

IN THE CENTRAL ADMINISTRATIVE TRIBUNAL
NEW DELHI

O.A. No. 958 of 1988
T.A. No. 199

DATE OF DECISION 12.11.81

<u>Shri Kanwar Lal Sabharwal</u>	Petitioner
<u>Shri B.S. Mainee</u>	Advocate for the Petitioner(s)
Versus	
<u>Union of India</u>	Respondent
<u>Shri K.K. Patel</u>	Advocate for the Respondent(s)

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The Hon'ble Mr. Justice Ram Pal Singh, Vice-Chair man (J).

The Hon'ble Mr. I.P. Gupta, Member (A).

1. Whether Reporters of local papers may be allowed to see the Judgement ?
2. To be referred to the Reporter or not ?
3. Whether their Lordships wish to see the fair copy of the Judgement ?
4. Whether it needs to be circulated to other Benches of the Tribunal ?

(Judgment of the Bench delivered by Hon'ble Shri
Justice Ram Pal Singh, Vice-Chairman (J).)

J U D G M E N T

By this O.A., filed under Section 19 of the Administrative Tribunals Act of 1985, the applicant prays for interest on death-cum-retirement gratuity amount to be paid to him from the respondents.

2. The applicant, while serving in Northern Railways, Ferozepur Division, was prosecuted in the court of Special Judge by Special Police Establishment and was acquitted ultimately after the trial. Subsequently, a departmental inquiry was started and a chargesheet was filed by the Additional Chief Personnel Officer. The applicant challenged the said step of the respondents and prayed for quashing of the chargesheet. The High Court quashed the said chargesheet by its judgment

dated 6.5.86. Meanwhile, the applicant retired from service

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on 31.8.80 on attaining the age of superannuation. He prayed for payment of death-cum-retirement gratuity and was informed by the respondents that it cannot be released unless the case is finished. After the High Court quashed the chargesheet, the applicant made representations to respondents on 22.5.86, 20.10.86 and 5.3.87. The respondents by order dated 9.4.87 directed that the payment of death-cum-retirement gratuity may be released. Hence, the payment of Rs. 15,192.00 was made to the applicant by cheque dated 21.5.87. According to the applicant, the said cheque did not include the interest prayed for by him from 1.9.80 to 20.6.87. The applicant thereafter on 11.6.87 requested the respondents to make the payment of interest on the amount of gratuity which was illegally withheld by them. The respondents remained silent. Hence, he preferred a representation on 11.6.87 and no response to his request has been received. Hence, he prays for the interest on the delayed payment of death-cum-retirement gratuity for the period from 1.9.80 to 2.6.87.

3. The respondents, on notice, appeared but did not file any return. The apex court in the case of the State of Kerala vs M. Padmanabhan Iyer (AIR 1985 S.C. 356) have expressed their view on the subject:


"Pension and gratuity are no longer any bounty to be distributed by the Government to its employees on their retirement but are valuable rights and property in their hands and any culpable delay in settlement and disbursement thereof must be visited with the penalty of payment of interest at the current market rate till actual payment. The liability to pay penal interest on these dues at the current market rate commences at the expiry of two months from the date of retirement."

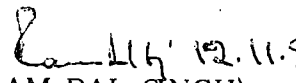
In view of this settled position of law, we are inclined to allow this O.A. though the counsel for the respondents, Shri K.K. Patel vehemently opposed the payment of interest to the applicant, but reject the same on the strength of the law laid down by the apex court.

4. This OA is, therefore, allowed and it is directed that the applicant be paid the interest on the amount of Rs. 15,192.00 from 1.9.80 to 2.6.87 at the rate of 12% per annum.

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However, we do not impose any cost on the respondents. The respondents shall make the payment of the entire amount of interest as directed hereinabove within a period of three months from the date of receipt of a copy of this judgment.


(L.P. GUPTA) 12/11/91
MEMBER (A)


(RAM PAL SINGH) 12.11.91
VICE-CHAIRMAN (J)