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IN THE CENTRAL ADMINISTRATIVE TRIBUNAL : HYDERABAD BENCH
AT HYDERABAD

O.A.No.1545/94

Date of Order: 22.7.96

BETWEEN:

N.Kamakshi Devi

.. Applicant.

AND

1. The Director,
Central Board for Workers Education
1400, West High Court Road,
Gokulpet, Nagapur- 440 010.
2. The Financial Adviser,
Central Board for Workers Education
1400, West High Court Road,
Gokulpet, Nagpur - 440 010.
3. The Deputy Director (Training),
Indian Institute of Workers Education
Next to: Kurla Court, L.B.Marg,
Kurla West, Bombay - 400 070.

.. Respondents.

Counsel for the Applicant

.. Mr.P.Bhaskar

Counsel for the Respondents

Mr. N. V. Ramana

CORAM:

HON'BLE SHRI R.RANGARAJAN : MEMBER (ADMN.)

{ Oral order as per Hon'ble Shri R.Rangarajan, Member (Admn.) }

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Heard Sri P.Bhaskar, learned counsel for the applicant
and Sri V.Rajeswara Rao for Sri N.V.Ramana, learned standing
counsel for the respondents.

2. The applicant while working as a Research Officer under
R3 died on 28.8.88 due to heart problem while in service. He

sickness. The applicant is a member of the central government
employees group insurance scheme and was paying Rs.40/- p.m. as a
during the period prior
premium/earlier/to his last going on long leave from April 1988.



3. The applicant herein while going through the diary of her deceased husband came across a noting to the fact that Rs.40/- is being deducted monthly by the respondent organisation from the salary of her husband towards Group Insurance Scheme w.e.f. 30.9.87 and she also came to know that because of joining the Insurance Scheme she is entitled to receive an amount of Rs.40,000/- on the death of her husband. She made a representation some time in September/October 1989 for settlement of the Insurance dues. She once again reminded for the above on 7.1.90. She also issued a legal notice dated 24.9.92. Though she was informed first that her case is pending with L.I.C. subsequently she was issued with a cheque on 17.12.92 for Rs.220-30 by L.I.C., Nagpur. She did not accept that amount and filed this OA praying for a declaration that the respondents are liable to pay Group Insurance amount of Rs.40,000/- to her.

4. The main contention of the respondents in this connection are as follows:-

(1) This OA is time barred as her husband had died in the year 1988 and she approached this Tribunal only in August 1994.

of the L.I.C., Nagpur. Since LIC is not made a party in this OA the relief cannot be granted due to non-joinder of appropriate parties.

hence she cannot claim the insurance money as the applicant was on unauthorised leave during the period.

5. The above contentions were considered. The delay has already been condoned in MA.692/94 in OASR.2272/94. Hence there is no need to reconsider the question

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of condonation of delay.

6. Whether the respondent organisation is responsible to pay the Insurance amount of Rs.40,000/- or the L.I.C. is to pay the amount is to be seen from the provisions made in the Group Insurance Scheme 1980. The point to be considered is if the applicant failed to pay the premium whether it is the responsibility of the respondents to ^{pay} ~~have paid~~ that premium and realise the same with interest thereafter from the applicant. If the premium is to be paid by the respondents and recovered from the applicant as per rule then it cannot be said that the respondents are not liable to pay Insurance amount if the employee dies and the LIC policy lapses due to non-payment of premium. However the respondents are at liberty to realise that amount paid to the applicant, from the L.I.C. if the rule the deceased.

7. Paragraphs 9.5. and 9.7 of the Central Government Employees Group Insurance Scheme, 1980 are the relevant rule position. Para 9.5 reads as below:-

"The Drawing and Disbursing Officer shall recover the subscription from the 'employees' irrespective

Para 9.7 reads as below:-

"If an 'employee' is on extraordinary leave and there is no payment of his salary/wage for any period, his subscription for the months for which no payments of salary/wage are made to him shall be recovered with interest admissible under the 'scheme' on the accretions to the Savings Fund in not more than three instalments commencing from his salary/wage for the months following the month in which he resumes duties after leave. If an 'employee' dies while on extraordinary leave the subscription due from him shall be recovered with interest admissible under the 'scheme' on the accretions to the Savings Fund from the payments admissible to his family under the 'scheme'."

