

THE HON'BLE SRI JUSTICE M.LAXMAN

CIVIL MISCELLANEOUS APPEAL No.75 of 2010

JUDGMENT:

1. This Civil Miscellaneous Appeal has been directed against the award dated 06.05.2009 in O.A.A.No.209 of 2007 on the file of the Railway Claims Tribunal, Secunderabad Bench at Secunderabad, whereunder the claim of the appellants herein for grant of compensation was partly allowed granting compensation of Rs.4,00,000/-, however, interest was granted from the date of default thereof instead of granting from the date of filing of application till the deposit.

2. The main challenge in the present appeal is that the Tribunal, instead of granting interest from the date of filing of application, has granted interest from the date of default period. The Tribunal has not taken into consideration the entitlement of the claimants for the interest on the amount withheld by the Railways.

3. As seen from the award of the Tribunal, the Tribunal has not assigned any reason in denying the interest from the date of filing of application while fixing the compensation. During the period of pendency of the application, the claimants were deprived of their

entitlement to use the compensation amount. Therefore, the Tribunal ought to have granted interest from the date of filing of application till the date of realization instead from the date of default.

4. In the impugned order, the Tribunal has granted interest @ 9% per annum. The rate of interest has to be fixed basing on the lending rate. The prevailing RBI lending rate is not more than 7.5%. Therefore, the interest is awarded @ 7.5% per annum from the date of filing of application till the date of deposit instead of 9% per annum.

5. In the result, the appeal is partly allowed modifying the award dated 06.05.2009 in O.A.A.No.209 of 2007 on the file of the Railway Claims Tribunal, Secunderabad Bench at Secunderabad to the extent of granting interest @ 7.5% per annum on the compensation amount fixed by the Tribunal from the date of filing of application till the date of realization. Rest of the award of the Tribunal shall stand intact. The amounts, if any, already paid shall be adjusted. No costs. Miscellaneous petitions pending if any shall stand closed.

JUSTICE M.LAXMAN

Date: 03.02.2023
TJMR