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CAT/J/12

IN THE CENTRAL ADMINISTRATIVE TRIBUNAL  
NEW DELHI

O.A. No. 894/89 198  
T.A. No.

DATE OF DECISION 9 APRIL, 1992

Late Sri S. Hanumantha Rao Petitioner

PER LR Smt S. Lakshmidévi

Sri C. Suryanarayana Advocate for the Petitioner(s)

Versus

Supdt. of Police, CBI, Respondent

Spl. Police Establishment, Visakhapatnam

Sri N. Bhaskara Rao Advocate for the Respondent(s)

CORAM :

The Hon'ble Mr. T. CHANDRASEKHARA REDDY, MEMBER (JUDL.)

The Hon'ble Mr.

1. Whether Reporters of local papers may be allowed to see the Judgement?
2. To be referred to the Reporter or not?
3. Whether their Lordships wish to see the fair copy of the Judgement?
4. Whether it needs to be circulated to other Benches of the Tribunal?

MGIPRRND-12 CAT/86-3-12-86-15,000

T - C. R.  
(HTCR)  
M(J)

IN THE CENTRAL ADMINISTRATIVE TRIBUNAL:HYDERABAD BENCH  
AT HYDERABAD

ORIGINAL APPLICATION NO.894/89

DATE OF JUDGEMENT : 9/4/1992

BETWEEN

Sri S.Hanumantha Rao .. Applicant  
PER LR Smt S.Lakshmidevi

[Smt S.Lakshmi devi w/o Late S.Hanumantha Rao brought on record as Legal Representative of the applicant as per the order of the Court dt 7.12.1990 in M.R. No. 870/90]

A N D

1. The Superintendent of Police,  
CBI Special Police Establishment,  
Visakhapatnam-530 023.
2. The Superintendent of Police (HQrs)  
CBI (HQrs) Kotah House Hutsments  
New Delhi
3. The Accounts Officer,  
Pay and Accounts Office(CBI)  
AG CR Buildings  
New Delhi
4. Secretary,  
Dept. of Personnel & Training  
New Delhi .. Respondents

Counsel for the Applicant : Sri C.Suryanarayana

Counsel for the Respondents : Sri N.Bhaskara Rao, Addl.  
CGSC

CORAM:

THE HON'BLE SHRI T. CHANDRASEKHARA REDDY, MEMBER(JUDL.)

T. C. N. R.

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JUDGEMENT OF THE SINGLE MEMBER BENCH DELIVERED BY THE  
HON'BLE SHRI T. CHANDRASEKHARA REDDY, MEMBER (JUDL.)

This is an application filed by the applicant herein under Section 19 of the Administrative Tribunals Act to direct the respondents to pay interest on the amount of Rs.20,100/- from the date the amount became due and payable to the applicant and other legal heirs of the deceased and interest on interest w.e.f. 16.6.1988 as claimed by ~~him~~ the applicant, within three months from the date of issue of the order.

The facts giving rise to this OA in brief may be stated as follows:

1. One Sri S. Sriram joined as Senior Clerk-  
~~km~~ Steno in the CBI Office at Jabalpur on 24.6.1982. He worked there till 15.6.1983. Later, the said Sriram was transferred to Visakhapatnam to the first respondent's office ~~wherein~~ he joined on 27.6.1983 after availing joining time. The said Sriram died due to drowning in the sea near ~~L~~ Visakhapatnam on 4~~10~~ 8.7.1983.

2. Sri S. Hanumantha Rao, (original applicant) ~~as~~ the father of the said Sriram submitted a claim for payment of the Central Government Employees Group Insurance Scheme amount of Rs.20,100/- that ~~represented~~ the insurance amount of Rs.20,000/- and Savings Fund amount of Rs.100/- (original applicant) as ~~he~~ ~~L~~ was entitled for the above said amounts as the heir of the deceased. But the claim was settled only in 9.12.1987, the date on which a demand draft for the sum of Rs.20100 was issued by the 3rd respondent and the Demand Draft was forwarded by the 1st respondent through his letter No.719/A1/PF/CBI/VSP/88, dated 22.2.1988 and the applicant received the same through post on 25.2.1988

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It is the case of the applicant that allowing a margin of 5 and 1/2 months as a reasonable period for settling the claim, that the applicant is entitled for interest at the rate of 1% compounded monthly for the remaining 50 months to him on the said sum of Rs.20,100/- for the delayed payment of the same.

3. The said Sri Hanumantha Rao, father of the deceased employee Sriram, (the original applicant herein) died during the pendency of this OA and the mother of the said Sriram who is one Smt S. Lakshmidevi is substituted as applicant in the place of the said Sri Hanumantha Rao.

4. Counter is filed by the respondents opposing this OA.

5. In the counter, it is maintained that no nomination was available in the Service Book of the deceased and so the delay in this regard is due to non-furnishing of CGEGIS nomination form by the deceased employee Sriram and ~~due to delay~~ in seeking necessary clarifications on varicus points from CBI Head Office. It is also further maintained that an amount of Rs.20,100/- was paid to the party vide DD No.G 670026 dated 9.12.87 which was sent under office letter dated 22.2.1988 and acknowledged by the claimant on 11.4.1988 as per the stamped receipt. It is further maintained as the payment of the said amount was delayed due to administrative reasons and as there is no provision for payment of interest for delayed payment as far as insurance amount is concerned, that the applicant is not entitled for interest.

