

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**TUESDAY, THE FIFTH DAY OF MAY
TWO THOUSAND AND TWENTY SIX**

PRESENT

THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN

CMA.Nos.318 AND 437 OF 2020

CMA NO: 318 OF 2020

Appeal Under Section 30 of Employees Compensation Act 1923, against the orders dated 16.10.2017 passed in W.C. No. 1 of 2012 on the file of the Commissioner for Employees Compensation and Assistant Commissioner of Labour Jagtiyal.

Between:

1. Additional Assistant Engineer, AP Transco Department, Nookapally, Mallial Mandal, Karimnagar District. (Presently known as TSNPDCL)
2. Superintending Engineer, Electrical Operation, Main Road, Jagtial Road, Vavilapally, Karimnagar. (Presently known as TSNPDCL)

...APPELLANTS/OPPOSITE PARTY NOS.2 & 3

AND

1. Ailineni Swapna @ Gokaveni Sabhitha, W/o. Late Mohan Rao, Age 32,
2. Ailineni Satwika, D/o. Late Mohan Rao, Age 9 years.
3. Ailineni Vandana, D/o. Late Mohan Rao, Age 9 years.

(Respondent Nos. 1 to 3 are R/o Potharam Village, Mallial Mandal, Karimnagar District)

4. Ganta Laxmi Narayana, S/o. Babaiah, Aged about 38 years, Occ: Lineman, AP Transco Department, R/o. H. No. 3-8-82, Adarshanagar, Karimnagar

...RESPONDENT No.4/OPPOSITE PARTY NO.1

I.A. NO: 4 OF 2020

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased may in the to stay the disbursement decreetal amount to the Respondent No. 1 to 3 herein pursuant of the order passed in W.C. No. 1 of 2012 on the file of the Commission for Employee Compensation and Assistant Commissioner of Labour Jagtial dated 16.10.2017 pending disposal of the appeal.

CMA NO: 437 OF 2020

Appeal Under Section 30 of Employees' Compensation Act, 1923 against the orders dated 16.10.2017 passed in W.C. No. 1 of 2012 on the file of the Commissioner for Employee's Compensation Act and Assistant Commissioner of Labour Jagtial.

Between:

1. Smt Ailineni Swapna @ Gokaveni Sabhitha, W/o Late Sri. Mohan Rao, aged about 38 yrs
2. Ms. Ailineni Satwika, D/o Late Sri. Mohan Rao, aged about 15 yrs
3. Ms. Ailineni Vandana, D/o Late Sri. Mohan Rao, aged about 14 yrs

Appellant nos. 2 and 3 being minor are represented by thier mother and Natural Guardian i.e., appellant no.1

All are R/o Potharam Village, Mallial Mandal Karimnagar District (Now Jagtial District)

...APPELLANTS/CLAIMANTS

AND

1. Sri. Ganta Laxmi Narayana, S/o Sri Babaiah, aged about 43 yrs, Occ: Lineman, AP Transco Department (presently known as TSNPDCL), R/o H No 3-8-82, Adarsh Nagar, Karimnagar, Karimnagar District
2. Additional Assistant Engineer, AP Transco Department, (presently known as TSNPDCL), Nookapally, Mallial Mandal, Karimnagar District (Now Jagtial District)
3. Superintending Engineer, Electrical Operation, TSNPDCL Main Road, Jagtial Road Vavilalapally, Karimnagar

...RESPONDENTS/OPPOSITE PARTIES

I.A. NO: 2 OF 2020

Petition under Section 5 of Limitation Act., praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased condone the delay of 1040 days in filing the present CMA No. of 2020

**Counsel for the Appellants in CMA No.318/2020
and Respondents Nos.2 & 3 in CMA .NO.437/2020 : Sri. A Chandra Shaker**

**Counsel for the Respondents 1 to 3 in CMA.No.318/2020
and appellant in CMA.No. 437/2020 : Sri. N Mukund Reddy**

The Court made the following: COMMON JUDGMENT

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

CIVIL MISCELLANEOUS APPEAL Nos.318 and 437 of 2020

DATE: 05.05.2026

C.M.A.No.318 of 2020

Between:

