

THE HON'BLE DR.JUSTICE SHAMEEM AKTHER

C.M.A.No.77 OF 2014

JUDGMENT:

This Civil Miscellaneous Appeal, under Section 23 of the Railway Claims Tribunal Act, 1987, is directed against the order, dated 04.03.2011, passed in O.A.A.No.432 of 2006 on the file of the Railway Claims Tribunal, Secunderabad Bench at Secunderabad (for short, 'the Tribunal') aggrieved by non-grant of interest *pendente lite* and to grant interest @ 9% per annum *post lite*, on the compensation amount of Rs.4,00,000/- awarded for the death of the deceased Duppalapudi Madhanmohan.

2. Heard the learned counsel for the appellants/ applicants and the learned Standing Counsel for the respondent/Railways and perused the record.

3. Considering the evidence on record, the Tribunal awarded compensation of Rs.4,00,000/- and that order has become final to that extent. The Tribunal awarded interest @ 6% per annum on the compensation awarded from the date of award till the date of actual payment.

4. Learned counsel for the appellants/applicants would contend that the Tribunal ought to have awarded interest at the rate of 9% per annum from the date of application till the date of realization and prays to allow the appeal.

5. On the other hand, learned Standing Counsel for the respondent/Railways would contend that in the given circumstances, the applicants are not entitled for interest at the rate of 9% per annum as claimed and prays to dismiss the appeal.

6. In view of the submissions made by the learned counsel on either side, the point that arises for determination is:

“Whether the appellants/applicants are entitled for interest at the rate of 9% per annum from the date of filing the application till the date of realization as prayed?”

7. **POINT:-**

Conflicting opinions existed as to the award of interest in the claim petitions 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 claim.

8. 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) in *Tahazhathe Purayil Sarabi and others vs. Union of India and another*¹ wherein it was held that the amount awarded as compensation by the Railway Claims Tribunal shall carry interest at 6% per annum from the date of presentation of the claim petition till the date of award and at 9% per annum from the date of award till the date of realization.

9. Following the same, the Civil Miscellaneous Appeal is disposed of directing that the amount awarded as compensation by the Tribunal in favour of the appellants shall carry interest at the rate of 6% per annum from the date of presentation of the claim petition till the date of award and thereafter, at the rate of 9% per annum from the date of award till the date of realization. On deposit of the said interest, the appellants/applicants are permitted to withdraw the same along with the compensation amount as apportioned by the Tribunal. There shall be no order as to costs. Miscellaneous petitions pending, if any, in this appeal shall stand closed.

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22.11.2018
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¹ 2009 ACJ 2444

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