8. From the above² conditions of the Group Insurance Scheme



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it is evident that the respondent organisation should necessarily pay the premium of the employee even if the employee is not drawing any salary due to some reason or other and reimburse the amount paid against the premium from the employee later either from his future salary or from the final settlement dues savings fund, if the employee dies without resuming, with interest. Hence it is to be held the respondents should have paid the premium amount to the L.I.C. without waiting for the applicant to deposit the premium amount when he was on long leave/absence from April 1988 and reimburse that amount from the applicant later or deduct from the savings fund as per scheme if he dies ~~in that~~ resuming.

As the applicant had died in August without resuming duty the premium should have been paid regularly by the respondents and that amount paid as premium should have been recovered from his final settlement dues with interest as per para 9.7 of the scheme. But the respondent organisation failed to follow the instructions in this connection. They allowed the policy to lapse for non-payment of premium from April 1988 to July 1988. In view of the above the L.I.C. refused to pay the Group

Insurance Scheme amount of Rs.40,000/- to the applicant due to the failure of the payment of Insurance premium amount.

Hence it has to be held that it is the fault of the respondents

leave thereby allowing the policy to lapse which resulted in non-payment of Rs.40,000/- to the applicant herein when her

husband died without resuming his duties. As the respondents are responsible for this lapse they cannot escape their

of paying Rs.40,000/- to the applicant now. But they are at responsibility to recover that amount from the L.I.C. in

accordance with the rules if such rule exists.

9. The last contention of the respondents is that the applicant was on unauthorised leave and hence there is no

need for the respondents to pay the Insurance premium when

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the deceased employee was on unauthorised leave. But no document has been enclosed to show that the deceased employee was on unauthorised leave from April 1988 to August 1988 i.e. till his death. The learned counsel for the applicant submits that he was on sick leave and he had plenty of sick leave to his credit and this period could have been debited to his sick leave account. Further the deceased employee had submitted sick certificate also to the Government. As he was on sick leave he could not apply for leave as the deceased employee did not know when he will resume from the sickness. The very fact the sick memo is available with the respondents the absence should have been debited to the appropriate head of leave account and when he resumed the leave already debited to his leave account is regularised in accordance with the rules. As the ex-employee did not resume his duty due to his death the leave period from April 1988 to August 1988 should have been debited to his sick leave account or any other leave account which he is entitled. The scheme of the Group Insurance 1980 does not indicate that in case the employee is on sick and did not get his pay on that account the premium should not be paid. As per the Insurance Scheme when the name of an employee is on the pay rolls of the employer and he is also a member of the insurance scheme the premium should have been paid by the respondents irrespective of the fact whether he draws the pay or not and whether the leave is sanctioned or not subject to the condition such premium payment shall be recovered from the employee with interest at a later date. In view of the above this contention also cannot be sustained.

10. In the result, the following direction is given:-
R-1 should pay the appropriate sum to the applicant as per scheme as Insurance money payable due to the death of her husband without interest. The respondent organisation is at liberty to reimburse that amount from L.I.C. if rules provides

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for it. Time for compliance is 4 months from the date of receipt of a copy of this order.

10. The O.A. is ordered accordingly. No costs.

[Signature]

(R. RANGARAJAN)
Member (Adm.)

Dated: 22nd July, 1996

(Dictated in Open Court)

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[Signature]
D.R. (5)

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O.A.NO.1545/94

Copy to:

1. The Director,
Central Board of Workers Education,
1400, West High Court Road,
Gokulpet, Nagpur - 440 010.
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3. The Deputy Director (Training),
Indian Institute of Workers Education,
Next to: Kurla Court, E.B.Marg,
Kurla West, Bombay - 400 070.
4. One copy to Mr.P.Bhaskar, Advocate,
CAT, Hyderabad.
5. One copy to Mr.N.V.Ramana, Addl.CGSC,CAT,
Hyderabad.
6. One copy to Library,CAT,Hyderabad.
7. One duplicate copy.

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APPROVED BY

THE CENTRAL ADMINISTRATIVE TRIBUNAL
HYDERABAD BENCH HYDERABAD

THE HON'BLE SHRI R. RANGARAJAN: M(A)

ORDER/JUDGEMENT
O.A. NO./R.A./C.P. No.

in
O.A. NO. 1545/94

ADMITTED AND INTERIM DIRECTIONS ISSUED
ALLOWED
DISPOSED OF WITH DIRECTIONS
~~DISMISSED~~ AS WITHDRAWN
~~ORDERED/REJECTED~~
NO ORDER AS TO COSTS

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II COURT

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केन्द्रीय प्रशासनिक अधिकरण
Central Administrative Tribunal
डिस्पच/DESPATCH
- 9 AUG 1994
हैदराबाद न्यायपीठ
HYDERABAD BENCH