Additional Assistant Engineer,
AP Transco Department Nookapally,
Mallial Mandal, Karimnagar District and another

...Appellants

AND

Ailineni Swapna @ Gokaveni Sabhitha and 3 others

...Respondents

C.M.A.No.437 of 2020

Between:

Ailineni Swapna @ Gokaveni Sabhitha and 2 others

...Appellants

AND

Ganta Laxmi Narayana and 2 others

...Respondents

COMMON JUDGMENT

These Civil Miscellaneous Appeals are filed aggrieved by the order dated 16.10.2017 passed by the Commissioner for Employees Compensation Act and Assistant Commissioner of Labour, Jagityal in W.C.No.01 of 2012.

2. C.M.A.No.318 of 2020 is filed by the Opposite Party Nos.2 and 3, aggrieved by the order passed in W.C.No.01 of 2012.
3. Whereas, C.M.A.No.437 of 2020 is filed by the claimants, aggrieved by the order passed in W.C.No.01 of 2012.
4. As both the appeals arise from the same impugned order and involve interconnected facts and legal issues, they are disposed of by this Common Judgment.
5. Heard the learned counsel appearing for the parties and perused the record.

Factual Matrix

6. The genesis of the *lis* lies in the unfortunate and untimely death of one Sri Ailineni Mohan Rao (hereinafter referred to as "the deceased"), who, on 05.06.2006, suffered fatal electrocution while attending to electrical work on an electric pole situated in an agricultural field on the outskirts of Potharam Village, within the jurisdiction of Mallial Police Station.
7. Consequently, the dependents of the deceased, namely his wife and minor children, instituted a claim application under the provisions of the Workmen's Compensation Act, 1923 (now the Employees' Compensation Act, 1923), seeking statutory compensation on account of his death arising out of and in the course of employment. The said application came to be

registered as W.C.No.01 of 2012 on the file of the Commissioner for Employees' Compensation and Assistant Commissioner of Labour, Jagtial.

8. The proceedings before the learned Commissioner disclose that, initially, an *ex parte* order came to be passed owing to the non-participation of the Opposite Parties, which was subsequently set aside upon an application, thereby restoring the matter for full-fledged adjudication on merits. Thereafter, a contested trial ensued, wherein both oral and documentary evidence were adduced by the respective parties.

9. Upon culmination of the said adjudicatory process, the learned Commissioner, by order dated 16.10.2017 was pleased to, *inter alia*:

- i) Hold that the deceased was engaged as a casual employee under the Opposite Parties (Electricity Department officials), and that the death occurred during and in the course of such employment;
- ii) Determined the total compensation payable to the dependents at Rs.4,23,580/- by applying the statutory formula under the Act;
- iii) Deducted a sum of Rs.1,15,000/-, which had admittedly been paid by Opposite Party No. 1 (the Lineman, Sri

Ganta Laxmi Narayana) to the mother of the deceased by way of fixed deposit receipts, treating the same as an amount liable for adjustment;

- iv) Consequently, directed the Opposite Parties (Appellants in C.M.A.No.318 of 2020) to jointly and severally pay the balance amount of Rs.3,08,580/- together with simple interest at 9% per annum from the date of filing of the claim application till realization.

10. Being aggrieved by different facets of the aforesaid order, the present appeals have been preferred namely;

- a) C.M.A.No.318 of 2020 is filed by the Electricity Department officials (Opposite Parties Nos. 2 and 3 before the Commissioner), assailing the very finding of employer-employee relationship and the consequent fastening of liability upon them;
- b) C.M.A.No.437 of 2020 is filed by the claimants/dependents of the deceased, limited to challenging that portion of the impugned order whereby the learned Commissioner deducted the sum of Rs.1,15,000/- paid to the mother of the deceased from out of the statutory compensation awarded.

