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CENTRAL ADMINISTRATIVE TRIBUNAL
CUTTACK BENCH: CUTTACK.

ORIGINAL APPLICATION NO. 784 OF 1995
Dated, Cuttack the 1st day of July, 2002.

Shri Sridhar Pati
Ex-Station Master, S.E.Railway .. Applicant.

Versus

Union of India and others .. Respondents

(INSTRUCTIONS)

1. Whether it be referred to Reporters or not ? Yes.
2. Whether it be circulated to all the Benches of the Central Administrative Tribunal or not ? Yes.

M. R. Mohanty

(M. R. MOHANTY) 01/07/2002
MEMBER (JUDICIAL)

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THE HON'BLE MANORANJAN MOHANTY, MEMBER (JUDICIAL)

Sri Sridhar Pati,
S/o: Keshab Chandra Pati,
Ex-Station Master, Sakhigopal
Railway Station, S.E. Railway,
Dist: Puri. Applicant

By the Advocate M/s B. Mohanty,
S. Patra.

VERSUS

1. Union of India, represented through General Manager, South Eastern Railway, Garden Reach, Calcutta.
2. Financial Adviser and Chief Accounts Officer (Pension), South Eastern Railway, Garden Reach, Calcutta.
3. Senior Divisional Personnel Officer, Khurda Road Division, South Eastern Railway, Khurda Road, Dist: Khurda.

... Respondents

By the Advocate ... Mr. Ashok Mohanty,
Senior Counsel for the Railways.

ORDER

MR. M.R. MOHANTY, MEMBER (JUDICIAL): Heard Mr. Biswajit Mohanty, learned Counsel for the Applicant and Mr. Ashok Mohanty, Senior Counsel for the Railways.

(2) 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 Hon'ble Supreme Court of India, valuable rights and

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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.

(3) Usually the delay in payment of pension/gratuity occurs for reason of non-production of last pay certificate or no liability certificate from the branch offices but such certificate pertain to matters/records whereof would be with the offices concerned; since the date of retirement of every employee is very much known in advance to the Department. Therefore, I fail to appreciate as to why the process of collecting the requisite information and issuance of certificates should not be completed at least a week before the date of retirement so that the payment of gratuity amount could be made to the employee on the date he retires or on the following day and pension at the expiry of the following month. The necessity for prompt payment of the retirement dues to an employee immediately after his retirement cannot be over-emphasised and it would not be unreasonable to direct that the liability to pay penal interest on these dues at the current market rate should commence at the expiry of two months from the date of retirement.

(4) In the present case, the Applicant, an Indian Railway Station Master, faced retirement on 31st January, 1995. On 24th March, 1995, super-annuation pension was granted to him, but no gratuity was paid; for which he filed the present Original Application on 18.12.1995. Only after issuance of notice in this case, on 01.01.1996,

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Gratuity has been disbursed to the Applicant on 29th January, 1996. In the present Original Application, at the hearing, the Advocate for the Applicant prays that interest should be asked to be paid by the Respondents/Railways for delayed payment of gratuity to the Applicant.

(5) By way of filing counter, the Railways have tried to explain the delay by telling that as a Station Master, the Applicant was handling public money and, therefore, administration had to collect upto-date clearance from the end of Commercial wing. It is the case of the Railways/Respondents that because of the delay caused in obtaining clearance from the Commercial wing there was delay in disbursement of Gratuity to the Applicant.

(6) For the reasons stated by the Hon'ble Supreme Court of India, in the case of the State of Kerala and Others Versus M. Padmanabhan Nair (reported in 1985 (1) S.C.C. 429) the Respondents are bound to pay penal interest to the Applicant. I must state here that while making queries from the Commercial wing, authorities ought to have paid provisional amount of Gratuity to the Applicant.

(7) There being delay of one year, I direct the Respondents to pay interest at the rate of 5% to the Applicant on the entire amount paid to the Applicant on 29.01.1996 as Gratuity minus Rs.3,505/-, which amount was outstanding with the Applicant.



With the above said observations and directions,
this Original Application is allowed, however, without
any order as to costs.


01/07/2002
(MANORANJAN MOHANTY)
MEMBER (JUDICIAL)