

IN THE CENTRAL ADMINISTRATIVE TRIBUNAL: HYDERABAD BENCH
AT HYDERABAD

(22)

OA NO.1131 of 1991

Dt. of order: 20.1.1992

Shri T. Satya Rao

.. Applicant

Vs

1. Dy. Controller of Stores,
South Eastern Railway, Karagpur
West Bengal
2. Asst. Controller of Stores (Diesel)
South Eastern Railway, Visakapatnam
3. The General Manager,
South Eastern Railway,
Calcutta

.. Respondents

COUNSEL FOR THE APPLICANT: Sri PB Vijayakumar
COUNSEL FOR THE RESPONDENT: Sri NR Devraj, S.C. for App.

CORAM:

The Hon'ble Shri T. Chandrasekhar Reddy, Member (Judicial)

ORDER OF THE SINGLE BENCH DICTATED BY HON'BLE
SHRI T. CHANDRASEKHAR REDDY, MEMBER (JUDICIAL)

This application is filed under Section 19 of the Administrative Tribunals Act, to direct the respondents to pay a sum of Rs.33,836.85p towards interest for the delayed payment of Death-cum-Retirement Gratuity (DCRG), Leave Salary and commutation and to pass such other orders as may deem fit and proper in the circumstances of the case.

The facts giving rise to this application in brief may be stated as follows:

1. The applicant is a retired Office Superintendent Grade II in the Office of the Asst. Controller of Stores (Diesel South Eastern Railway, Visakhapatnam, who is the 2nd Respondent here.
2. A chargesheet had been issued as against the applicant in the last week of Jan' 89 prior to his retirement. The said chargesheet is said to have been issued with the date bearing 25.1.89/28.1.89. The applicant retired on 31.1.89. The said charges related to the year 1983.
3. The Dy. Controller of Stores, South Eastern Railway, Kharagpur, who is the first Respondent herein vide in his proceedings dated 8/15.9.91 informed the applicant that

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the said charges had been dropped.

(23)

4. The applicant was paid his DCRG and the value of commutation on 30.7.91 and 26.10.91 respectively. The leave salary which was due on 1.2.89 was paid on 29.1.90. It is the case of the applicant, as the charges framed against him were dropped, and as there was delay in the payment of leave salary DCRG and commutation, that he is entitled for interest on the said three items at 18% p.a. from the date of retirement till the date of payment of the said items.

5. At the admission stage, Shri PB Vijayakumar, Counsel for the applicant and Shri NR Devraj, ^{standing} Counsel for the respondents are heard.

6. It is not in dispute that full pension to the applicant has been paid till the date, the commuted value of the pension was paid to the applicant. In view of this position, we are unable to understand, how the applicant is entitled for interest on the value of the commuted pension. Hence, the interest, as claimed by the applicant for commutation is liable to be disallowed.

7. The fact, that there is a delay of one year in the payment of leave salary of the applicant is not in dispute in this case. Further, there is also no dispute in this case that there is a delay of 30 months in paying DCRG to the applicant. It is not in dispute that the Govt. of India has decided that in order to mitigate the hardship to the Govt. servants, who on the conclusion of the proceedings are fully exonerated and as against whom the disciplinary proceedings are consequentially dropped, that the interest on delayed payment of retirement gratuity may also be allowed in such cases, in accordance with the instructions. In such cases, the gratuity will be deemed to have fallen due on the date following the date of retirement for the purpose of payment of interest for delayed payment of gratuity. It is also not in dispute that if the payment of gratuity is beyond the period of one year that the applicant will be entitled for an interest at the rate of 10% p.a.

8. So, in this case, the applicant is entitled for interest at the rate of 10% p.a. for the delayed payment of the gratuity. As there is delay of one year (only short of two days) in the payment of leave salary, it will be reasonable to award interest to the applicant @ 10% p.a. on the said leave salary also.

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122

(24)

9. As already pointed out, the DCRG had been paid on 26.10.91 and the leave salary had been paid on 29.1.90. Bearing in mind the fact that the applicant is entitled for interest on the said amounts at the rate of 10% p.a. from the date of his retirement till the date of payment, and as the applicant has claimed further interest on the interest that is payable on the said 2 items (DCRG & leave salary), it will be reasonable to allow 12% interest on the DCRG and on the leave salary for the said delayed payments. In our opinion, the award of interest at the rate of 12% p.a. for the period of 30 months (from 1.2.89 to 30.7.91) on the DCRG and on leave salary from 1.2.89 upto 29.1.90, would serve the interests of justice, as subsequent interest claimed by the applicant on the DCRG and leave salary is disallowed.

10. In the result, the interest, the applicant has claimed on commutation is disallowed. The respondents are directed to pay interest at the rate of 12% p.a. from 1.2.89 to 30.7.91 on DCRG and also interest at the rate of 12% p.a. on the leave salary from 1.2.89 to 29.1.90. The subsequent interest which the applicant has claimed on the interest, for delayed payment of DCRG and Leave Salary is disallowed. The respondents shall pay the interest as aforesaid within 3 months from the date of communication of this order. In the circumstances of the case, we make no order to costs, and the OA is decided accordingly at the admission stage itself.

T. Chandrasekhar Reddy
(T.CHANDRASEKHAR REDDY)
Member(Judicial)

(Dictated in the Open Court)

Dated: 20 Jan., 1992

S. J. J.
Deputy Registrar(J)

To

1. The Dy-Controller of Stores, South Eastern Railway, Karagpur, West Bengal.
2. The Asst. Controller of Stores (Diesel) South Eastern Railway, visakhapatnam.
3. The General Manager, South Eastern Railway, Calcutta.
4. One copy to Mr.P.B.vijayakumar, Advocate 1-8-7/13, Chikkadapalli, Hyderabad.
5. One copy to Mr.N.R.Devraj, SC for Rlys, CAT.Hyd.Bench.
6. One spare copy.

pvm

3rd floor
21/1/92