

THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment Reserved on: 05.09.2011
Judgment Pronounced on: 12.09.2011

+ CS(OS) No. 1371/2010

Indian Hockey Federation Plaintiff
Through: Mr. D.S.Narula, Sr. Advocate
with Mr. A.S.Narula, Advocate

versus

Union of India Defendant
Through: None

**CORAM:-
HON'BLE MR JUSTICE V.K. JAIN**

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| 1. Whether Reporters of local papers may be allowed to see the judgment? | No. |
| 2. To be referred to the Reporter or not? | No. |
| 3. Whether the judgment should be reported in Digest? | No. |

V.K. JAIN, J

1. This is a suit for recovery of Rs.85,30,866.68. The plaintiff is a national sports federation registered under the Societies Registration Act and is alleged to be the supreme body controlling and regulating the game of hockey in India. The plaintiff claims to have conducted various tournaments and coaching camps and participated in them in India as

well as abroad, for which it is seeking reimbursement by the defendant. It is alleged that the defendant vide its letter dated 1.12.2005 cleared the proposal of the plaintiff for sanction of financial assistance of Rs.6,00,000/- for organizing the 27th Men's Championship Trophy at Chennai from 10th to 18th December, 2005 but failed to release the aforesaid amount despite the plaintiff submitting the expenditure statement. Vide letter dated 1st August, 2007, the defendant expressed its difficulty in releasing the pending grants on account of certain outstanding utilization certificates. The plaintiff requested the defendant to adjust the pending utilization certificates and clear all the grants. A demand draft of Rs.2,27,662/- was also sent to the defendant towards full and final settlement of the bills mentioned in para 09 of the plaint but, despite that the aforesaid amount of Rs.6,00,000/- was not released to the plaintiff.

2. It is further alleged that the defendant also approved the proposal of the plaintiff for (i) organizing 27th Men's Asia Cup at Chennai from 31st August to 9th September, 2007, (ii) participation of the Indian Hockey Team for coaching-cum-competition tour at Perth (Australia)

from 1st to 14th February, 2008, (iii) participation of Indian Hockey Senior Team for training-cum-competition for Olympic Qualifiers Tournament at Santiago (Chile) from 25th February to 9th March, 2008 and (iv) participation of Indian Hockey Senior team in Four Nation Tournament held in Perth and Darwin (Australia) from 23rd April to 4th May, 2008. However, the expenditure incurred by the plaintiff has not been reimbursed by the defendant and consequently, the principal sum of Rs.58,18,471.68 is now being claimed by the plaintiff from the defendant along with interest on the outstanding amount @ 18% p.a., which comes to Rs.27,12,395/-.

3. The defendant was proceeded ex parte on 5th May, 2011 as no one appeared for it despite service.

4. The plaintiff has filed affidavits of its Honorary Secretary General Shri Ashok Mathur by way of evidence.

5. Exh. PW-1/20 is the letter of the plaintiff dated 19.22 September, 2005 whereby it sought government sanction for 27th Men's Champions Trophy at Chennai from 10th to 18th December, 2005 with increased financial assistance as a special case. Vide letter dated 1st December, 2005 (Exh. PW-1/2), Government of India, Ministry of Youth

Affairs and Sports cleared the proposal at government cost with financial assistance of Rs.6,00,000/- in terms of letter dated 1st December, 2005. Vide letter dated 1st August, 2007 (Exh. PW-1/5), Joint Secretary to the Government of India, Ministry of Youth Affairs and Sports requested the President of the Indian Hockey Federation to submit evidence in respect of pending Utilization Certificates. In response to this letter, the plaintiff submitted its comment with respect to un-utilized Certificates vide letter dated 31st August, 2007 Exh. PW-1/6.

Since the defendant had sanctioned financial assistance of Rs.6,00,000/- in respect of 27th Men's Champions Trophy at Chennai, vide its letter dated 1st December, 2005 and there is no evidence of the plaintiff having committed breach of the conditions subject to which the financial assistance was approved, the defendant is obliged to pay the aforesaid amount to the plaintiff.

