

CENTRAL ADMINISTRATIVE TRIBUNAL
ERNAKULAM BENCH

OA No. 223 of 1995

Thursday, this the 30th day of May, 1996

CORAM:

HON'BLE MR. JUSTICE CHETTUR SANKARAN NAIR, VICE CHAIRMAN

1. K.D. Vincent,
Retired Chief Engineer,
Central Institute of Fisheries
Nautical & Engineering Training (CIFNET),
Residing at Kalarickal House,
Elamkulam, Cochin-28 .. Applicant

By Advocate Mr. MC Cherian

Versus

1. The Director,
Central Institute of Fisheries
Nautical & Engineering Training (CIFNET),
Dewans Road,
Cochin-16
2. Union of India represented by
Secretary,
Ministry of Agriculture & Co-operation,
New Delhi. .. Respondents

By Advocate Mr. TPM Ibrahim Khan, SCGSC

The application having been heard on 30th May, 1996, the Tribunal on the same day delivered the following:

O R D E R

CHETTUR SANKARAN NAIR(J), VICE CHAIRMAN:

Applicant seeks a direction to respondents to pay him interest at 18% per annum on the amount of Death-cum-Retirement Gratuity and Leave Encashment benefit. Applicant retired on 31-7-1993 and the benefits aforesaid were paid only on 7-11-1994. Hence the claim.

2. According to applicant, interest at 18% per annum works out to Rs. 22,136/-. Respondents have since paid Rs. 6,336/- being 12% interest on the amount of Death-cum-Retirement

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Gratuity. However, they submit that no interest is payable on the Leave Encashment. Any unjust deprivation of money attracts interest and the reasonable rate of interest would be 18%, which is generally the borrowing rate. In the light of the decision of the Supreme Court in Kapoor's case (1994 [6] SCC 589), the contentions of respondents cannot be accepted. Respondents are directed to pay Rs. 22,136/- on account of interest less the amount paid, viz. Rs. 6,336/-, within fortyfive days from today.

3. Application is allowed to this extent. No costs.

Dated the 30th May, 1996

Chettur Sankaran Nair

CHETTUR SANKARAN NAIR(J)
VICE CHAIRMAN

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