11. In CMA No.437 of 2020, an application under Section 5 of the Limitation Act, 1963 *vide* I.A.No.4 of 2020 was filed seeking condonation of a delay of 1040 days.

Submissions on behalf of the appellants in C.M.A.No.318 of 2020 (Opposite parties)

12. The learned counsel appearing on behalf of the appellants in C.M.A.No.318 of 2020 assailing the impugned order dated 16.10.2017 passed in W.C.No.01 of 2012, advanced the following submissions:

- i) That the deceased was never in the employment of the Electricity Department at any point of time and was, in fact, a private electrician independently engaged in repairing electrical motors and attending to household electrical works in the Village, earning his livelihood through such independent engagements. There existed no formal contract of employment, no evidence of payment of wages or salary by the Department, nor any material to establish supervision or control by the Department over the alleged work of the deceased. In the absence of these essential elements, the statutory precondition for invoking the provisions of the Employees' Compensation Act, 1923, remains unfulfilled.

- ii) That even if it assumed that the deceased was engaged on the date of the incident i.e., 05.06.2006, the evidence particularly the FIR and the testimony of RW-1 (the Linemen) shows that the deceased acted in a rash and negligent manner. That he did not obtain the clearance to ensure that the line was dead and climbed the pole on his own violation. That the fatal accident was caused solely by the deceased's own negligence.
- iii) That the criminal proceedings initiated against OP1 (Lineman) culminated in acquittal, thereby reinforcing the contention that no culpability can be fastened upon the Departmental officials in connection with the said incident.
- iv) That the computation of compensation was in the absence of any evidence regarding the wages. The learned counsel contended that the Commissioner has erroneously fixed the monthly wages of the deceased at Rs.4,000/- in the absence of any cogent or documentary evidence. It is submitted that the Claimants failed to produce any proof regarding the wages, age, or nature of employment of the deceased, and even as per the material on record, the deceased was at best a casual or intermittent daily-wage worker. Hence, the adoption of Rs.4,000/- as monthly

wages, purportedly based on a general notification, is arbitrary and unsustainable in law, and the compensation, if any, ought to have been determined on the basis of a notional or minimum wage in accordance with law and evidence.

Submissions on behalf of the appellants in C.M.A.No.437 of 2020 (Applicants/Claimants)

13. The learned counsel appearing on behalf of the appellants in C.M.A.No.437 of 2020, while supporting the findings of the Commissioner on liability, assailed the impugned order dated 16.10.2017 to the limited extent of deduction of Rs.1,15,000/- from the compensation awarded, and advanced the following submissions:

- i) That the deduction of a sum of Rs.1,15,000/- from the statutory compensation is *ex facie* illegal and contrary to the scheme of the Employees' Compensation Act, 1923. The said amount does not fall within the ambit of "compensation" as defined under Section 2(c) of the Act, but is merely an *ex gratia* or compassionate payment made by OP1 (Lineman) to the mother of the deceased, ostensibly under social or local circumstances and to meet immediate exigencies such as funeral expenses.

Section 8 of the Act provides a complete and self-contained mechanism for the deposit and disbursement of compensation determined under the statute, and permitting adjustment of such informal or private payments against statutory compensation defeats the very object and purpose of this beneficial legislation and undermines the statutory mandate.

- ii) The learned counsel placed reliance upon the judgment of the Hon'ble Supreme Court in ***Suchitra Devi (Smt.) v. Presiding Officer, Labour Court & Another***¹, wherein it has been categorically held that any amount paid on compassionate grounds, not being statutory compensation, cannot be deducted from the compensation payable under the Workmen's Compensation Act. Thereby, it is contended that the Commissioner has committed a jurisdictional error in directing such deduction, rendering the impugned order to that extent unsustainable in law.
- iii) That the expression "compensation" under the Employees' Compensation Act has a precise and statutory connotation, being the amount determined strictly in

¹(1996) 8 SCC 70

accordance with the formula prescribed under Section 4 of the Act, and that a gratuitous or voluntary payment, irrespective of its nomenclature or purpose, does not partake the character of statutory compensation, as both operate in distinct fields and cannot be conflated or set-off against each other.

