

Open Court.

**CENTRAL ADMINISTRATIVE TRIBUNAL
ALLAHABAD BENCH ALLAHABAD.**

Original application No.873 of 2004.

ALLAHABAD THIS THE 14TH DAY OF NOVEMBER 2005.

HON'BLE MR. K.B.S RAJAN, J.M

No.34601

Amar Pal, Lower Division Clerk (UG)
S/o Shri Vijay Bahadur,
749 (I) Tpt Pl SC (Civ. GT)
New Delhi, Allahabad.

.....Applicant.

(By Advocate : In-person)

Versus.

1. Union of India through Secretary, Ministry of Defence, New Delhi.
2. Senior Account Officer, Area Account Office, 1 Ashok Marg, Allahabad.
3. Principal Controller of Defence Account (Central Command) Lucknow.
4. Controller General of Defence Account, R.K. Puram New Delhi.
5. Officer Commanding, 749 (I) Tpt Pl ASC (Civ.GT) New Cantt. Allahabad.

.....Respondents.

(By Advocate : Sri Saumitra Singh)

O R D E R

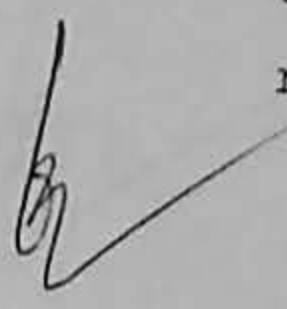
A sum of Rs.93,040/- was claimed by the applicant for reimbursement of medical expenses in respect of his wife, who was admitted in S.D.P.G.I Lucknow for open heart surgery for Mitral Valve replacement in March 1998. For this purpose, the applicant drew an advance of Rs.88,000/-. When he was expecting the balance amount of Rs.5,040/-, not only that the said amount was not paid to him but the respondents had recovered Rs.16,000/- from the applicant as excess payment vide order dated 30.11.1998 (Annexure 5-A). The Officer Commanding 749 (I) TPT PL ASC (Civ GT) had informed vide letter dated 12.12.1998 addressed to CDA (CC) Lucknow that the Government package deal is 99,000 for open

heart surgery and as such, the applicant is entitled to Rs.21,040/- being the balance amount due to him. This amount was released as late as in November 2002 by the C.D.A. i.e. after full four years! The applicant has therefore, claimed compound interest at 12% per annum for the period from 30.11.1998 to 29.11.2002. This claim was indeed recommended by his office vide their letter dated 26th November 2002 addressed to Principal C.D.A (CCA) Lucknow. Initially by order dated 3.10.2003, the Principal C.D.A Lucknow returned the claim unactioned on the ground that interest on delayed payment is not admissible. The applicant has, vide representation dated 19.4.2004 referred to an order of Chandigarh Bench of the Tribunal dated 25.1.2002 (R.P. Mehta vs Union of India and others) and claimed compound interest from the Principal C.D.A. In response the Principal C.D.A has passed the impugned order dated 9.2.2004 rejecting the claim but requiring the applicant to inform whether he had gone in any Court or C.A.T for payment of compound interest and if so to forward the copy of the judgment for further necessary action.

2. Respondents have contested the O.A. While all the facts as above have been admitted, it is a contention of the respondents that there is no provision in the Rule to grant compound interest.

3. The applicant has filed his rejoinder.


4. Heard applicant in person and the counsel for the respondents. The applicant argued that when in an identical case interest at the Rate 12% was ordered there is no good ground to disallow the claim of the applicant. The counsel for the respondents submitted that after making the claim, the applicant did not pursue the matter further regarding payment of difference in medical



reimbursement. As such, he is not entitled to any compound interest.

5. I have given my anxious consideration to the entire case. The C.D.A happens to be the watch-dog in respect of all payments and that could be possible only when it has with it the updated Rules, regulation and instruction. In the instant case, the Higher Authorities of the applicant had to inform the C.D.A as to the exact entitlement of the applicant vide order dated 12th December 1998. It was expected of the C.D.A to consider the same immediately and so as to rectify its mistake. That was not done till November 2002. Thus there has been an inordinate delay of four years and the delay has not been explained. Promptly, the Higher Authorities of the applicant recommended payment of compound interest vide communication dated 26th November 2002. The applicant on his part furnished a copy of the decision of the Chandigarh Bench, published in Swamy's news August 2002 edition. And, the Principal C.D.A now requires a court order for necessary action vide order impugned in the O.A. There has been no justification in Principal C.D.A sitting of the claim of the applicant for a good four years. Since in an identical case the applicant therein was allowed compound interest at 12% per annum of the delayed payment of medical reimbursement, needless to mention that the same be followed in the instant case also. Justice demands that the applicant is also paid compound interest at the rate of 12% per annum, as in the case of Sri R.P. Mehta decided by the Chandigarh Bench on 25.1.2002 referred to in letter dated 19.1.2004 filed by the applicant.

6. In the result the O.A. is allowed. The Principal C.D.A is directed to act on the claim of the applicant forwarded by 749 (I) TPT P-1 ASC (Civ.GT) vide order dated 26.11.2002 with which



4

supplementary pay bill for Rs.12,067/- was enclosed. The said amount should be paid to the applicant within a period of two months from the date of communication of this order.

7. Before parting of the case, it is appropriate to refer to the undermentioned observation of Hon'ble Justice R.C. Lahoti, as he then was in the case of **Lakshmi Ram Bhuyan V. Hari Prasad Bhuyan**, (2003) 1 SCC 1997.

"An inadvertent error emanating from non-adherence to Rules of procedure prolongs the life of litigation and gives rise to avoidable complexities. The present one is a typical example wherein a stitch in time would have saved nine."

8. No costs



Member-J

Manish/-