

IN THE HIGH COURT OF JUDICATURE AT PATNA

Letters Patent Appeal No.1144 of 2019

In

Civil Writ Jurisdiction Case No.10667 of 2016

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M/s Surendra Prasad Singh through its Partner Surendra Prasad Singh aged 62 (M) Son of Late Ram Sagar Singh, resident of Mohalla Sarvodaya Nagar, Police Station-Town, District-Begusarai.

... .. Appellant/s

Versus

1. The Union Of India through Secretary Ministry of Rural Development (Pradhan Manti Gram Sandak Yojana), Govt. of India, New Delhi.
2. The Chief Engineer (EZ-11) Central Public Works Department, 6th Floor Pant Bhawan, Baily Road, Patna.
3. The Executive Engineer, Pradhan Manti Gram Sandak Yojana Project Division, Muzaffarpur at Patna Central Division-II, C.P.W.D., POant Bhawan Baily Road, Patna.
4. The Executive Engineer, Pradhan Manti Gram Sandak Yojana Project Division, Darbhanga, C.P.W.D., 6th Floor Pant Bhawan Baily Road, Patna.
5. The Executive Engineer, Pradhan Manti Gram Sandak Yojana Project Division, Samastipur, C.P.W.D., 6th Floor Pant Bhawan Baily Road, Patna.
6. The Chief Regional Manager, United India Insurance Company Ltd. 5th Floor Chanakya Complex, R-Block, Patna.
7. The Branch Manager, United India Insurance Company Ltd. Branch Office Begusarai, Kapasiya Chowk, P.O. Barauni Refinery Township District-Begusarai.

... .. Respondent/s

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Appearance :

For the Appellant/s : Mr. Kundan Kumar Sinha, Advocate
For the Respondent/s : Mr. S.D.Sanjay (Adsg)

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CORAM: HONOURABLE THE CHIEF JUSTICE

and

HONOURABLE MR. JUSTICE S. KUMAR

ORAL JUDGMENT

(Per: HONOURABLE MR. JUSTICE S. KUMAR)

(The proceedings of the Court are being conducted through Video Conferencing and the Advocates joined the proceedings through Video Conferencing from their residence.)

Date : 23-08-2021

Heard learned counsel for the parties.

Being aggrieved by judgement and order dated

13.8.2019 passed in C.W.J.C. No.10667 of 2016 passed by learned Single Judge of this Hon'ble Court, appellant/petitioner has preferred this L.P.A.

Learned Single Judge has observed that the insurance company considered the claim towards payment of insurance amount to the appellant and finally decided to pay interest at the Bank rate i.e., 6% + 2 % in terms of the regulations of 2002. It is payment as per Bank rate which is the matter of dispute and discussion in present writ application.

After hearing the rival contentions of both the parties, learned Single Judge in the operative parts of its judgement and order has held as follows:-

“Having heard learned counsel for the petitioner and learned counsel representing the Insurance Company, this court is of the considered opinion that the word ‘bank rate’ must derive its meaning from Section 49 of the Act of 1934. The Regulation of 2002 talks of applicability of bank rate and had there been any intention on the part of the framers of Regulation of 2002 that the applicable rate should be that of a saving bank account, on the fixed deposit or it should be the lending rate of the bank fixed for their respected customers, they would have clearly spelt out their intention in the Regulation of 2002. It is also worth taking note of that the different banks have over the period notified different rate of interest for their saving bank accounts, fixed deposits and even in respect of lending rates there are some differences. It depends upon the policy of the bank for

that particular purpose and they are free to do acting under the Policy of the Banker of the banks. This strengthens the view of this court that the 'bank rate' is necessarily the rate which the Reserve Bank of India shall make public from time to time. It is the standard rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other commercial paper eligible under the Act of 1934. Any attempt to give an interpretation so as to say that the 'bank rate' is popularly known as the rate applicable to the saving bank account or to the fixed deposit and/or to the lending rates notified by a bank for its customers would not only be incorrect understanding of the term 'bank rate' it would amount to reading the statutory provision contained in the Act of 1934 otherwise and de hors to its purpose and meaning.

Since the petitioner has already been paid the interest amount as per the bank rate + 2% over and above the same and no other issue has been raised before this court this court finds no reason to issue a direction to the Insurance Company any further payment.

After hearing counsel for the parties, this Court does not find any error or infirmity in the judgment and order passed by learned Single Judge requiring any interference by this Court. At this juncture, counsel for the appellant states that the direction given by the learned Single Judge to provide calculation chart to the appellant has not been complied by the Insurance Company. The direction issued by the learned Single Judge in the penultimate paragraph of the judgment and order reads as follows:-

“At this stage learned counsel for the petitioner submits that the petitioner has not been made available the calculation chart showing the mode and manner in which the final interest amount has been calculated and paid to the

petitioner. The court would only observe that it is open for the petitioner to approach the concerned branch of the Insurance company to make available the calculation chart of the interest payment to the petitioner and on such approach being made by the petitioner within 30 days from today, it is expected that the Branch Manager of the concerned Insurance Company shall make available the calculation chart showing the calculation of interest amount paid to the petitioner within another 30 days.”

In said view of the matter, the respondent Insurance Company is directed to comply the direction issued by the learned Single Judge, as referred above, within 30 days from the date of presentation of a copy of judgment and order passed by this Court by the appellant before the concerned Branch Manager of the Insurance Company. The respondent-insurance company is further directed to send the calculation chart as indicated in the order of the learned Single Judge by Speed Post / Registered Post on the address of appellant within 60 days from the date of order.

With aforesaid observations and directions, this writ petition stands disposed of.

(Sanjay Karol, CJ)

(S. Kumar, J)

Veena/- Rajiv

AFR/NAFR	NAFR
CAV DATE	NA
Uploading Date	
Transmission Date	NA