

IN THE CENTRAL ADMINISTRATIVE TRIBUNAL

PRINCIPAL BENCH, NEW DELHI

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O.A. NO. 1617/88

DATE OF DECISION : 04.08.1992

Shri M.P. Singh Bali ... Applicant

vs.

Union of India & Ors. ... Respondents

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Hon'ble Shri J.P. Sharma, Member (J)

For the Applicant

... Shri B.S. Mainee, Counsel

For the Respondents

... Shri O.N. Moolri, Counsel

1. Whether Reporters of local papers may be allowed to see the Judgement?
2. To be referred to the Reporter or not?

JUDGEMENT (ORAL)

The applicant, Chief Claims Officer retired on superannuation in August, 1987. The applicant after retirement was not paid the gratuity within the statutory period of two months from the date of retirement. He was also threatened for recovery of penal rent and hence this application was filed initially for the relief for a direction to pay the DORG and also for quashing the order of recovery of penal rent from the applicant. However, the application was admitted only with respect to the relief of payment of DORG. It appears that the case on a limited point appears to have been heard along with the case of Wazir Chand (CA 2573/89). The learned

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counsel, however, pointed out that actually the facts mentioned in the case of Wazir Chand are the facts of the case of M.P. Singh Bali, i.e., of the present applicant. Subsequently the applicant filed amended petition and in the amended petition also, the applicant claimed for the grant of gratuity along with 18% interest and that amended petition was filed on 28.2.1991. The respondents also filed the reply to this amended petition. The rejoinder has also been filed by the applicant. The short point that survives in this application by way of amended petition is whether the applicant is entitled to gratuity alongwith 18% interest from 3 months after the date of retirement till the date of payment? The learned counsel for the applicant stated that the applicant has vacated the quarter in February, 1989 and the authorities have also deducted from the D.R.G the penal rent after allowing the grace period of 4 months and after that for the next 4 months at double the rate and thereafter at the penal rate as fixed by the General Manager in the appeal preferred by the applicant. The applicant has no grievance in that respect. However, it is contended that when the administration has deducted the penal rent, then the applicant is entitled to the award of interest because the respondents cannot enrich themselves twice, i.e., by withholding the interest and at the

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same time by charging the penal rent and not paying the interest on the withheld amount of D.R.R.G. So far as the matter of charging the penal rent is concerned, the matter cannot be reopened nor there is a specific prayer or amendment in the petition or in the rejoinder filed in reply to the counter of the respondents. The learned counsel for the respondents, however, objected to the payment of interest on the ground that there has been no administrative lapses on the part of the respondents and that delay in the payment of D.R.R.G has been because of the various circulars of the Railway Board which authorised the staff of the respondents not to make payment of D.R.R.G till the quarter is vacated. He also referred to the decision of New Bombay Bench in Raj Pal vahi vs. Union of India and the ratio of that case has been upheld by the Hon'ble Supreme Court where the interest was not allowed on the ground that there was no administrative lapse on the part of the respondents and the delay has occurred due to various circulars of 1984 issued by the Railway Board.

2. I have considered the matter in greater detail. The original amount of D.R.R.G of the applicant has been Rs.99,000 as is also admitted in the counter itself. The applicant has been paid a sum of Rs.60,000. A payment appears to have been made after the vacation of the quarter by the applicant sometimes

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after February, 1989. The exact date of payment is not available on record. It, therefore, remains a matter of record. The applicant, therefore, is entitled to the interest on the amount of DCRG, i.e., on Rs.60,000 from $\frac{1}{4}$ months after his retirement till the date the amount was paid to him with interest @ 12% p.a. For the remaining amount of Rs.39,000 since the respondents have also realised penal rate of rent from the applicant and that penal rate of rent would have fallen due in successive months, so they cannot in a cumulative manner adjust whole of the amount without paying interest regularly on the DCRG amount. In view of this fact, for the balance amount of Rs.39,000, the interest is liable to be paid @12% on every month short of the damages which are being deducted for the successive months till the balance exhausts itself. In this manner, there shall be set off against the accrued interest on the unpaid amount of DCRG, i.e., Rs.39,000 and the amount of damages levied each month at the penal rate.

3. The application is, therefore, disposed of in the following manner :-

(a) The respondents are directed to pay interest @12% p.a. on an amount of Rs.60,000 from $\frac{1}{4}$ months after the date of retirement upto the time till the date of actual payment of the DCRG amount to

the applicant.

(b) Interest on the balance amount of Rs.39,000 will start from ~~4~~ months after the date of retirement of the applicant, and that shall be adjustable along with the principal amount in the monthly damages to be recovered from the applicant, i.e., the amount of interest on this amount shall be liable to be set off against the monthly damages as levied by the General Manager and if damages are not satisfied by the interest, then they shall be liable to be recovered or adjusted from Rs.39,000 and this process will continue till the vacation of the quarter by the applicant. If the amount by such calculation remains outstanding against the applicant, then he shall be paid that amount also and that amount shall be paid with interest @12% till the date of payment.

(c) The respondents shall comply with the above directions within a period of three months from the date of communication of this judgement.

(d) In the circumstances, the parties shall bear their own costs.

J.P. SHARMA
(J.P. SHARMA)
MEMBER (J)
04.08.1992