

CENTRAL ADMINISTRATIVE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

O.A. No.1912/98

HON'BLE SHRI S.P. BISWAS, MEMBER(A)

New Delhi, this the 29th day of November, 1999

N.C. Singhal (Dr)
C-115, Greater Kailash-I
New Delhi-110048

...Applicant

(By Advocate: Shri G.K. Aggarwal)

Versus

Union of India thro'
Defence Secretary
South Block, DHQ PO
New Delhi-110011

...Respondent

(By Advocate: Shri S.M. Arif)

O R D E R

The issue that falls for determination in this O.A. is the legality of applicant's claim of interest on the "delayed payment of interest".

2. The aforesaid legal issue could be better appreciated with the discretion of background facts. This is, in brief, as under:-

3. The applicant retired as Senior Eye Specialist and Head of Eye Department, Dr. Ram Manohar Lohia Hospital/New Delhi on 31.10.1980. Pursuant to his retirement, certain arrears fell due to him since 1966. These were paid by 26.10.1989. The applicant filed an O.A. 727/97 claiming interest on the arrears from the date it was due till the date the arrears were paid to him by 26.10.1989. The interest amount on the delayed payment was computed at Rs.94,559/-. In the aforesaid O.A. the applicant claimed interest on Rs.94,559/- from 1.4.90 till the date of payment since Rs.94,559/- ought to have been

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paid to him by 26.10.1989 whereas it was actually paid only on 16.4.1998.

4. The applicant seeks to justify the aforesaid claim on the strength of judicial pronouncements of the Apex Court in the case of Hukum Raj Khinvasara Vs. Union of India and Ors., (JT 1997(4) 193). He also submits that the claim of relief prayed for by him gets support from the orders of this Tribunal in the aforesaid O.A. (No.727/97) decided on 5.9.97.

5. The respondents submit that a sum of Rs.94,559/- has since been paid to the applicant vide communication dated 27.3.1998 (Annexure R3).

6. We find that the interest on the delayed payment, as decided by the Hon'ble CAT is based on communication dated 27.3.1996 issued by Controller of Defence Accounts Hence interest on the delayed payment of the original amount of interest to the extent of Rs.35,460/- has been worked out from 27.3.1996 to 27.3.1998, i.e. the date of release of the payment of Rs.35,460/-. The amount is interest on the delayed payment of interest. By paying this amount respondents have owned up this charge of "days".

7. It is not in doubt that the applicant was due to be paid the interest by October, 1989. We find that the applicant's claim was considered by the Ministry of Law and Justice which held that he was entitled to interest on the delayed payment at the

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rate of 18 per cent per annum from 1.1.1966 till the date of actual payment. The Controller of Defence Accounts vide his communication dated 27.3.1996 also conveyed that the petitioner was entitled to a sum of Rs.94,559/- by way of interest on delayed payments. It is also not in dispute that the payment of interest was due on 26.10.1989 but was paid on 27.3.1998, as per respondent's own admission. Admittedly, interest of Rs.35,640/- on the delayed payment of interest was released on 7.12.1998 after the present O.A. was filed by the applicant. The respondents cannot, therefore, escape the liability of payment of interest on the delayed payment as such. The orders of this Tribunal stipulated that :-

"respondents to calculate the interest in the light of the letter of the CDA, Annexure A1, dated 27.1.1996* and to pay the same to the applicant within a period of three months from the date of receipt of this order. The amount paid to the applicant will include the interest upto the date of the actual payment."

(*it is actually 27.3.1996)

8. In the background of the position as aforesaid, the O.A. succeeds on merits and is accordingly allowed with the following directions:-

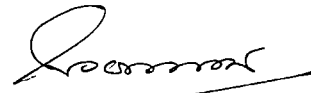
- (1) The respondents shall pay the applicant interest at the rate of 18 per cent on the entire amount of Rs.94,559/- for the period from 1.4.1990 till the date of payment, i.e. 27.3.1998 (when the respondents decided to pay the principal amount of interest of Rs.94,559/-) vis-a-vis Rs.35,460/- already paid.

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(2) The aforesaid due amount shall be paid within three months from the date of issue of this order.

(3) No costs.


(S.P. BISWAS)-
MEMBER (A)

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