6. Exh. Pw-1/22 is the letter of the plaintiff dated 8th January, 2008 whereby it sought approval of the proposal annexed to the letter regarding participation in coaching-cum-competition tour at Perth (Australia) for Olympic Qualifiers from 1st February to 14th February, 2008. A

perusal of annexure to the letter would show that it was an application form for obtaining approval for sending sports persons abroad and budget estimates were also attached to the application. Vide letter dated 31st January, 2008/1st February, 2008 (Exh. PW-1/10), Government of India, Ministry of Youth Affairs and Sports conveyed approval of the Competent Authority for participation of 30 persons mentioned in the letter. No financial assistance, however, was committed by the defendant in this letter. The bills for this tour were submitted by the plaintiff to the defendant vide letter dated 13th March, 2008 (Exh. PW-1/11).

7. Exh. PW-1/24 is the letter dated 10th April, 2008 from the plaintiff, enclosing therewith the Selection Committee Minutes giving the list of team members participating in 4 Nation Tournament at Perth/Darwain Australia from 18th April to 4th May, 2008 and Azlan Shah Tournament at Ipoh, Malaysia from 8th May to 18th May, 2008 and seeking sanction of the government.

Vide letter dated 17th April, 2008 (Exh. PW-1/14), the Government of India, Ministry of Youth Affairs and Sports, conveyed approval of the Competent Authority for participation of 26 persons mentioned in the letter in the

aforesaid events. However, no financial assistance was committed by the defendant in this letter. The audited statements along with the bills of the expenditure incurred on the above referred visits were submitted by the plaintiff to the defendant vide letter dated 4th July, 2008 (Exh. PW-1/15).

8. Exh. PW-1/21 is the letter dated 11th July, 2007 from the plaintiff to the defendant submitting proposal for participation in 9th Asia Cup at Chennai from 1st to 9th September, 2007 and seeking sanction of the government with entitled financial assistance. Vide letter dated 31st August, 2007 (Exh. PW-1/8), Government of India, Ministry of Youth Affairs and Sports approved the proposal for holding the event and inviting teams from other countries. It was also stated in the letter that details of financial assistance for holding the event would be intimated separately. However, no particular amount as financial assistance was committed by the defendant in this letter. Vide letter dated 19th August, 2008 (Exh. PW-1/9) the plaintiff submitted audited statement of income and expenditure account and receipt and payment statements of the Asia Cup and sought admissible grant-in-aid of

Rs.10,00,000/-.

9. Vide letter dated 25th January, 2008 (Exh. PW-1/23) the plaintiff submitted a proposal to the Government for training-cum-competition visit to Santiago (Chile) for Olympic Qualifiers Tournament from 25th February, to 9th March, 2008 and sought sanction for the visit at full cost to the Government. Vide letter dated 25th February, 2008 (Exh. PW-1/12) the Government conveyed approval of the Competent Authority for participation of 25 members of the team in the event. However, no financial assistance was committed in this letter. Vide letter dated 28th August, 2008 (Exh. PW-1/13), the plaintiff submitted audited statements along with the bills of expenditure for the aforesaid visit and sought payment of due amount from the Government.

10. Since, the defendant never committed any financial assistance for 27th Men's Asia Cup at Chennai, coaching-cum-competition tour at Perth (Australia), training-cum-competition for Olympic Qualifiers Tournament at Santiago (Chile) Four Nation Tournament held in Perth, 07th Asia Cup at Chennai and Darwin (Australia) and did not agree at any point of time to meet the expenditure incurred by the plaintiff association on the aforesaid events, the plaintiff has

no legal right to recover these amounts from it, particularly in a Civil Suit.

