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CENTRAL ADMINISTRATIVE TRIBUNAL  
PRINCIPAL BENCH, DELHI.

Regn. No. O.A. 1818/1989. DATE OF DECISION: 7.12.1990.

K.V. Srinivasa Murthy .... APPLICANT

v/s.

Union of India & Others .... Respondents.

CORAM: Hon'ble Mr. G. Sreedharan Nair, V.C.  
Hon'ble Mr. P.C. Jain, Member (A).

Shri R.K. Kamal, Counsel for the Applicant.  
Shri S.N. Sikka, Counsel for the Respondents.

1. Whether Reporters of local papers may be allowed to see the judgment?
2. To be referred to the Reporter or not?
3. Whether their lordships wish to see the fair copy of the judgment?
4. Whether to be circulated to all Benches of the Tribunal?

(P.C. JAIN)  
Member (A)

(G. SREEDHARAN NAIR)  
Vice Chairman.

7.12.1990.

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Shri S.N. Sikka, Counsel for the Respondents.

(Judgment of the Bench delivered by  
Hon'ble Mr. P.C. Jain, Member (A).)

JUDGMENT

In this application under Section 19 of the Administrative Tribunals Act, 1985, the applicant, who was posted as Technical Assistant in the scale of Rs.550-750 and also drawing a special pay of Rs.75/- in the Railway Board, New Delhi, and retired with effect from 7.8.84 from the services of the Railways, for permanent absorption in the Rail India Technical & Economic Services Ltd., New Delhi (RITES) vide order dated 14.5.1986 (Annexure A-1), has prayed for a direction to the respondents for payment of all his retirement and settlement dues along with a penal interest of 20% per annum.

2. We have perused the material on record and have also heard the learned counsel for the parties.

3. The fact of retirement with effect from 7.8.84 is not in dispute. It is also not in dispute that his retirement dues have not yet been settled. In their counter-affidavit, the respondents have stated that attempts were made to collect the service sheet of the applicant as he had last served in Chakradharpur Division of South Eastern Railway as Inspector of Works, Monoharpur in the year 1972 and thereafter he served in the office of MTP, Delhi upto 1976 and then upto 1981, he was working in the Vigilance Organisation of the Railway Board. From 1981 onwards, he was working with

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RITES. His service sheet could not be located in the records of the Railway Board as it was stated to have been sent to the South Eastern Railway. The same could not be located in the office of the Chief Personnel Officer of the aforesaid Railway, and, as such, there has been delay in arranging payments of his settlement dues. It is further stated that the Railway Board has now issued instructions to reconstruct the service sheet of the applicant. It may also be mentioned here that the applicant has stated that he had submitted all final settlement papers, duly signed after observing all formalities on 8.7.1986 under registered post to the South Eastern Railway where he held his lien prior to retirement, but the Railway authorities required him to sign the final settlement papers again, which he did on 19.12.88. In their reply, the respondents have stated that the settlement papers sent by the applicant in 1986 were incomplete. They have also denied that the applicant had filled up all necessary forms for payment of settlement dues on 19.12.88, but they have stated that on receipt of various forms for payment of settlement dues on 19.12.88, attempts were made to collect the service sheet etc. The learned counsel for the respondents could not state the deficiencies in the papers submitted by the applicant on 8.7.1986.

4. There can be no dispute, and in fact there is none, between the parties, that a retired Government servant is required under the orders issued by the respondents to ~~pay~~ <sup>pay</sup> expeditiously all retirement benefits to a retired employee. The mere fact that with effect from the date of retirement, the applicant had been absorbed in RITES, which is a public sector undertaking of the Government of India, does not minimise the importance of the instructions on the subject. In STATE OF KERALA & OTHERS Vs. M. PADMANABHAN NAIR (AIR 1985 SC 356), the Hon'ble Supreme Court held that pension and gratuity are no longer any bounty to be

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distributed by the Government to its employees on their retirement and any culpable delay in settlement and disbursement thereof must be visited with the penalty of payment of interest till the date of actual payment. Though the retirement took place with effect from 7.8.84, orders in this regard were issued only on 14.5.86 and the applicant submitted the papers vide registered letter dated 8.7.86. It takes some time before the papers are processed and necessary sanctions are issued. We are, therefore, of the view that the applicant should be allowed interest with effect from 1.1.87 till the date of actual payment.

5. In view of the foregoing discussion, the application is disposed of with a direction that the respondents shall pay to the applicant his retirement dues, which the applicant has mentioned as (1) Pension, (2) Provident Fund, (3) Death-cum-retirement gratuity, (4) Commutation amount, (5) Leave encashment dues, (6) Group insurance amount, within a period of three months from the date of receipt of a copy of this order along with interest at the rate of 12 per cent per annum from 1.1.1987 till the date of actual payment. We leave the parties to bear their own costs.

*(See 7/1490)*  
(P.C. JAIN)  
Member (A)

*7.12.1990*  
(G. SREEDHARAN NAIR)  
Vice Chairman.

7.12.1990.