

THE HON'BLE DR.JUSTICE SHAMEEM AKTHER

C.M.A.No.937 OF 2012

JUDGMENT:

This Civil Miscellaneous Appeal, under Section 23 of the Railway Claims Tribunal Act, 1987, is directed against the order, dated 08.04.2011, passed in O.A.A.No.172 of 2005 on the file of the Railway Claims Tribunal, Secunderabad Bench at Secunderabad aggrieved by not granting interest at the rate of 12% 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/- for the death of the deceased M.Jonus @ Jambayya.

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

3. Considering the evidence on record, the Tribunal awarded compensation of Rs.4,00,000/- with interest at the rate of 6% per annum from the date of the order till the date of payment. The only dispute is with regard to award of interest at the rate of 12% per annum from the date of application till the date of realization of 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 12% 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 the Tribunal had recorded a finding that the applicants have taken a little interest in

pursuing their case; that there is no provision in the Railway Claims Tribunal Act, 1987 to award interest on the compensation awarded; and hence, 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 12% per annum from the date of filing the application till the date of realization as prayed?”

7. **POINT:-**

When a person dies in an accident, certainly his wife and children would be in great sorrow and they face untold hardship and difficulties to eke out their day-to-day requirements and in that process, certainly, delay would be caused for seeking redressal of their grievance. On that score, the applicants cannot be made to suffer.

8. 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.

9. 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.

10. 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. There shall be no order as to costs.

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

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Date : 28.09.2018
AMD

¹ 2009 ACJ 2444

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