

THE HON'BLE SRI JUSTICE SAMBASIVA RAO NAIDU

CIVIL MISC. APPEAL No.316 OF 2021

ORDER:

This appellants in this appeal are the applicants before the Tribunal below and they have filed O.A.II (U)No.61 of 2020 under Section 16 of Railway Claims Tribunal, 1987 claiming compensation of Rs.12,00,000/- along with interest from the respondents on account of an untoward incident in which one R.Kiran died. The said application was disposed of by the Tribunal below and an amount of Rs.8,00,000/- was awarded as compensation, but did not award any interest.

2. Aggrieved by the said award, the appellants/applicants preferred this appeal and they have claimed that the judgment under the appeal in so far as interest portion is concerned, is contrary to law and probabilities of the case, the tribunal allowed their

application but did not award any interest on the compensation amount.

3. While placing reliance on judgment of *the Hon'ble Apex Court in the case between Rina Devi vs Union of India in Civil Appeal No.4945 of 2018, dated 09.05.2018*, the appellants have claimed that they are entitled for interest on compensation of amount from the date of accident, but the Tribunal below committed an error by awarding compensation without awarding any interest.

4. As per the record placed before this Court, it shows that the above said O.A.II (U)No.61 of 2020 was filed by the appellants herein on account of the accident dated 12.09.2014 in which one R.Kiran died while traveling on rail. The contentions of the appellants herein were accepted by the Tribunal and as already stated, their application was allowed by way of granting an amount of Rs.8,00,000/-.

5. I have heard counsel for the appellants as well as counsel for the respondents/Railways.

6. Now the point for consideration is:

Whether the judgment of the Court below is contrary – findings of the Hon'ble Supreme Court and whether they are entitled to entrust as claimed.

7. **POINT:**

The Hon'ble Apex Court in ***Thazhateh Purayil Sarabi Vs. Union of India***¹, was pleased to observe that even if the appellants may not be entitled to claim interest from the date of accident, the claim to interest on the awarded sum has to be allowed from the date of application, and held that the awarded amount will carry interest @ 6% simple interest per annum from the date of application till the date of award and thereafter @ 9% till the date of actual payment.

8. However, in the subsequent Civil Appeal i.e., civil appeal No.4945 of 2018 (Union of India Vs. Rina Devi) the Hon'ble Apex Court made the following observations at para 18 as follows :

¹ (2009) 7 SCC 372

As already observed, though this Court in **Thazhathe Purayil Sarabi** (supra) held that rate of interest has to be at the rate of 6% from the date of application till the date of the award and 9% thereafter and 9% rate of interest was awarded from the date of application in **Mohamadi** (supra), rate of interest has to be reasonable rate at par with accident claim cases. We are of the view that in absence of any specific statutory provision, interest can be awarded from the date of accident itself when the liability of the Railways arises up to the date of payment, without any difference in the stages. Legal position in this regard is at par with the cases of accident claims under the Motor Vehicles Act, 1988. Conflicting views stand resolved in this manner.

9. Therefore, the appellants are entitled to interest @ 9% per annum on the compensation amount awarded by the Tribunal from the date of accident till the actual payment is made.

10. In view of the findings which are not seriously disputed by the counsel for the respondent, I am inclined to allow the appeal to that extent.

11. Accordingly, the appeal is partly allowed by awarding interest @ 9% on the compensation amount of Rs.8,00,000/- from the date of accident till the entire amount is realized.

12. As a sequel, pending Miscellaneous Applications, if any, shall stand closed.

JUSTICE SAMBASIVA RAO NAIDU

Date: 10.08.2022

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