- iv) On the aspect of limitation, it is submitted that the delay of 1040 days in filing C.M.A.No.437 of 2020 deserves to be condoned, inasmuch as the applicants/claimants are poor, illiterate women residing in a rural area, who were entirely dependent on their previous counsel for information regarding the proceedings. That due to the failure and negligence of the counsel, they were not informed of the passing of the impugned order for nearly three years; however, upon acquiring knowledge of the same in or around August 2020, and particularly upon learning of the appeal filed by the Opposite Parties, they acted with promptitude in engaging new counsel and preferring the present appeal, and therefore the delay is neither wilful nor deliberate but occasioned due to circumstances beyond their control, constituting "sufficient cause" within the meaning of Section 5 of the Limitation Act.

14. I have taken note of their respective submissions urged and the material available on record.

Consideration by the Court

15. The principal question that arises for consideration in C.M.A.No.318 of 2020 is whether the Commissioner was justified in holding that the deceased was an "employee" within the meaning of the Employees' Compensation Act, 1923, and that his death arose out of and in the course of employment under the Opposite Parties.

16. The finding of the Commissioner rests on a proper appreciation of the oral evidence on record. PW-2, an independent witness and owner of the agricultural field where the accident occurred, deposed that the deceased was taken to the spot and instructed to climb the electric pole for carrying out electrical work, during which he suffered fatal electrocution. The finding of the Commissioner is based on evidence and is neither perverse nor arbitrary and cannot be interfered with.

17. Further, RW-1 (OP1 – Lineman), though denying formal employment, admitted that he was incharge of electrical operations in the area and that a sum of Rs.1,15,000/- was paid to the mother of the deceased by way of fixed deposits. The said conduct constitutes a relevant circumstance corroborating

the case of the claimants that the deceased was engaged in connection with departmental work at the time of the incident.

18. It is well settled that the Employees' Compensation Act, 1923 is a beneficial legislation and must receive a liberal construction. The absence of a formal contract of employment or regular appointment is not determinative; even a casual or temporary engagement would fall within the ambit of the Act, provided the accident arises out of and in the course of employment.

19. It is to be noted that the acquittal of OP1 in the criminal case does not *ipso facto* absolve the Opposite Parties of liability under the Act. The standard of proof in criminal proceedings is distinct from that in compensation claims, which are adjudicated on the touchstone of preponderance of probabilities. Hence, the findings in the criminal case do not operate as a bar to the present proceedings.

20. The core issue that arises for consideration in C.M.A.No.437 of 2020 is whether the Commissioner was legally justified in deducting a sum of Rs.1,15,000/- from the total compensation determined. In this regard, it is to be noted that the Commissioner proceeded to deduct the said amount on the premise that it was an admitted fact that a sum of

Rs.1,15,000/- had been paid to the mother of the deceased. The record discloses that the said payment was made through two fixed deposit receipts (Exs.B1 and B2), and reference is also made to a settlement deed (Ex. B3). However, the material on record does not conclusively establish that such payment was made towards discharge of statutory liability under the Act or that it formed part of compensation determined in accordance with law.

21. Further, merely because the payment was described as “compensation” or made pursuant to a private arrangement would not, *ipso facto*, bring it within the ambit of statutory compensation under the Employees’ Compensation Act, 1923. The Act contemplates determination and disbursement of compensation strictly in accordance with Sections 4 and 8, and any payment made *dehors* such statutory framework cannot be treated as a substitute for, or adjustment against, the compensation payable under the Act.

