

THE HON'BLE DR.JUSTICE SHAMEEM AKTHER

C.M.A.No.1128 OF 2012

JUDGMENT:

This Civil Miscellaneous Appeal, under Section 23 of the Railway Claims Tribunal Act, 1987, is directed against the order, dated 05.04.2011, passed in O.A.A.No.314 of 2005 on the file of the Railway Claims Tribunal, Secunderabad Bench at Secunderabad for not granting interest at the rate of 6% per annum from the date of 'filing of the claim petition' till the date of realisation on the compensation amount of Rs.4,00,000/- on account of the death of the deceased Koila Santoshamma.

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 only dispute is with regard to award of interest at the rate of 6% per annum from the date of 'application' till the date of realization on the compensation amount of Rs.4,00,000/-.

4. Learned counsel for the appellants/applicants contended that the Tribunal ought to have awarded interest at the rate of 6% per annum from the date of application till the date of realization, but not from the date of award; and prays to allow the appeal.

5. On the other hand, learned Standing Counsel for the respondent/Railways would contend that the amount payable was calculated and paid on 27.07.2011 and that in the given

circumstances, the applicants are not entitled for interest at the rate of 6% 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 6% 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 ANOTHER¹**. 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.

¹ 2009 ACJ 2444

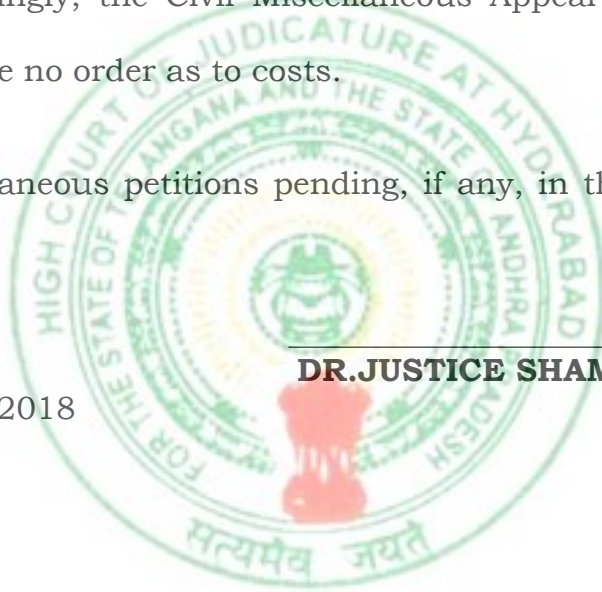
9. As per the material placed on record, the Tribunal had not granted any *pendente lite* interest. As per the record, the application for compensation was filed on 20.09.2005 and it was disposed of on 05.04.2011. Since no interest was granted during the pendency of the application, the respondent is directed to pay interest at 6% per annum on the compensation awarded by the Tribunal from the date of filing of the application i.e., 20.09.2005 till the date of award i.e., 05.04.2011. The other directions given by the Tribunal stand good.

10. Accordingly, the Civil Miscellaneous Appeal is disposed of. There shall be no order as to costs.

11. Miscellaneous petitions pending, if any, in this appeal shall stand closed.

Date : 12.10.2018
AMD

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