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CENTRAL ADMINISTRATIVE TRIBUNAL  
CUTTACK BENCH, CUTTACK

O.A.No.400 of 2011

Cuttack this the 8<sup>th</sup> day of January, 2015

CORAM

HON'BLE SHRI R.C.MISRA, MEMBER(A)

Rajalakshmi Mitra  
Aged about 81 years  
W/o. late Jagannath Ballav Mitra  
Plot No.45, Budhanagar, PO-Bhubaneswar  
Dist-Khurda  
Presently living in her residence at 22, Saint Gilles Street  
Pondicherry

...Applicant

By the Advocate(s)-M/s.U.K.Sahoo  
S.Ku.Mohanty

-VERSUS-

Union of India represented by

1. Accountant General(A&E)  
Orissa  
Bhubaneswar-1  
Dist-Khurda
2. Senior Deputy Accountant General(Admn.) in  
Office of the A.G.(A&E), Orissa  
Bhubaneswar-1  
Dist-Khurda

...Respondents

By the Advocate(s)-Mr.P.R.J.Dash

**ORDER**

**R.C.MISRA, MEMBER(A):**

The applicant in this case was working as a Senior Accountant in the Office of the Accountant General(A&E), Odisha, and took voluntary retirement from service on 08.09.2009. He had approached the Tribunal praying for a relief that Respondents may be directed to make payment of



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one month's interest on GPF available balance and residual balance, and also the order dated 21.1.2011 passed by Respondent No.2 may be quashed.

2. This O.A. was filed in the year 2011, but on the prayer of learned counsel to provide certain documents, orders were passed to list this matter as and when moved. Subsequently, only on 24.4.2014, this matter was admitted, and notice was issued. The learned counsel for applicant on 8.8.2014 submitted that since the applicant has passed away, he would file a petition for substitution. The prayer for substitution was allowed on 17.10.2014, and the mother of the applicant as the legal heir was substituted as the applicant.

3. The brief facts of the case are that the original applicant joined his service initially on 2.5.1974 in the office of the Accountant General(A&E), Odisha as an Auditor. He prayed for voluntary retirement in the year 2009, and the Senior Deputy Accountant General(Admn.) i.e., Respondent No.2 in the case allowed his voluntary retirement with effect from 08.09.2009. After voluntary retirement, he received a sum of Rs.8,04,053/- including 8% interest per annum, towards the final payment of General Provident Fund dues, on 08.10.2009. However, interest for the month of September, 2009 was not allowed, which is approximately an amount of Rs.5000/-. The C & A.G. Circular No.1480-Tech.-Admn.11/261-68 dated 28.6.1968 was ignored in the matter. The case made out is that Rule-11(4) of the



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GPF(CS) Rules, 1960 provides that in addition to any amount to be paid under Rule-31, 32 or 33, interest thereon upto the end of the month preceding that in which payment is made or upto the end of sixth month after the month in which payment is made or upto the end of sixth month after the month in which such amount becomes payable whichever of these periods be less, shall be payable to the person to whom such amount is to be paid. According to the submission made in the O.A., this provision has been ignored by the authorities. With reference to the GPF authority dated 29.4.2010, the applicant was paid Rs.1459/- less on his GPF residual balance dues. The amount of GPF residual balance was authorized on 29.4.2010 and was paid on 11.5.2010. This was due to administrative delay, but interest for the month of April, 2010 was not allowed.

4. The original applicant had made representations to the Respondents with a prayer that interest for a period of one month be allowed. Because of non-disposal of his representations, he approached this Tribunal in O.A.No.696/2010. The Tribunal disposed of the O.A. at the stage of admission by directing the Principal Accountant General to consider and dispose of the applicant's representations, and communicate the decision in a reasoned and speaking order. The Respondents passed an order dated 21.1.2011, in which by a speaking order, they disallowed the claim of the applicant for payment of interest on GPF available balance for about

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Rs.5000/- and GPF residual balance for about Rs.1459/-. This order of the authorities has been challenged in this O.A.

