

IN THE CENTRAL ADMINISTRATIVE TRIBUNAL

NEW DELHI

O.A. No. 1106/90
T.A. No.

199

DATE OF DECISION 23.08.1991

<u>Shri M. Srinivasan</u>	Petitioner
<u>Shri R.K. Kamal</u>	Advocate for the Petitioner(s)
Versus	
<u>U.O.I. through the Secretary, Railway Board</u>	Respondent
<u>Shri B.N. Mani</u>	Advocate for the Respondent(s)

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The Hon'ble Mr. P.K. KARTHA, VICE CHAIRMAN (J)

The Hon'ble Mr. D.K. CHAKRAVORTY, ADMINISTRATIVE MEMBER

1. Whether Reporters of local papers may be allowed to see the Judgement? *Yes*
2. To be referred to the Reporter or not? *NO*
3. Whether their Lordships wish to see the fair copy of the Judgement? *No*
4. Whether it needs to be circulated to other Benches of the Tribunal? *No*

JUDGMENT

(of the Bench delivered by Hon'ble Mr. P.K. Kartha,
Vice Chairman(J))

The applicant, who was formerly a Technical Officer in the Indian Railways had filed OA 107/87 in this Tribunal challenging his absorption in RITES with retrospective effect. By judgment dated 18.9.1987, the Tribunal disposed of the application declaring that the applicant shall be deemed to have been absorbed with effect from 9.1.1986 and he shall also be entitled to all consequential benefits by way of salary and pension etc. flowing therefrom.

2. In the present application, he has stated that after a delay of over 18 months from the date of the aforesaid judgment, the respondents paid to him the final settlement dues amounting to Rs. 2,13,982/- ~~which were paid to the applicant~~ but without

interest on the delayed payments.

3. The applicant has prayed that the respondents be directed to pay interest at the market rate of 10% per annum on the delayed payments for over 18 months.

4. The respondents have raised the plea in their counter-affidavit that the applicant has not exhausted the departmental remedies available to him against the impugned order and hence the application is not maintainable. According to them, the time taken in implementing the judgment was due to various authorities involved.

5. We have gone through the records of the case carefully and have heard the learned counsel of both parties. The applicant has contended that during the 18 months of delayed payments, the amounts due to him were lying with the respondents who had enjoyed the incremental benefits on the same by way of interest etc. Had the amounts due to him been paid in time, the applicant could have invested the same yielding interest. The employee should not be deprived of interest in such circumstances.

6. We see force in the aforesaid contention raised by the applicant. It is true that the judgment does not contain a direction to the respondents that they should pay interest to the applicant on the amounts due to him. Where a judgment is silent as to the time-limit within which it has to be

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complied with, the directions contained therein should be implemented within a reasonable period. To our mind, a period of three months would be reasonable. Any time taken beyond three months has to be construed to be unreasonable.

7. In State of Kerala & Others Vs. M. Padmanathan Nair, AIR 1985 SC 356, the Supreme Court observed that pension and gratuity are no longer any bounty to be distributed by the Government to its employees on their retirement but have become, under the decisions of the Supreme Court, 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.

8. In our ponion, when there is unreasonable delay in disbursing the retirement benefits, it would be in the interest of justice to compensate the aggrieved person in any reasonable manner for the loss suffered by him due to the non payment of his dues (Vide V.P. Gautam Vs. Union of India, 1976 SLJ 675; D.D. Sadbtire Vs. State and Another, 1981(3) SLR 580; and T.S. Ramchandra Rao Vs. Union of India & Others, AIR 1986(1) CAT 141).

9. In the light of the above, the application is disposed of with the following directions:-

(i) The respondents are directed to pay to the applicant interest at the rate of 10% per annum for the period from the date of the judgment of this Tribunal to the date on which the respondents paid to him pro-rate pension and

on

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other retirement benefits ~~thereof~~. In calculating the amount of interest, a period of 90 days may, however, be excluded from the date of the judgment which we consider to be a reasonable time that may be taken for implementing the same.

(ii) In calculating the amounts due to the applicant, the amounts already drawn on the date of absorption before the judgment of the Tribunal was available, should be excluded. The interest becomes payable only on the balance amount paid in the implementation of the judgment.

(iii) The respondents shall comply with the above directions within a period of two months from the date of communication of this order.

(iv) There will be no order as to costs.

Duckham
(D.K. CHAKRAVORTY)
MEMBER (A)

28/8/91

Q. Karthi
(P.K. KARTHI)
VICE CHAIRMAN (J)

23/8/91