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CENTRAL ADMINISTRATIVE TRIBUNAL  
CUTTACK BENCH: CUTTACK.

Original Application No. 307 of 1989.

Date of decision : February 21, 1990.

Rebati Ballav Dutta ... Applicant.

Versus

Deputy Director of Accounts  
(Postal), Cuttack-5 and others ... Respondents.

For the applicant ... Mr. D. P. Dhalsamant,  
Advocate.

For the respondents ... Mr. Tahali Dalai,  
Addl. Standing Counsel (Central)

C O R A M:

THE HON'BLE MR. P. S. HABEEB MOHD., MEMBER (ADMN.)

A N D

THE HON'BLE MR. N. SENGUPTA, MEMBER (JUDICIAL)

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1. Whether reporters of local papers may be allowed to see the judgment ? Yes.
2. To be referred to the Reporters or not ? *✓*
3. Whether Their Lordships wish to see the fair copy of the judgment ? Yes.

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J U D G M E N T

N. SENGUPTA, MEMBER (J) The applicant was the Postmaster, Chandinichowk Post Office of Cuttack city. Admittedly, he retired on 31.7.1985. He has claimed reliefs of interest on the amount of G.P.F. accumulation payable to him on his retirement till it was actually paid to him and interest on the interest so payable. The applicant's case is that the

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necessary authority for payment of his G.P.F. amount at his credit was issued on 3.2.1988 i.e. about 2½ years after his retirement and this was for no fault of his.

2. The case of the respondents in their counter, though it runs for 8 typed pages, could be summarised to two grounds namely, that the applicant was responsible for the delay as he did not apply for final payment of the G.P.F. accumulation one year prior to the date of his retirement, as per the instructions under letter No.13(3)/84-PU dated 12/13.6.1985 of the Department of Personnel and Training and further that according to the Rules, the applicant could not be entitled to interest for more than 6 months unless ofcourse the appropriate authorities are satisfied that the delay was not caused by the applicant himself. The third ground has ofcourse been taken i.e. the applicant made a representation and before it was disposed of he rushed to this Tribunal for relief and as such, the application in a sense is premature.

3. We have heard Mr.D.P.Dhalsamant, learned counsel for the applicant and Mr.Tahali Dalai, learned Additional Standing Counsel (Central) for the respondents. So far as the facts are concerned there is not much of a dispute. In Annexure-2 the applicant represented to the Postmaster General, Orissa, Bhubaneswar that even though he applied for final withdrawal before his retirement, in the counter it has been stated that the application for withdrawal was signed on 9.8.1985. For the present purpose, it may be taken that infact the application for final withdrawal was

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completed on 9.8.1985 i.e. about 9 days after the applicant retired from Government service. The respondents contend that as the application was received on 3.9.1986 in the office of the Senior Superintendent of Post Offices, Cuttack there was a delay of a year and a month from the date of ~~date of~~ retirement of the applicant and thereafter time was spent in processing the matter. By 9.8.1985 the applicant was definitely not in service nor in charge of the Post Office and his successor must have assumed the Office. If the successor of the applicant did not send the application for final withdrawal in time, the applicant cannot be held responsible for that. Undisputedly the successor Postmaster was a servant and an agent of the Central Government and for any lapse on his part which affects a third party, the Central Government or its officers having administrative control must be held vicariously liable. No explanation has really been furnished as to why a delay of about a year and a half was there in processing the matter from September, 1986 till February, 1988. For the period from 9.8.1985 till upto 3.2.1988 there can be no responsibility of the applicant.

4. The respondents have sought shelter of sub-rule(4) of Rule 11 of the G.P.F.(Central Services)Rules, 1960 and have contended that beyond six months interest cannot be paid and as such has not been paid. On reading the note below that rule it would be clear that when delay in payment was occasioned by circumstances beyond the control of the subscriber or a person to whom such payment was to be made

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interest could be charged upto that period. Therefore, in our opinion, Rule 11(4) of the G.P.F. (Central Services) Rules, 1960 cannot come in aid of the respondents.

5. A similar case came up before this Bench of the Tribunal and it was decided therein i.e. ATR 1989(1)CAT456 (Raj-Kishore Das v. Union of India and others) that interest could be paid for a period beyond six months. Though that decision was rendered in September, 1988, no reference was made to a decision of the Hon'ble Supreme Court reported in AIR 1985 SC 356 (State of Kerala v. M. Padmanabhan Nair). That was no doubt a case relating to gratuity but payment of G.P.F. amounts stands on a stronger footing. In that case, Their Lordships of the Supreme Court opined that where the Government cannot assign any reason for delay in payment of the gratuity or other necessary benefits, it should pay interest at the rate of 12 per cent per annum. Thus, the observations <sup>can</sup> ~~could~~ conveniently be made applicable to the facts of the present case.

6. With regard to the payment of interest on interest we are not satisfied, because law does not take note of ~~remote~~ <sup>remote</sup> damages i.e. had the applicant made an investment whereupon interest was payable he could have got such compound interest cannot be a criterion to grant compound interest. We would, accordingly reject the claim of the applicant for compound interest but however direct the respondents to pay simple interest at the rate of 12 per cent per annum from 1.9.1985 till the actual date of issue of authority for payment i.e. 3.2.1988.

*Manohar Aiyar*

7. This application is partly allowed. As the applicant has partly succeeded, there would be no order as to costs.

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P.S. 21/2/1990  
Member (Administrative)

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Member (Judicial)