5. The Respondents have filed a counter reply in which they have averred that the interest on GPF accumulation has been allowed upto 31.8.2009. The claim of the applicant for additional interest of one month, i.e., for September, 2009 is not admissible as per the provisions of the prescribed rules, as the original applicant retired from Government service voluntarily with effect from 8.9.2009 and the <sup>G P</sup>~~G P~~F final payment was authorized on 24.9.2009, and received by Sri Mitra on 06.10.2009, i.e, within one month of his date of retirement. The Respondents have referred to Decision No.2 below Rule 34 of GPF (Central Services). They have further averred that CAG's Decision 5 under Rule-11 relied upon by the applicant is irrelevant in this case.

6. The learned counsel for applicant by filing a rejoinder has submitted that GPG accumulation has been allowed upto 31.8.2009 and the payment was authorized on 24.9.2009 and received on 06.10.2009. Therefore, as the authorization was made after the 15<sup>th</sup> of the month and payment was made in October, 2009, interest on the available balance ought to be allowed for the month of September, 2009 as per the Circular No.1480-Tech-Admn.-II/261-68 dated 28.06.1968. Further, interest on GPF (Residual balance) has been allowed upto March, 2010, but the amount was authorized on 24.4.2010 and

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paid on 11.5.200. As the amount on GPF (Residual balance) was with the Department during April, 2010, so the Department is liable to pay the interest for the month.

7. Having heard the learned counsels for both sides, I have perused the records and seen the Rule position. Rule 11 of the General Provident Fund Rules makes provision for payment of interest on the accumulations of GPF. In this regard Rule-11(1) reads as follows:

"Subject to the provisions of sub-rule(5), Govt. shall pay to the credit of the account of a subscriber interest at such rate as may be determined for each year according to the method of calculation prescribed from time to time by the Government of India.

Sub Rule (5) of Rule-11 provides as follows:

"Interest shall not be credited to the account of a subscriber if he informs the Accounts Officer that he does not wish to receive it; but if he subsequently asks for interest, it shall be credited with effect from the first day of the year in which he asks for it".

"In addition to any amount to be paid under Rule-31, 32 or 33, interest thereon upto the end of the month preceding that in which the payment is made, or upto the end of the sixth month after the month in which such amount becomes payable, whichever of these periods be less, shall be payable to the person to whom such amount is to be paid".

8. Relevant to the present dispute is Rule-34 with <sup>R</sup>regard to manner of payment of amount in the Fund.

9. Government of India Decision(2) under the said Rule lays down as follows;



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"Interest on final payment of GPF on retirement/quitting of service not payable for one month after submission of application".

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"The rules lay down that steps have to be taken by the authorities concerned to make the payment to the subscriber payable on the date of retirement and if the payment cannot be made within one month after the date of retirement, due to administrative difficulties or otherwise, the subscriber is entitled to interest under Rule-11 on the expiry of said one month from the second month onwards".

10. The impugned order dated 21.01.2011 which is signed by Senior Deputy Accountant general(Admn.) is a detailed and reasoned one. This order mentions that the original applicant took voluntary retirement on 08.09.2009, and submitted his GPF final withdrawal application on 21.8.2009. A letter of authority was issued in his favour on 24.9.2009 and Sri Mitra received payment on 6.10.2009. As per GID No.2 under Rule 34 of PF(Central Services) Rules, the subscriber is entitled to interest if the payment is not made within one month after retirement/quitting service. In the present case, since payment was made within one month, no additional interest is admissible as per the rules. The C&AG's Decision 3 under Rule 11 is not relevant in view of the fact that his GPF payment was not made at outstation.

11. The Respondents have further taken the position in the counter reply that with regard to the claim of one month's interest on the GPF residual balance, the position of Rules is



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that interest can be paid upto a maximum of six months after the month of retirement. The applicant's retirement being September, 2009, he has been allowed interest upto March, 2010, and hence no interest in April, 2010 has been allowed.

12. Examined in the light of the provisions of the General Provident Fund Rules, I do not find any illegality in the order dated 21.1.2011 passed by the Respondents, and therefore, no satisfactory ground to interfere with this order. The applicant has failed to advance any cogent arguments against the vires of this order. The O.A. being devoid of merit is thus dismissed with no order <sup>as</sup> to costs.

  
**(R.C.MISRA)**  
**MEMBER(A)**

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