

THE HON'BLE SRI JUSTICE D.V.S.S.SOMAYAJULU

CIVIL MISCELLANEOUS APPEAL NO.1138 of 2008

JUDGMENT:

This Civil Miscellaneous Application is filed against the orders dated 16.8.2007 passed in O.AA.No.147 of 2002 by the Railway Claims Tribunal, Secunderabad Bench, Secunderabad.

The applicants before the Railway Claims Tribunal have filed the case claiming compensation of Rs.4,00,000/- for the death of their infant son in an accident that occurred on 10.12.2001. The railways denied the claim. Thereafter, the matter was adjudicated by the Railway Claims Tribunal and by an order dated 16.8.2007, the application was allowed awarding compensation of Rs.4,00,000/- . However, the respondent-railway was given a period of 60 days to deposit the money with a default clause stating that if the money is not deposited within 60 days, it shall carry interest at 6%. It is this finding on interest that is questioned in the appeal before this Court.

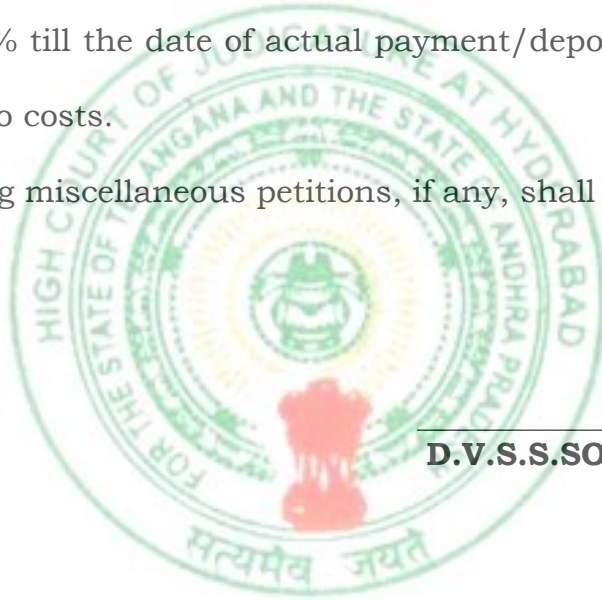
Learned counsel for the appellants relied upon the judgment in the case of ***Tahazhathe Purayil Sarabi V. Union of India***¹ which is also arising under the Railway Claims Act. The Hon'ble Supreme Court of India, after considering the law on the subject, noticed that the Railway Claims Act does not have a provision for payment of interest. Therefore, the Hon'ble Supreme Court of India went into other acts including the Civil Procedure Code and Interest Act which provides for payment of interest. Importing the principles from the said Acts, the Hon'ble Supreme Court of India

¹ 2009 ACJ 2444

directed in the said case that the award shall carry interest at the rate of 6% from the date of the application till the date of the award and thereafter at the rate of 9% till the date of actual payment. The learned counsel for Railways objected to this and stated that as the Act is silent, no interest can be awarded.

As the judgment of the Hon'ble Supreme Court of India is the law of the land, this Court is also bound to follow the same. Therefore, the appeal is allowed and interest is awarded on the sum of Rs.4,00,000/- at the rate of 6% simple per annum from the date of the application till the date of the award and thereafter at the rate of 9% till the date of actual payment/deposit of the same. No order as to costs.

Pending miscellaneous petitions, if any, shall stand closed.



D.V.S.S.SOMAYAJULU, J

Date: 22/02/2018

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