IN THE HIGH COURT OF ORISSA AT CUTTACK

FAO No.371 of 2026

(From the judgment dated 21st November, 2025 passed by the learned Railway Claims Tribunal, Bhubaneswar Bench in Case No. O.A. (IIU)/57/2025)

Pushpa Patel and Others .... ***Appellants***

-versus-

Union of India, represented through its General Manager, East Coast Railway, Chandrasekharpur, Bhubaneswar .... ***Respondent***

Advocate(s) appeared in this case:-

For Appellants	:	Mr. Satyaban Sahoo, Advocate
For Respondent	:	Mr. S.S. Kashyap, Sr. Panel Counsel

CORAM: JUSTICE B.P. ROUTRAY

JUDGMENT
8th May, 2026

B.P. Routray, J.

1. Heard Mr. S. Sahoo, learned counsel for the claimant – Appellants and Mr. S.S. Kashyap, learned Senior Panel Counsel for Union of India.

2. Present appeal by the Claimants is directed against impugned judgment / award dated 21st November, 2025 passed by the Railway Claims Tribunal, Bhubaneswar Bench in Case No. O.A. (IIU)/57/2025.

3. It is submitted on behalf of the appellants that the Tribunal while granting interest has directed for payment of interest from the date of

adducing of Applicant's Evidence (AE), i.e. 7th August 2025, till the date of actual payment.

4. In ***Union of India vs. Rina Devi, 2019 (3) SCC 572,*** the Hon'ble Supreme Court has observed as follows:-

> "**18.** The learned Amicus has referred to judgments of this Court in *Raman Iron Foundry* [*Union of India* v. *Raman Iron Foundry*, (1974) 2 SCC 231, para 11] and *Kesoram Industries* [*Kesoram Industries and Cotton Mills Ltd.* v. *CWT*, (1966) 2 SCR 688, para 33 : AIR 1966 SC 1370] to submit that quantum of compensation applicable is to be as on the award of the Tribunal as the amount due is only on that day and not earlier. In *Kesoram Industries* [*Kesoram Industries and Cotton Mills Ltd.* v. *CWT*, (1966) 2 SCR 688, para 33 : AIR 1966 SC 1370] , the question was when for purposes of calculating "net wealth" under the Wealth Tax Act, 1957 provision for payment of tax could be treated as "debt owed" within the meaning of Section 2(*m*) of the said Act. This Court held that "debt" was obligation to pay. The sum payable on a contingency, however, does not become "debt" until the said contingency happens. The liability to pay tax arises on such tax being quantified. But when the rate of tax is ascertainable, the amount can be treated as debt for the year for which the tax is due for purposes of valuation during the accounting year in question. There is no conflict in the ratio of this judgment with the principle propounded in *Thazhathe Purayil Sarabi* [*Thazhathe Purayil Sarabi* v. *Union of India*, (2009) 7 SCC 372 : (2009) 3 SCC (Civ) 133 : (2009) 3 SCC (Cri) 408 : 2010 TAC 420] that in the present context right to compensation arises on the date of the accident. In *Raman Iron Foundry* [*Union of India* v. *Raman*

Iron Foundry, (1974) 2 SCC 231, para 11] , the question was whether a claim for unliquidated damages does not give rise to "a debt" till the liability is determined. It was held that no debt arises from a claim for unliquidated damages until the liability is adjudicated. Even from this judgment it is not possible to hold that the liability for compensation, in the present context, arises only on determination thereof and not on the date of accident. Since it has been held that interest is required to be paid, the premise on which *Rathi Menon* [*Rathi Menon* v. *Union of India*, (2001) 3 SCC 714, para 30 : 2001 SCC (Cri) 1311] is based has changed. We are of the view that law in the present context should be taken to be that the liability will accrue on the date of the accident and the amount applicable as on that date will be the amount recoverable but the claimant will get interest from the date of accident till the payment at such rate as may be considered just and fair from time to time. In this context, rate of interest applicable in motor accident claim cases can be held to be reasonable and fair. Once concept of interest has been introduced, principles of the Workmen Compensation Act can certainly be applied and judgment of the four-Judge Bench in *Pratap Narain Singh Deo* [*Pratap Narain Singh Deo* v. *Srinivas Sabata*, (1976) 1 SCC 289 : 1976 SCC (L&S) 52] will fully apply. Wherever it is found that the revised amount of applicable compensation as on the date of award of the Tribunal is less than the prescribed amount of compensation as on the date of accident with interest, higher of the two amounts ought to be awarded on the principle of beneficial legislation. Present legislation is certainly a piece of beneficent legislation. [*Union of India* v. *Prabhakaran Vijaya Kumar*, (2008) 9 SCC 527, para 12]

19. Accordingly, we conclude that compensation will be payable as applicable on the date of the accident with interest as may be considered reasonable from time to time on the same pattern as in accident claim cases. If the amount so calculated is less than the amount prescribed as on the date of the award of the Tribunal, the claimant will be entitled to higher of the two amounts. This order will not affect the awards which have already become final and where limitation for challenging such awards has expired, this order will not by itself be a ground for condonation of delay. Seeming conflict in *Rathi Menon* [*Rathi Menon* v. *Union of India*, (2001) 3 SCC 714, para 30 : 2001 SCC (Cri) 1311] and *Kalandi Charan Sahoo* [*Kalandi Charan Sahoo* v. *South-East Central Railways*, (2019) 12 SCC 387 : 2017 SCC OnLine SC 1638] stands explained accordingly. The four-Judge Bench judgment in *Pratap Narain Singh Deo* [*Pratap Narain Singh Deo* v. *Srinivas Sabata*, (1976) 1 SCC 289 : 1976 SCC (L&S) 52] holds the field on the subject and squarely applies to the present situation. Compensation as applicable on the date of the accident has to be given with reasonable interest and to give effect to the mandate of beneficial legislation, if compensation as provided on the date of award of the Tribunal is higher than unrevised amount with interest, the higher of the two amounts has to be given."

5. From the aforesaid ratio decided by the Hon'ble Supreme Court, it is thus grossly illegal to award interest from any subsequent date than from the date of accident. Accordingly, the impugned award stands modified to that extent and the Respondent is directed to pay the interest on the award amount from 18th March, 2023, i.e. the date of accident.

6. Further it is submitted that the direction of the Tribunal regarding keeping of 90% of the award amount in fixed deposit is unreasonable and this Court in FAO No.262 of 2020 and batch, disposed of on 9th September, 2021, have settled the principles in this regard.

7. Accordingly, present appeal is disposed of in terms of the principles decided in aforesaid decisions with a direction to disburse entire compensation amount, including interest payable from the date of accident, in favour of the claimants by keeping 50% of the share fall due to Appellants No.1, 2 and 3, namely Pushpa Patel, Mannu Ram Patel and Chetan Patel in fixed deposit in their names in any Nationalized bank for a period of five years and the total amount fall due to the shares of minor Appellants No.4 and 5, namely Mahendra Patel and Namrata Patel shall be kept in fixed deposits in any Nationalized Bank till they attain majority or for a period of five years, whichever is later.

8. With the aforesaid observation and direction, the FAO is disposed of.

(B.P. Routray)
Judge

M.K. Panda, P.A.