

## IN THE CENTRAL ADMINISTRATIVE TRIBUNAL

(7)

NEW BOMBAY BENCH

O.A. No. 897/89  
T.A. No.

198

DATE OF DECISION 4.10.91

Shri Kashinath Shankar Gaonkar PetitionerApplicant in person. Advocate for the Petitioner(s)

Versus

Union of India RespondentMr. A.I. Bhatkar for Mr. M.I. Sethna. Advocate for the Respondent(s)

## CORAM

The Hon'ble Mr. M.Y. Priolkar, Member (A)

The Hon'ble Mr. T.C. Reddy, Member (J)

1. Whether Reporters of local papers may be allowed to see the Judgement ? *Yes*
2. To be referred to the Reporter or not ? *No*
3. Whether their Lordships wish to see the fair copy of the Judgement ? *No*
4. Whether in needs to be circulated to other Benches of the Tribunal ? *No*

  
 (M.Y. PRIOLKAR)  
 MEMBER (A)

(8)

BEFORE THE CENTRAL ADMINISTRATIVE TRIBUNAL  
BOMBAY BENCH

Original Application No. 897/89

Shri Kashinath Shankar Gaonkar  
V/s.

... Applicant.

Union of India  
Min. of Finance  
New Delhi.

... Respondent

CORAM: Hon'ble Member (A) Shri M.Y. Priolkar.  
Hon'ble Member (J) Shri T.C. Reddy.

Appearance:

Applicant in person.

Respondent by Mr. A.I.  
Bhatkar.

Oral Judgement

Dated: 4.10.91

¶ Per Shri M.Y. Priolkar, Member (A) ¶

The applicant in this case retired on superannuation pension on 28.2.82. Admittedly, there was no judicial nor departmental proceeding against him on that date and therefore he was entitled to get his entire retirement benefits namely death-cum-retirement gratuity (DCRG) of Rs. 21,169.50 and commutation of pension of Rs. 25,932.65 on 1.3.82 in the ordinary course. But the payment was allegedly withheld inspite of repeated prayers and the DCRG was actually paid to him on 16.9.84 and commutation value of pension on 11.4.85 instead of 1.3.82. The prayer of the applicant in this case is that he should be paid interest of 12% on these delayed payments.

Subsequently, the department paid him interest at 5% on the delayed payment of only the DCRG amount. The department, however, refused to pay him any interest on the delayed payment of commutation value of the pension since there was no loss to the applicant as the reduction of pension on account of

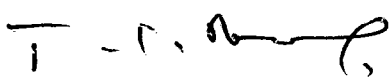
commutation was effected only from the date the commutation value was received by the applicant.

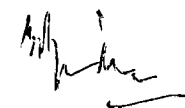
The applicant, who is present in person, admitted that he was receiving the commutation value of pension admissible to him untill the date of payment of commuted value of pension. We do not therefore think that the applicant is entitled to any interest by way of compensation for delayed payment of the commuted value. This prayer for interest on delayed payment of the commuted value of pension is, therefore, rejected.

As regards the prayer for interest at 12% for the delayed payment of DCRG, the learned counsel for the respondents has brought to our notice the Department of Training and Administrative Reform, circular dated 28.7.1984 in which it has been decided that where the payment of DCRG is delayed, the rate of interest will be 7% per annum beyond 3 months upto one year and 10% per annum beyond one year's delay. It is also provided in this circular that this order will have prospective effect from the date of issue and in case of government servants who retired before the date of issue of that circular, the interest will be worked out at the rates mentioned in rule 68(i) i.e. 5% per annum upto the date preceding the date of issue of that circular and thereafter at the rates prescribed in the circular dated 28.7.84. On the basis of this circular, the department has paid the applicant the sum of Rs. 2546.50 by way of interest at 5% on the delayed payment of DCRG amount.

The applicant, on the other hand, has produced for our perusal the Supreme Court judgement in the case of State of Kerala and others v/s. M. Padmanabhan Nair dated 17.12.1984 (AIR 1985 SC 356). In that case before Supreme Court, the respondent had retired on 19.5.73 but his pension and gratuity was paid to him on 14.8.75 only. Both the District Court and the High Court allowed interest to him on the delayed payment at 6% per annum. Supreme Court has observed that they were inclined to grant 12% per annum but in fact the respondent has acquiesced in the rate of 6% by not preferring any cross objection in the High Court. In the present case, since the applicant has been repeatedly praying for 12 % interest, we are inclined to grant him 12% interest on the delayed payment of DCRG and, accordingly, we direct the respondents to pay him differencial interest worked out at 12% due (-) 5% already paid to him, amounting to Rs. 3531.13 as on 16.9.1984, as worked out by the applicant, and also further interest on this amount at 12% from 16.9.84 to the date of actual payment. This payment be made to the applicant within a period of 2 months from the receipt of this order.

With the above direction, this application is disposed of, with no order as to costs.

  
(T.C. REDDY)  
MEMBER (J)

  
(M.Y. PRIOLKAR)  
MEMBER (A)