the time of deciding the cases arising out of such accident. Further the appellant has approached the employer orally for payment inspite of that payment has not been paid. The judgement relied by Mr. Ashutosh Anand, learned counsel for the Insurance Company in the case of ***L.R. Ferro Alloys Ltd. (supra)*** and the judgment relied by Mr. Arvind Lall, learned counsel for the appellant in the case of ***Jugal Kishor Ray (supra)*** both are of the Hon'ble Supreme Court judgements and both judgements are of collaterals. The case of ***'Jugal Kishor Ray (supra)*** is arising out of Jharkhand High Court in which penalty and interest part has been allowed by the Hon'ble Supreme Court rejecting the claim of the Insurance Company as has been argued by Mr. Arvind Lall. Further the Insurance Company has not made any appeal against the Award. Thus, the Court finds that the appellant is also entitled for penalty and awarded amount is Rs. 5,83,270/- and as such 50% of the said amount i.e. Rs. 2,91,635/- which shall be given to the appellant within four weeks from today.

13. In the old cases the funeral amount is fixed at Rs. 5,000/-

and in view of that the appellant is also entitled for Rs. 5,000/- as funeral expenses.

14. As such the Award dated 31.10.2014 passed in W.C. Case No. 22 of 2013 is modified to the following effect:-

(i) The appellant shall be paid interest in terms of Award from 26.05.2012 till the payment.

(ii) The appellant is entitled for penalty and awarded amount is Rs. 5,83,270/- and as such 50% of the said amount i.e. Rs. 2,91,635/- shall be given to the appellant within four weeks from today.

(iii) The appellant shall be paid Rs. 5,000/- as funeral expenses.

15. This appeal is allowed in part. Pending I.A, if any, stands disposed of.

16. Let Lower Court Record be transmitted to the court concerned forthwith.

Dt.23.07.2026

(**Sanjay Kumar Dwivedi, J.**)

Satyarthi/A.F.R