



(2026:HHC:22478) 2026:HHC:22478

IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA

FAO No.88 of 2026

Date of Decision: 16.06.2026

Pushpa Devi and others

....Appellants

Versus

Ghan Shyam (deceased) through LRs & another

...Respondents

Coram

Hon'ble Mr. Justice Sushil Kukreja, Judge

Whether approved for reporting?¹ Yes

For the appellants : Mr. Sanjay Kumar Sharma, Advocate.

For the respondents : Mr. Sunil Kumar, Advocate, for
respondents No.1(a) to 1(d).

Mr. Sachin Sunail, Advocate, vice
Mr.Chandan Goel, Advocate, for
respondent No.2.

Sushil Kukreja, Judge (Oral)

The present appeal has been filed by the appellants, who were petitioners before the learned Commissioner, under Employees Compensation Act, Karsog, District Mandi, HP, under Section 30 of the Employee's Compensation Act, 1923 (for short 'the Act'), against the award dated 09.06.2023, passed by the learned Commissioner below, in case Registration

¹ [?] Whether reporters of Local Papers may be allowed to see the judgment?



No.02/2018, titled *Pushpa Devi & ors. Vs. Ghan Shyam & anr.*, whereby the petition filed by the petitioners under Section 22 of the Act for grant of compensation on account of death of Joginder Singh, who was husband of petitioner No.1 and father of petitioners No.2 & 3, was allowed and they were held entitled for compensation to the tune of Rs.6,65,160/- alongwith interest at the rate of 7.5% per annum from 06.09.2018, i.e. after thirty days of the date of death/accident, till its actual realization from respondent No.2.

2. Learned counsel for the appellants fairly submitted that he will not press other grounds taken in the appeal as well as in the substantial questions of law, formulated at pages 11 and 12 of the paper-book, except the ground that the interest has been wrongly awarded at the rate of 7.5% per annum, whereas, it should have been awarded at the rate of 12% per annum as per Section 4A(3)(a) of the Act.

3. I have heard learned counsel for the appellants and learned counsel for the respondents No.1 (a) to 1(d) as well as learned vice counsel for respondent No.2 and also carefully gone through the material available on record.



4. Perusal of the impugned award dated 09.06.2023 reveals that while passing the award in favour of the appellants/petitioners, the learned Commissioner below has awarded the compensation to the tune of Rs.6,65,160/- alongwith interest at the rate of 7.5% per annum from 06.09.2018, i.e. after thirty days of the date of death/accident, till its actual realization from respondent No.2.

5. At this stage, it would be relevant to reproduce Section 4A(3) of the Act, which reads as under:-

“4A. Compensation to be paid when due and penalty for default.-

(1) *** **

(2) *** **

(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; and*

(b) *if, in his opinion, there is no 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.”



6. Thus, the aforesaid provision stipulates that the interest should be paid at the rate of 12% 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. Therefore, in terms of the aforesaid provision of law, the Commissioner below ought to have awarded interest at the rate of 12% per annum, instead of 7.5% per annum.

7. Hence, in view of the aforesaid discussion as well as Section 4A(3)(a) of the Act, the appeal is partly allowed and the impugned award dated 09.06.2023, passed by the learned Commissioner below, is modified to the extent that the appellants/petitioners shall be entitled to the interest at the rate of 12% per annum on the amount of compensation from 06.09.2018, i.e. after thirty days of the date of death/accident, till its actual realization from respondent No.2. Respondent No.2- Insurance Company, after calculating the amount of interest, as above, shall deposit the deficit amount within a period of three months from today.



The appeal stands disposed of in the aforesaid terms. Pending application(s), if any, shall also stand disposed of.

(Sushil Kukreja)
Judge

June 16, 2026
(V.Himalvi)