

CENTRAL ADMINISTRATIVE TRIBUNAL  
ERNAKULAM BENCH

O.A. No.98 OF 2007

THURSDAY THIS THE 7<sup>th</sup> JUNE 2007

C O R A M:

HON'BLE Dr.K.B.S.RAJAN, JUDICIAL MEMBER

HON'BLE MR.GAUTAM RAY, ADMINISTRATIVE MEMBER

O.Mohanan, S/o Beran,  
(Ex-Section Engineer Grade I, Signal & Telecommunication  
Workshop, Southern Railway, Podanur, Coimbatore Distt.)  
R/o No.1/2938-E, 'Mohanam' Panathekkal, East Hill, Calicut.

Applicant.

(By Advocate Mr.T.C.Govindaswamy)

Vs.


- 1 Union of India represented by the General Manager  
Southern Railway, Head Quarters Office  
Park Town P.O, Chennai – 3.
- 2 The Chief Workshop Manager, Signal & Telecommunication  
Southern Railway, Podanur, Coimbatore District.
- 3 The Financial Adviser & Chief Accounts Officer  
Southern Railway, Head Quarters Office  
Park Town P.O, Chennai – 3.
- 4 The Senior Accounts Officer (W&S)  
Southern Railway, Podanur, Coimbatore District.

Respondents

(By Advocate Mr.Thomas Mathew Nellimoottil)

**ORDER**

HON'BLE Dr.K.B.S.RAJAN, JUDICIAL MEMBER.

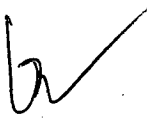
 Short question involved in this case whether the applicant is entitled  
to interest on the delayed payment of Provident Fund accumulations.

2 This is in fact the second round of litigation. In the earlier round, vide order dated 2.12.2005 in O.A No.838/05, the respondents were directed to consider the applicant's representation relating to non-granting of pension and other retirement benefits within a specified period. In pursuance of the said order, Annx.R-3 order dated 8.11.06, has been passed whereby the Railways have held that the applicant is deemed to have resigned from service on 8.2.2001 and consequently various terminal benefits were sanctioned on that date, which included Provident Fund accumulations. As per Annx.A2, Provident Fund statement as on 31.3.2001, the total credit in the Provident Fund account of the applicant Rs.131661/- which was paid to the applicant and in addition to that an amount of Rs.4404/- was calculated as interest payable upto 7.8.2001 and the payment was being paid to the applicant. The contention of the applicant is that the respondents should not have restricted the payment of interest only for six months but it will be till the payment is made, in accordance with the Provident Fund Rules, especially the 2<sup>nd</sup> proviso to Rule 920 of the Railway Provident Fund Rules, which reads as follows:

"Note.- Payment of interest on the Fund balance beyond a period of 6 months may be authorised by-

(a) the Head of Accounts Office i.e. FA&CAO (which expression includes the Pay & Accounts Officer, where there is one) up to a period of one year; and

(b) the immediate superior to the Head of Accounts Office i.e. General Manager up to any period,

 after he has personally satisfied himself that the delay in payment was occasioned by circumstances beyond the control of the subscriber or the person to whom such payment was to be made, and in every such case the administrative delay

involved in the matter shall be fully investigated and action, if any required, taken.

(Railway Ministry's letter No.F.(E) III/78-IT/1 dt. 13.8.1979).

Provided further that where a subscriber on deputation to a body corporate, owned or controlled by the Government, is subsequently absorbed in such body corporate with effect from a retrospective date, for the purpose of calculating the interest due on the Fund accumulations of the subscriber, the date of issue of the orders regarding absorption shall be deemed to be the date on which the amount to the credit of the subscriber becomes payable, subject, however, to the condition that the amount recorded as subscription during the period commencing from the date of absorption and ending with the date of issue of orders of absorption shall be deemed to be subscription to the Fund only for the purpose of awarding interest under this rule."

3 The learned counsel for the respondents however contended that after leaving the Railways in February 2001 there was no ~~any~~ communication from the applicant in relation to his coming back to the Railways. As such he is responsible for the delay in payment of Provident Fund credit balance.

4 Arguments were heard and documents perused.

5 ~~The~~ provision exists for payment of interest beyond six months subject to the approval by the General Manager after he has personally satisfied himself that the delay in payment was occasioned by circumstances beyond the control of the subscriber. In the instant case, the applicant had lien of two years, till those two years depending upon the circumstances he could have made a come back to the Railways. As such it is beyond his control from claiming the amount of Provident Fund at least upto 7.2.2003. At the same time after the expiry of the lien period the Railways could have struck off him from the strength of the Railways and immediately made available all the terminal benefits including Provident Fund credit balance.

Admittedly, this was not done in this case. In the result, the applicant had to

move this Tribunal as in the earlier O.A and it was in pursuance of the order in the said O.A that a decision was taken to sanction the Provident Fund and other terminal benefits. In our considered view the applicant's case for interest deserves consideration by the General Manager.

6 The O.A is therefore, disposed of with the direction to the General Manager to take into <sup>account</sup> ~~the~~ full facts of the case and in accordance with the provisions as extracted above, the General Manager shall take a decision in regard to the payment of interest to the applicant. In the event of the decision being in favour of the applicant, the Provident Fund interest shall be payable to him. This exercise shall be completed within a period of two months from the date of communication of this order. No order as to costs.

  
(GAUTAM RAY)  
Administrative Member

  
(K.B.S. RAJAN)  
Judicial Member

kkj