

New India Assurance Company Limited

v.

V. K. Neelakandan and Others

(Supreme Court Of india)

HON'BLE JUSTICE KULDIP SINGH HON'BLE JUSTICE S. SAGHIR
AHMED

Civil Appeal No. 16904-09 Of 1996 | 06-11-1996

1. Special leave granted.

2. The appellant New India Assurance Co. Ltd. has challenged the order of the High Court upholding the compensation granted to the heirs of six deceased workmen who died in an accident by the Commissioner under the Workmen's Compensation Act, 1923 (the Act). It was found as a fact in the proceedings under the Act that the deceased workmen were drawing wages at the rate of Rs. 1800 per month. The compensation was, however, assessed under the Act deeming to be the wages as Rs. 1000 per month. We issued notice to the appellant to show cause why the compensation be not increased

3. It is not disputed that Section 4 of the Act was amended in 1995 by Amendment Act 30 whereunder the deemed income has been increased from Rs. 1000 to Rs. 2000. Learned counsel for the Insurance Company has vehemently contended that since the accident took place in the year 1981, the law operating on that date is applicable and as such the heirs of the workmen are not entitled to the benefit of the amendment. We do not agree with the learned counsel. We are finally determining the rights of the workmen today. The Act is a special legislation for the benefit of the labour. Keeping in view the scheme of the Act we are of the view that the only interpretation which can be given to the amendment is that if any benefit is conferred on the workmen and the said benefit is available on the date when the case is finally adjudicated, the said benefit should be extended to the workmen. We, therefore, hold that the compensation to be paid to the heirs of the workmen has to be calculated on the basis of the actual wages - Rs. 1800 - drawn by them. Learned counsel for the Insurance Company has worked out the amount to be paid to the heirs taking the monthly wages to be Rs. 1800. The details are as under-----

----- Workmen Amount awarded by the Amount
worked out taking Commissioner monthly wages of Rs. 1800 as per the
amended Act as directed by this Hon'ble Court -----

----- (Rupees) (Rupees) -----

----- 1. Ganeshan 89, 600.00 2, 16, 000.00 2. Smt. Janki
84, 716.00 1, 90, 611.00 3. Smt. Pushpa 89, 084.00 2, 00, 439.00 4. P. T. Babu
90, 552.00 2, 03, 742.00 5. Smt. Usha 91, 416.00 2, 05, 686.00 6. Pradeepan 91,
416.00 2, 05, 686.00 -----

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4. Learned counsel for the appellants states that the payment which was awarded by the Commissioner has already been paid to the heirs of the workmen with interest wherever payable. We direct that the balance amount (enhanced amount) be paid with 12% interest per annum w.e.f. June 1991 within two months. We further direct the Registrar of the Kerala High Court to disburse the amount to the heirs of the deceased workmen concerned

5. This order would not preclude the Insurance Company from proceeding against the contractor or any other persons, if permitted under law

6. The appeals are disposed of. No costs.