22. While the Employees’ Compensation Act is beneficial, it is not meant to enrich the claimants unjustly. The amount of Rs.1,15,000/- was specifically paid towards the loss suffered by the family due to the death. To grant the full compensation of Rs.4,23,580/- without deducting this amount would amount to double payment for the same cause of action, contrary to the

principles of justice and equity. Section 8 of the Act deals with the mode of payment of compensation and does not bar a deduction of this nature, where the payment is directly attributable to the same death and is in the nature of an advance or settlement of a part of the compensation.

23. Further, the claimants have filed their appeal with a delay of 1040 days *vide* I.A.No.02 of 2020 in C.M.A.No.437 of 2020, which itself is fatal. The explanation offered by the appellants/claimants may broadly be summarised as follows: illiteracy and poverty; lack of awareness of Court proceedings; loss of contact with the engaged counsel; which are wholly unsatisfactory, lack credibility, and do not constitute “sufficient cause” within the meaning of Section 5 of the Limitation Act.

24. It is no doubt true that Courts have, in appropriate cases, adopted a liberal and sympathetic approach while dealing with litigants who are illiterate or economically disadvantaged. However, such considerations cannot be elevated to a position where they override the statutory mandate of limitation. Illiteracy and poverty, by themselves, cannot furnish a universal or indefinite justification for prolonged inaction.

25. The plea that the appellants/claimants lost contact with their counsel cannot constitute sufficient cause, as they are expected to exercise a minimum degree of diligence in following

up the proceedings. In the event of loss of contact, it is incumbent upon the party to take reasonable steps to ascertain the status of the case, including by approaching the Court Registry, the Bar Association, or other legal practitioners.

26. While the length of delay may not, by itself, be determinative, it is undoubtedly a relevant factor in assessing the sufficiency of the cause shown. An inordinate delay demands a cogent, credible, and continuous explanation. The vague pleas of ignorance, loss of contact with counsel, and belated knowledge of the decree, particularly in a case where the petitioners had actively participated in the trial up to the stage of evidence, fall short of this requirement. Accordingly, the deduction of Rs.1,15,000/- by the Commissioner was a just and proper exercise of his discretion to avoid double benefit.

Conclusion

27. For the foregoing reasons, this Court is of the view that this Court finds no perversity, illegality or jurisdictional error in the finding recorded by the learned Commissioner in its order dated 16.10.2017 in E.C.No.01 of 2012 with regard to the existence of employer-employee relationship and the consequent liability.

28. Accordingly, C.M.A.No.318 of 2020 is dismissed on merits. I.A.No.02 of 2020 in C.M.A.No.437 of 2020, seeking

condonation of delay is dismissed and consequently, C.M.A.No.437 of 2020 is also dismissed. The order dated 16.10.2017 passed by the Commissioner for Employees' Compensation and Assistant Commissioner of Labour, Jagtial, in W.C.No.01 of 2012, is hereby affirmed. It is directed that the amount deposited by the appellants in C.M.A.No.318 of 2020, including the balance amount kept in fixed deposit pursuant to the interim order dated 31.12.2020, shall be released in favour of the claimants (Respondent Nos.1 to 3 in C.M.A.No.318 of 2020) in terms of the original award dated 16.10.2017, and the Commissioner shall disburse the same upon due identification.

Consequently, miscellaneous petitions pending if any shall stand closed. No order as to costs.

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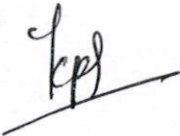
Sd/- A.V.S.S.C.S.M. SARMA
JOINT REGISTRAR

SECTION OFFICER

To,

1. The Commissioner for Employees Compensation and Assistant Commissioner of Labour Jagtial.
2. One CC to SRI. A Chandra Shaker, Standing Counsel for TSNPDCL [OPUC]
3. One CC to SRI. N Mukund Reddy Advocate [OPUC]
4. Two CD Copies

TPK/PR



HIGH COURT

DATED: 05/05/2026

COMMON JUDGMENT

CMA.Nos.318 AND 437 OF 2020



CIVIL MISC.APPEALS ARE DISMISSED

(6)
16/6/26