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CENTRAL ADMINISTRATIVE TRIBUNAL: PRINCIPAL BENCH

O.A.No.362 of 2002

New Delhi, this the 6th day of September, 2002

HON'BLE SH.KULDIP SINGH, MEMBER (J)

Shri Bodh Raj Chaugh
S/o Late Shri Arjan Dass
Retired Senior Accounts Officer
Office of Director of Accounts(Postal) Delhi,
R/o Delhi, Address for service of notices
C/o Shri Sant Lal, Advocate,
C-21(B) New Multan Nagar
Delhi-110056.
(By Advocate : Shri Sant Lal)

-APPLICANT

Versus

- 1.. The Union of India, through the Secretary,
Ministry of Communications, Dept. of Posts,
Dak Bhawan, New Delhi.
2. The Director of Accounts (Postal),
Civil Lines,
Delhi-110054
(By Advocate: Shri R.N.Singh)

-RESPONDENTS

O R D E R (ORAL)

Heard.

2.. The applicant seeks grant of interest on the delayed payment on the amount of leave encashment extending the benefits of the judgement of Hon'ble Tribunal in OA 2228/1999 dated 8.2.2001.

3.. The applicant states that the disciplinary proceedings initiated against him vide Memorandum dated 3.4.97 were dropped vide order dated 12.10.98. He clearly mentions the normal date on which the amount of leave encashment should have been paid w.e.f. on 1.5.97 hence the applicant is entitled to interest on delayed payment.

4.. The OA is contested by the respondents and they submitted that there is no provision under the rules for

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the payment of interest on leave encashment and pension. However, learned counsel for the applicant has referred to the Supreme Court's judgement in the case of Vijay L. Malhotra Vs. State of U.P. SC SLJ 2002(2) 383 wherein the applicant had prayed interest on the delayed payment on various heads, including encashment of leave. In case of an employee retiring after having rendered service, it is expected that all the payments of the retiral benefits should be paid on the date of retirement or soon thereafter if for some unforeseen circumstances the payments could not be made on the date of retirement. In this case, there is absolutely no reason or justification for not making the payments for months together. We, therefore, direct the respondent to pay to the appellant within 12 weeks from today simple interest at the rate of 18 per cent.

5. However, learned counsel for the respondents contends that as per direction of Supreme Court 18% interest on delayed payment should not be allowed.

6. I have heard the learned counsel for the parties and find that the applicant is entitled to grant the interest at the rate of 12% on the delayed payment calculated as on 31.8.97 till the date of payment of leave encashment be made within a period of two months from the date of receipt of a copy of this order. In case, they do not pay the interest within a period of two months, he is entitled to get interest on delayed payment. No costs.


(KULDIP SINGH)
MEMBER(J)

/kd/

from MK for correction of details
to final order dt: 6/5/02