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**IN THE CENTRAL ADMINISTRATIVE TRIBUNAL,
JODHPUR BENCH, JODHPUR**

ORIGINAL APPLICATION NO. 201/2004

Date of decision: the 27th day of October, 2004

Hon'ble Mr. J. K. Kaushik, Judicial Member
Hon'ble Mr. M.K. Misra, Administrative Member

G.R. Patwardhan, S/o Late Prof. R.P. Patwardhan, Retired I.A.S and presently working as the Member of the Central Administrative Tribunal, Jodhpur Bench, Jodhpur, Resident of Plot No. 40, Polo Ground, Paota, Jodhpur.

...Applicant.

(Mr. Manoj Bhandari, Counsel for the applicant.)

Versus

1. Union of India through the Secretary, Department of Expenditure, Ministry of Finance, North Block, New Delhi.
2. The Secretary, Department of Pension and Pensioners Welfare, North Block, New Delhi 110001.
3. The Accountant General, Bihar (A&E), Birchand Patel Path, Patna 800001.

....Respondents.

(Mr. Vinit Mathur, Counsel for the respondent No. 3.)
None present for other respondents.

ORDER

BY J. K. KAUSHIK, JUDICIAL MEMBER:

The applicant in this case has, inter alia, claimed the payment of interest @ of Rs. 24 per annum on the arrears of pension as well as the compensation and costs of the litigation.

2. With the consent of the learned counsel for both the parties, we heard the arguments for final disposal at the admission stage





keeping in view the urgency of the matter and have carefully considered the pleadings and records of the same.

3. The material facts, necessary for resolving the controversy involved in this case, are that the applicant belongs to 1968 batch IAS of Bihar Cadre and retired on completion of the age of superannuation as Secretary Min. of Home Affairs, on dated 30.9.2003, after having rendered 35 years and two months service. He submitted the requisite papers pension for grant of pension, Gratuity and commutation amounts, well in time as per the procedure in vogue. The PPO came to be issued vide commutation dated 19.9.2003 and sent to Pay and Accounts Officer, Bihar Bahwan, New Delhi, and the payment of DCRG was released to the applicant. As regards the payment of pension, the concerned bank expressed its inability to transfer the PPO as indicated in letter-dated 15.1.2004. The 3rd respondent requested to make the payment of pension to the Sr Accounts Officer (Pension), CPAO, Min of Fin. But subsequently the papers were returned to PAO, AG (A&E) Patna vide letter-dated 17.2.2004. The matter was reminded with amplifying the requisite details. There some communication between the 3rd respondents and other concerned authorities including follow up by reminders by the applicant but with no fruitful result and hence this Original Application. The in-action of the respondents has been assailed on diverse grounds enumerated in para 5 and its sub-paras, which we shall deal a little later in this order.



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4. The case has been contested and reply has been filed on behalf of the respondents No. 3. The main ground of defence as set out in the reply is that the pension has already been released and paid to the applicant but the delay is not attributable the answering respondent. There is no provision to send the PPO directly to the commercial bank and the same was sent to CPAO New Delhi on dated 14.1.2004, who returned all the papers by making a query as to whether the applicant belongs to Bihar Cadre. Thereafter the papers were sent to PAO Tis Hazari with a request to arrange payment of pension through the desired bank vide letter dated 16.4.2004. On the other hand, the applicant made another request on 14.4.2004 for making payment through SBI Jodhpur Main Branch thereafter the both-halves of PPO got dispatched to AG (A&E) Rajasthan vide letter dated 27.5.2004. The held up amount of DCRG i.e. Rs. 15000/- was also released. In this way all the payments have been made to the applicant and there is not any delay attributable to the respondents, entailing any interest. The Original Application deserves to be dismissed.



5. The learned counsel for both the parties have reiterated the facts and grounds narrated in the pleadings as noticed above. The learned counsel for the applicant has cited number of authorities in support of his contentions that the interest is required to be paid in cases of delay in making the payment of pensionary and other retiral dues. Per contra, the learned

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counsel for the respondents have strenuously opposed the contentions raised by the learned counsel for the applicant and has submitted that there is no question of payment of any interest since there was no delay on the part of the answering respondent.

6. We have considered the rival submission put forth on behalf of both the parties. The incisive analysis of the sequence of events makes it evident that there has been delay of about a year in making the payment of the pension amount to the applicant and the same has been due to the protracted correspondences amongst the various authorities including the 3rd respondent. The request of change of disbursing officer by the applicant is a subsequent event and can not be said to have contributed to the delay in release of due payments. Had the pension been paid in-time, there was no question for such factor being cause of delay since otherwise also in the normal course; one can seek for such changes which is not very uncommon. In our considered opinion, the delay is wholly attributable to the respondents and to no one else.



7. Now we would advert to the question of payment of interest of the delayed payment of pensionary benefits. The law position is well settled by the apex court in catena of judgement and for that purpose we would refer to some of them as cited by the learned counsel for the applicant. In case of Gorakhpur University & Ors., Appellants V. Shitla Prasad Nagendra (Dr.) &

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Ors., Respondents 2001-(006)- SCC -0591 -SC, their Lordships of have held as under:-

"We have carefully considered the submissions on behalf of the respective parties before us. The earlier decision pertaining to this very University reported in [1996 (2) ESC 211 (All.)] (supra) is that of a Division Bench rendered after considering the principles laid down and also placing reliance upon the decisions of this Court reported in [JT 1994 (6) SC 354 = 1994 (6) SCC 589] (supra) which, in turn; relied upon earlier decisions in State of Kerala v. M. Padmanabhan Nair, [1985 (1) SCC 429] and AIR 1981 SC p. 212 (Supra). This court has been repeatedly emphasizing the position that pension and gratuity are no longer matters of any bounty to be distributed by Government but are valuable rights acquired and property in their hands and any delay in settlement and disbursement whereof should be viewed seriously and dealt with severely by imposing penalty in the form of payment of interest. Withholding of quarters allotted, while in service, even after retirement without vacating the same has been viewed to be not a valid ground to withhold the disbursement of the terminal benefits."

8. In another case of State of Kerala and Ors. v. M. Padmanabhan Nair AIR 1985 SC 356, it has been held as under:-



"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."

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9. In the circumspect of the aforesaid discussion, we come to an inescapable conclusion that the Original Application has ample force and substance and the same stands allowed. The respondents are directed to make payment of interest @ 8% p.a. on the arrears of amount of pension to the applicant i.e. for the period from the date of retirement till the date of payment), within a period of three months from the date of communication of this order. However, the parties are directed to bear their respective costs.




(M K Misra)

Administrative Member


(J K Kaushik)

Judicial Member

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me
16/11/04

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CP

Part II and III destroyed
in my presence on 30/10/13
under the supervision of
section officer () as per
order dated 18/10/13

D.R. Sharma
Section officer (Record) 30.10.2013