T. C. *[Signature]* ..4

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6. It is not in dispute in this case, that the said Sriram died due to drowning in the Bay of Bengal near Visakhapatnam on 8.7.1983. It is also not in dispute that the applicant had contributed for CGEGIS scheme and that Sri Hanumantha Rao, the father of the deceased Sriram had submitted a claim on 25.7.83 for payment of Rs.20,000/- towards insurance amount and Rs.100/- towards savings amount of the deceased Sriram. It is needless to point out, that whenever a Government servant becomes a Member of the Central Government Employees' Group Insurance Scheme, that ~~the~~ necessary particulars have to be furnished to the controlling authority by whom the pay bills are got prepared. In the said particulars, naturally a Government servant has to mention the nominee to whom the said amount has to be paid in case of death ~~as~~ of the Government servant while in service. So, due to the fact, the said Sriram was unmarried, the said Sriram might have nominated his father as nominee for receiving the said insurance amount in the event of his death appears to be probable. The fact that the said Sri Hanumantha Rao, father of the deceased Sriram had been nominated to receive the Group Insurance Scheme amount is also not disputed by the respondents. So, naturally, when the said Sri Hanumantha Rao, father of the deceased put in the claim on 25.7.1983, to pay him the amount, at least by the end of 31.12.1983, the payment of the amount under the said CGEGIS scheme should have been settled. In our opinion, 5 and 1/2 months time would have been more than sufficient for the respondents to settle the claim. But, as could be seen, actually, the father of the said Sriram (who is the original applicant in this OA)

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19/12/2023

had received the amount only on 25.2.1988. No valid reasons are given by the respondents for the delayed payment of Rs.20,100/- to the said Sri Hanumantha Rao, the father of the deceased employee Sriram. We are not convinced with the reasons that no nomination forms were available in the Service Book of the deceased, and there was also delay in securing necessary clarification on various points from CBI Headquarters and so there was delay in payment of the said amount. No doubt, the learned counsel for the respondents, Sri Bhaskara Rao, very vehemently contended that there is no provision to pay interest for the delayed payment with regard to insurance amount, and hence, the applicant is not entitled for any interest for the said delayed payment of insurance amount. But, the learned counsel for the applicant Sri Suryanarayana appearing for the applicant took us ~~to~~ <sup>through</sup> the provisions contained in Sec 3 of the Interests Act, and contended that the applicant has to be paid reasonable rate of interest for the delayed payment of the said insurance amount of Rs.20,100/-. As we are not convinced by the explanation given by the respondents for the delay in making the said payment and after hearing the rival contentions of both the sides, we feel that interests of justice would be met if the respondents are directed to pay a reasonable rate of interest on the said amount of Rs.20,100/- from 1.1.1984 to 25.2.1988. We have specified the date of commencement ~~as~~ <sup>1978</sup> for payment of interest as 1.1.84 because of the fact that reasonable time has got to be given to the respondents for examining the claim of the applicant and, as already pointed out, we are of the opinion that from 25.7.1983 onwards, the respondents should have settled the claim by 31.12.1983. We have also fixed the last date for

To

1. The Superintendent of Police, CBI Special Police Establishment, Visakhapatnam-023.
2. The Superintendent of Police (HQrs) CBI (HQrs) Kotah House Hutsments, New Delhi.
3. The Accounts Officer, Pay and Accounts Office (CBI) AG CR Buildings, New Delhi.
4. Secretary, Dept. of Personnel & Training, New Delhi.
5. One copy to Mr.C.Suryanarayana, Advocate, CAT.Hyd.
6. One copy to Mr.N.Bhaskara Rao, Addl. CGSC.CAT.Hyd.
- ✓ 7. One spare copy

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Handover  
21/12/

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calculation of interest as 25.2.1988 for the reason ~~xxx~~ according to the applicant the Demand Draft for the said amount of Rs.20,100/- had been acknowledged by the claimant on 25.2.1988.

6. Now the question before us would be what will be the reasonable rate of interest that has to be awarded for the delayed payment of the said sum of Rs.20,100/-. The applicant has claimed interest ~~on~~ the said sum of Rs.20,100/- at the rate of one per cent per annum compounded monthly. The rate of interest claimed is certainly excessive and it is not open to the applicant to claim interest at exorbitant rate. Viewing the facts and circumstances of the case, we are of the opinion that payment of 9% simple interest on the said amount of Rs.20,100/- from 1.1.1984 to 25.2.1988 would meet the interests of justice. In the result, we direct the respondent to pay interest on the said amount of Rs.20,100/- from 1.1.1984 to 25.2.1988 at the rate of 9% per annum (simple interest). The interest shall be paid by the respondents <sup>LR</sup> to the applicant ~~Smt~~ Smt S. Lakshmidévi, the mother of the deceased Sriram, within three months from the date of receipt of this order. The OA is allowed accordingly. In the circumstances of the case, we direct the parties to bear their own costs.

T - U -  
(T. CHANDRASEKHARA REDDY)  
Member(Judl.)

Dated: 9 April, 1992

*8214/92*  
Deputy Registrar (S)

*SM*  
TYPED BY *21/4/92*

COMPARED BY

CHECKED BY

APPROVED BY

THE HON'BLE MR.

V.C.

AND

THE HON'BLE MR. R. BALASUBRAMANIAN : M(A)

AND

THE HON'BLE MR. T. CHANDRASEKHAR REDDY :  
MEMBER (JUDL)

AND

THE HON'BLE MR. G. J. ROY : MEMBER (JUDL)

Dated: 9 - 4 - 1992.

~~ORDER~~ / JUDGMENT

R.A. / C.A. / M.A. No.

in

O.A. No. 894/89

T.A. No.

(W.P. No. )

Admitted and interim directions  
issued

Allowed

Disposed of with directions

Dismissed

Dismissed as withdrawn

Dismissed for Default.

M.A. Ordered / Rejected.

No order as to costs.

pvm.

