

CENTRAL ADMINISTRATIVE TRIBUNAL, PRINCIPAL BENCH

OA No. 901 of 1991

New Delhi this the 24th day of April, 1995

Mr. A.V. Haridasan, Vice-Chairman (J)  
Mr. K. Muthukumar, Member (A)

Shri Surjeet Singh  
S/o Shri Gurandittamal,  
Chief Inspector of Tickets (Retd.),  
Northern Railway,  
Moradabad. ...Applicant

By Advocate Shri B.S. Mainee

Versus

1. Union of India through the  
General Manager,  
Northern Railway,  
Baroda House,  
New Delhi.
2. The Divisional Railway Manager,  
Northern Railway,  
Moradabad. ..Respondents

By Advocate Shri B.K. Aggarwal

ORDER (ORAL)

Mr. A.V. Haridasan, Vice-Chairman (J)

In this application filed under Section 19 of the Administrative Tribunals Act, 1985, the applicant, a retired Railway employee has prayed that the respondents may be directed to recalculate his pension and to start paying him the monthly pension, to pay interest at the market rate of 18% per annum on the delayed payment of commuted value of pension, to pay interest on the delayed payment of leave encashment and also to pay interest on the delayed payment of gratuity. At the time when the application was filed neither pension nor gratuity of the applicant was paid, therefore, the applicant had prayed that the

respondents be directed to pay this amount with interest, at the rate of 18% per annum. The applicant retired from service on 30.04.90 and the payment of commuted value of pension was paid in January, 1991. The gratuity less Rs.2,000/- was paid on 25.4.91 according to the applicant and the leave encashment was paid in January, 1991.

The respondents in their reply contend that the delay in processing the pension and gratuity of the applicant occurred on account of the delay in receipt of the complete service record of the applicant. It has also been contended that as the applicant was working in the Commercial Department, in accordance with the extant instructions on the subject, a period of six months can be taken for verification of debits if any against him and that the delay of six months and a further period of 3 months cannot be considered as culpable so as to penalise the department with interest. The respondents, however, further contend that the rate of interest at 18% claimed is higher and ~~and~~ excessive.

We have perused the material on record and have heard the learned counsel for the parties. That the applicant was working in the Commercial Departmental, therefore, in accordance with the Railway Board's Circular PS No.9466, a period of six months ~~time~~ can be taken by the Department for ascertainment of any debits. However, the verification of debits should have been commenced prior to the retirement of the applicant and completed at least within a period of six months from the date of his retirement. Therefore, the payment of gratuity to the applicant beyond a period of six months from 30.04.90 amounts to

16

unreasonable delay and on this account, the applicant is entitled to interest till the date of its actual payment, i.e., 31.1.1991. *from 1-1-1990*

The pension of the applicant was commuted with effect from 1.5.1990 as per letter dated 21.12.1990 NO.890/2002 of the Senior DMO of the Moradabad Division of the Northern Railway. From this letter it is seen that the applicant had commuted 1/3rd of his pension and the remainder was only paid to him after filing of this application. The commuted value of the pension was paid to him only in the month of January, 1991. *was due 1-1-1990* As the commutation from 1.5.1990, the payment of the commuted value of the pension should have been made ~~on~~ to the applicant at least on 1.6.90. Therefore, on the commuted value of pension, the applicant is entitled to get interest till the date of its payment to him. *from 1-6-90*

Coming to the amount of Rs.2,000/- alleged to have been detained towards debits, the applicant is entitled to payment of this amount with interest if there is no amount ~~releasable~~ from him towards Railway Administration.

The leave encashment was also paid to the applicant only belatedly. This should have been paid to him at least on the date of 3 months of his retirement. So on the belated payment of leave encashment, the applicant is entitled to get interest from 1st August, 1990.

Now coming to the rate of interest, since the applicant would have invested, *the amount*

profitably, if the payment was made in time. We are of the considered view that the respondents are bound to pay to the applicant interest at the market rate of 18% per annum. With the result, the application is disposed of with the direction to the respondents to pay to the applicant within a period of 3 months from the date of communication of this order interest on the aforesaid items of payment from and upto to the dates mentioned in the previous paragraphs. They should also verify whether any amount is due from the applicant and if it is found nothing, <sup>is due</sup> the detained sum of Rs.2,000/- alongwith interest thereon at the rate of 18% per annum should be paid.

There shall be no order as to costs.

  
(K. MUTHUKUMAR)  
MEMBER (A)

  
(A.V. HARIDASAN)  
VICE CHAIRMAN (J)

RKS