



2023 PLRonline 0106

HIGH COURT OF KARNATAKA, KALABURAGI
BENCH

MR. JUSTICE SURAJ GOVINDARAJ

**DIVISIONAL MANAGER, THE NEW INDIA
ASSURANCE COMPANY LTD. V. NAGARAJ**

WRIT PETITION NO.201824 OF 2023 (GM-CPC)

07.07.2023

Workmen's Compensation Act - If the judgment debtor wishes for the interest to stop running, then the payment is required to be made to the decree-holder and mere deposit with the Workmen's Compensation Commissioner, would not suffice, as the deposit made would not enure to the benefit of the decree holder.

Held,

Whenever any judgment or award is passed in favour of a party, be it a claimant or a plaintiff such party would be entitled for the principal amount and interest thereon till the date of receipt of the amounts - Merely because, the defendant or the judgment debtor were to deposit the amounts in a Court of law or as done in this case before the Workmen's Compensation Commissioner, the obligation to pay the amounts would not cease - What is of relevance is for the claimant or plaintiff to receive the monies which have been ordered in his or her favour, the deposit of the money either in a Court or by a fixed deposit would not enure to the benefit of the plaintiff/claimant thereby depriving him of the beneficial use of the money, such deprivation being as a result of a judgment debtor or the petitioner in the present case not releasing money in favour of the claimant/decreed holder/plaintiff - Judgment debtor who took on

the risk of continued accrual of interest on the said amount, till the actual payment thereon.

Facts:

The principal amount and interest were deposited before the Workmen's Compensation Commissioner but not paid to the claimant. The petitioner -insurance company opposed the claimant's application for release on the ground that they were filing an appeal, and requested not to disburse the deposited amounts. The amounts were eventually released to the claimant after a long period, and now the claimant seeks payment of the balance interest, which the Executing Court has directed to be paid after providing an opportunity for payment before coercive measures are taken.

Mohd. Abdul Quayum, Advocate for petitioner.

ORDER

1. Notice to the respondent is dispensed with in view of the proposed order to be passed.

2. The petitioner is before this Court seeking the following reliefs:

"i) Quash the order dated 19.04.2023 passed by the II-Addl. Senior Civil Judge and JMFC, Raichur in E.P.No.52/2022, the copy of which is at Annexure- A.

ii) Issue any other appropriate writ, order or direction as this Hon'ble Court deem fit to grant in the facts and circumstances of the case, in the interest of justice and equity."

3. The respondent had filed a claim petition in W.C.No.164/2011 before the II-Additional Senior Civil Judge and JMFC, Raichur wherein the compensation of Rs.4,02,416/- was awarded along with interest at the rate of 12% per

annum calculated from 24.11.2011 till the date of realization. Aggrieved by the same, the petitioner has filed a Miscellaneous First Appeal in MFA No.31199/2013 which came to be dismissed on 08.04.2022.

4.The petitioner-Insurance Company deposited the award amount of Rs.4,02,416/- before preferring the appeal along with interest of Rs.81,498/- calculated from 24.11.2011 till 01.08.2013, i.e., till the date of deposit.

5.An execution petition having been filed, the Executing Court directed the petitioner-Insurance Company to make payment of balance interest of Rs.3,37,014/- calculated from 01.08.2012 till the date of the order namely 19.04.2023. It is challenging the said order, the petitioner-Insurance Company is before this Court.

6.The submission of Sri. Mohd. Abdul Quayum, learned counsel for the petitioner is that Awarded amount along with interest having been deposited before the Workmen's Commissioner before filing of the miscellaneous first appeal, the obligation on the part of Insurance Company to pay interest ceases from that date and there is no amount which is required to be paid as directed in the impugned order. On that ground, he submits that the petitioner-Insurance Company is before this Court seeking for the aforesaid reliefs.

7.It is not in dispute that the claim petition filed in W.C.No.164/2011 came to be allowed and the petitioner was directed to make payment of compensation of Rs.4,02,416/- along with interest at the rate of 12% per annum calculated from 24.11.2011 till the date of realisation. Certain amounts were deposited on 01.08.2013, before the Workmen's Compensation, Commissioner, along with interest at the rate of 12% per annum amounting to Rs.81,498/-. Thus, as on the date of deposit the principal amount as also interest was deposited before the

Workmen's Compensation, Commissioner, but was not paid to the claimant. The application having been made by the claimant for release of the amount, it came to be objected to by contending that MFA No.31199/2013 had been filed where the award was challenged and stay was sought for. Thus, it is on account of objections of the petitioner that the payment could not be released. From the records, it is seen that the application filed by the claimant for release of the deposited amount, before the Workmen's Compensation Commissioner as far back as on 16.11.2013 was opposed by the petitioner. Apart therefrom, the petitioner-Insurance company had also written to the Workmen's Compensation Commissioner on 21.11.2014 requesting not to disburse the deposited amounts. It is in that background that the amounts were finally released in favour of the claimant on 17.02.2023 and thereafter, the application had been filed by the claimant for issuance of direction on account of non-payment of balance interest. It is this interest which was calculated by the Executing Court and a direction issued for payment of balance interest of Rs.3,37,015/- by providing an opportunity before issuance of coercive steps.

8.Whenever any judgment or award is passed in favour of a party, be it a claimant or a plaintiff such party would be entitled for the principal amount and interest thereon till the date of receipt of the amounts. Merely because, the defendant or the judgment debtor were to deposit the amounts in a Court of law or as done in this case before the Workmen's Compensation Commissioner, the obligation to pay the amounts would not cease. What is of relevance is for the claimant or plaintiff to receive the monies which have been ordered in his or her favour, the deposit of the money either in a Court or by a fixed deposit would not enure to the benefit of the plaintiff/claimant thereby depriving him of the beneficial use of the money, such deprivation being as a result of a judgment debtor or the petitioner in the present case not releasing

money in favour of the claimant/decreed holder/plaintiff.

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9. It is the Petitioner- judgment debtor who took on the risk of continued accrual of interest on the said amount, till the actual payment thereon. If at all the judgment debtor wishes for the interest to stop running, then the payment is required to be made to the decree-holder and mere deposit would not suffice, since the deposit made would not enure to the benefit of the decree holder.

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10. As such, the contention now raised by the learned counsel for the petitioner - Insurance Company that from and on the date of deposit before the Workmen's Compensation Commissioner, the interest would stop running cannot be accepted in the absence of payment being received by the plaintiff/claimant/ decree holder. In the event of the deposited amount being kept in Fixed deposit any interest accrued thereon would stand to the credit of the judgment debtor and the same can be utilised to make payment of the accrued interest.

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11. There being no merit in the above petition and no grounds made out, the petition stands dismissed at the admission stage itself.

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