11. It was contended by the learned Counsel for the plaintiff that since the revised guidelines dated 14th August, 2001 (PW-1/19) issued by the defendant provided for grant of funds to national federations and the proposals submitted by the plaintiff to the defendant were in consonance with these guidelines, the plaintiff is entitled to seek reimbursement of the expenditure incurred on these events. I, however, find no merit in the contention. Though hockey is included amongst the sports for which grant/financial assistance could be given by the government that by itself does not entitle the plaintiff to obtain reimbursement of the expenditure incurred by it, even if there is no financial commitment from the government. The only legal right the plaintiff association had in this regard was to apply to the government for the release of grant/financial assistance in terms of the guidelines and consideration of its request in terms of those guidelines. But, unless the government commits to release a particular amount as financial assistance or agrees to reimburse the expenditure incurred on a particular event, the plaintiff

cannot recover the expenditure incurred on that event by way of a Civil Suit. It is for the Government to decide whether to grant financial assistance sought by a National Federation or not and no Federation can claim such assistance as a matter of its legal right. If the plaintiff was aggrieved on account of government not committing financial assistance/grant in terms of the guidelines issued by it, the appropriate remedy available to it was to file a Writ Petition seeking release of the grant. But, in absence of any financial commitment from the government, the expenditure incurred by the plaintiff cannot be recovered in a Civil Suit. The guidelines Ex.PW-1/19 lay down the criteria which the Government has to apply in the matter of grant of sanction to National Sports Federations and the conditions which they are required to fulfil to be eligible for grant of such assistance. The guidelines do not make it obligatory for the Government to grant financial assistance whenever and to whatever extent it is sought by a National Federation.

Vide letter dated 31st January, 2008/1st February, 2008 (Ex.PW-1/10), the Government only approved participation of the persons mentioned in the letter of the plaintiff dated 08th January, 2008. No financial assistance

was committed by the Government while approving participation of those 30 persons. Similarly, vide letter dated 17th April, 2008, Government approved participation of 26 persons mentioned in the letter of the plaintiff dated 10th April, 2008, without undertaking any obligation to either provide any particular financial assistance or to reimburse the expenditure sought to be incurred by the plaintiff on the event subject matter of this letter. Vide its letter dated 31st August, 2007, Government, while approving the holding of the event, did not sanction any particular amount as financial assistance to the plaintiff-federation though it was stated that details of the financial assistance would be intimated separately. This is not the case of the plaintiff that subsequent to letter dated 31st August, 2007, Government had communicated approval of any financial assistance for holding 9th Asia Cup at Chennai from 1st to 09th September, 2007. Likewise, vide its letter dated 25th February, 2008, Government, while approving participation of 25 members team did not provide any financial assistance to the plaintiff-Federation. Therefore, no amount in respect of Coaching cum Competition at Perth (Australia), 4 Nation Tournament at Perth/Darwin (Australia), 7th Men's

Asia Cup at Chennai and Training cum Competition for Olympic Qualifier Tournament, Santiago (Chile) can be said to be due and legally payable by the defendant to the plaintiff. I, therefore, hold that the plaintiff has failed to substantiate its claim with respect to expenditure incurred on these events.

For the reasons given in the preceding paragraphs, I hold that the plaintiff is entitled only to recover a sum of Rs 6 lakh towards financial sanction committed by the defendant for 27th Championship Trophy at Chennai from 10th December to 18th December, 2005. The plaintiff sent a legal notice to the defendant on 21st December, 2009, seeking payment of the various amounts claimed in this suit. Since interest was also claimed in the notice, it can be awarded to the plaintiff, on the amount of Rs 6 lakh, under Section 3 of Interests Act, 1978. In the facts and circumstances of the case, I am of the view that interest should be awarded to the plaintiff on the sum of Rs 6 lakh @ 6% per annum from 21st December, 2009, till the date of filing of this suit.

The amount of interest on Rs 6 lakh for the period from 21st September, 2009, till filing of the suit on 03rd

June, 2010, comes to Rs 25,300/-. The plaintiff is entitled to recover the aforesaid amount as interest from the defendant.

ORDER

A decree for Rs 6,25,300/- with proportionate costs and pendente lite and future interest @ 6% per annum is passed in favour of the plaintiff and against the defendant.

Decree sheet be drawn accordingly.

(V.K. JAIN)
JUDGE

SEPTEMBER 12 , 2011
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