

**CENTRAL ADMINISTRATIVE TRIBUNAL
ERNAKULAM BENCH**

O.A.No.586/2013

Monday, this the 17th day of March, 2014

C O R A M :

**HON'BLE MR.JUSTICE A.K.BASHEER, JUDICIAL MEMBER
HON'BLE MS.MINNIE MATHEW, ADMINISTRATIVE MEMBER**

K.V Balachandran
S/o.A.K Velayudhan Elayadom
'Sreyas', Kuttanappilly House
Vennala P.O
Kochi – 28 (retired Chemical
Examiner, Customs House, Cochin)

Applicant

(By Advocate Mr.P.Ramakrishnan)

Versus

1. Central Board of Excise and Customs
6th Floor, HUDCO Vishala Building
Bhikaji Cama Place
New Delhi – 110 011
represented by its Secretary
2. The Chief Commissioner
Central Board of Excise and Customs
Department of Revenue
Ministry of Finance
New Delhi – 110 011
3. The Commissioner of Customs
Custom House
Kochi – 682 009

Respondents

(By Advocate Ms.Jishamol Cleetus, ACGSC)

This application having been heard on 17th March, 2014 this Tribunal on the same day delivered the following :-

ORDER

BY HON'BLE MR.JUSTICE A.K.BASHEER, JUDICIAL MEMBER

Applicant, who retired from service while working as Chemical Examiner and Head of Chemical Laboratory in the Customs House, Cochin, has filed this Original Application impugning Annexure A-7 order passed by the respondents rejecting his claim for interest on the delayed payment of his retiral benefits. The primary prayer in this Original Application is to issue a direction to

WV

the respondents to pay interest at the rate of 18% on gratuity and cash equivalent of leave from the date when it became due till the date of payment.

2. Annexure A-7 shows that the applicant has already been paid penal interest on his Death-Cum-Retirement Gratuity at the rate of 8.8% for the entire period from May 2005 till July 2012. However, learned counsel for the applicant takes exception to the rate of interest awarded by the respondents and contends that he ought to have been awarded interest at the rate of 18%. In the peculiar facts and circumstances of the case, particularly keeping in view the nature of the charge levelled against him (which was of course later dropped), we are not inclined to enhance the rate. However, there is some force in the contention raised by the applicant that he has been denied interest for the delayed payment of leave encashment. Annexure A-3 communication issued by the Department of Revenue shows that the Department cannot withhold payment of dues on leave encashment particularly in the light of Rules 39 (3) of Central Civil Services (Leave) Rules, 1972. Admittedly, the dues payable towards leave encashment was released to the applicant only on March 29, 2011 i.e; more than six years after his retirement. In that view of the matter, we are satisfied that the applicant is entitled to get interest on the said amount at the rate of 10% from the date when it became due till the date of payment of the same. The respondents shall pay the same within three months from the date of receipt of a copy of this order.

3. The Original Application is disposed of in the above terms.


(MINNIE MATHEW)
ADMINISTRATIVE MEMBER


(JUSTICE A.K. BASHEER)
JUDICIAL MEMBER

SV