

THE HON'BLE MR JUSTICE L.NARASIMHA REDDY

CIVIL MISCELLANEOUS APPEAL No: 797 of 2009

JUDGMENT:

The appellants herein presented a claim before the Secunderabad Bench of Railway Claims Tribunal, for compensation. The claim petition was allowed. The Tribunal, however, stipulated 60 days time for deposit of the amount of compensation and awarded interest from expiry of that period. The appellants feel aggrieved by the denial of interest, on the compensation, from the date of presentation of the claim petition.

Heard learned counsel for the appellants and learned Standing Counsel for the Railways.

Conflicting opinions existed, as to the award of interest, in the claims presented under the Railway Claims Tribunal Act, 1987. One view was that the Tribunal has the discretion to stipulate the date with effect from which, the interest would accrue and that a claimant does not have the right to insist on award of interest from the date of presentation of the claim petition. In certain cases, it was observed that interest must be awarded from the date of presentation of the claim.

The controversy, or the difference of opinion, has been set at rest by the Hon'ble Supreme Court, through its judgment, dated 14.05.2009, in Civil Appeal No.3658 of 2009 (Arising out of SLP (C) No.26654 of 2008). It was held that the amount awarded as compensation by the Railway Claims Tribunal shall carry interest from the date of presentation of the claim petition, at 6% per annum, and from the date of award, till the date of realization, at 9% per annum.

Following the same, the appeal is allowed in part, directing that the amount, awarded as compensation by the Tribunal, in favour of the appellants, shall carry interest at 6% per annum, from the date of presentation of the claim petition, till the date of award, and thereafter, at 9%, per annum, till the date of realization.

There shall be no order as to costs.

(L. Narasimha Reddy, J.)

6th August, 2009
Js.