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IN THE CENTRAL ADMINISTRATIVE TRIBUNAL : HYDERABAD BENCH  
AT HYDERABAD

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D.A. 256/93.

Dt.of Decision : 11-8-94.

Mr. U. Rajarao

.. Applicant.

Vs

1. Union of India, rep. by  
its General Manager,  
South Eastern Railway,  
Calcutta.

2. Divl. Railway Manager,  
SE Rly, Visakhapatnam.

3. Divl. Personnel Officer,  
SE Rly, Visakhapatnam.

.. Respondents.

Counsel for the Applicant : Mr. P.B. Vijaya Kumar

Counsel for the Respondents: Mr. V.Bhimanna, Addl.CGSC.

CORAM:

THE HON'BLE SHRI A.V. HARIDASAN : MEMBER (JUDL.)

ORDER

The applicant, a retired railway employee, has filed this application for a direction to the respondent to pay him interest on delayed retiral benefits at the rate of 18% per annum from the dates, these became due to him.

2. Leaving out the details which are not material, brief facts can be stated as follows:

3. On account of certain unfavourable circumstances in service, the applicant, who was working as Mail Guard in South Eastern Railway, Visakhapatnam, decided to retire from services voluntarily and on 7.6.91, he submitted a letter seeking voluntary retirement from services on the expiry of a period of three months from the date of notice. By a letter dated 2.9.91 (Annexure R-2 to the counter in the OA) the applicant was informed that, his application for voluntary retirement could not be accepted as it was conditional one and that, if he still <sup>desired</sup> ~~decide~~ to retire, he should do so by giving a fresh notice, without attaching any condition. Thereafter, pursuant to a number of correspondence between the applicant and the relevant <sup>Department</sup> ~~administration~~, by proceedings No. BS.VI/4/UR/Vol.Ret. dated 20.2.92 (Annexure R-2 to the counter) of the third respondent, the application of the applicant for voluntary retirement dated 7.6.91 was accepted and he was retired voluntarily with retrospective effect from 6.9.91. His terminal benefits such as, Provident Fund, Insurance, Arrears of Pension, DCRG and ~~etc.~~ commuted value of pension were paid to him on different dates from 9.5.92

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till 1.8.92. The present grievance of the applicant is that, on account of the unreasonable and unnecessary delay on the part of the railway administration, to take a decision on his letter of voluntary retirement, the terminal benefits due to him were not paid to him at the due date but were paid to him after inordinate delay thereby, causing him monetary loss. Had the retirement ~~been~~ <sup>been</sup> accepted in time <sup>and</sup> the retiral dues settled at the proper time, the applicant contends, that he should have utilised the amounts profitably and according to him, the delay in doing so having caused loss to him for which, the railway administration alone is responsible. He is entitled to get interest on these amounts at the rate of 18% per annum. It is under these circumstances the applicant has filed this application for the relief as afore-said.

4. The respondents ~~do~~ resist the claim of the applicant. They contend that, the letter dated 7.6.91 of the applicant, which contains several allegations, could not be treated as a letter of voluntary retirement as a conditional letter, seeking voluntary retirement cannot be accepted as per rules. They have further contended that it was because of the assurance given to ~~to~~ some Members of Parliament that the applicant's case for voluntary retirement was ultimately accepted by the order dated 20.2.92 and therefore, there has been no inordinate or unreasonable delay in either granting his request for retirement or settling his retiral dues. The respondents therefore contend that the applicant is not entitled to the interest as ~~earlier~~ claimed in this application.

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5. I have, with meticulous care, gone through the pleadings and the documents ~~attached to at Annexures to the OA as well as for the counter on record~~. I have also heard Shri PB Vijayakumar, learned counsel for the applicant and Shri V. Bhimanna, Standing Counsel for the respondents.

6. Shri PB Vijayalkumar, learned counsel for the applicant with considerable tenacity argued that as the respondents have accepted the letter dated 7.6.91 and retired the applicant retrospectively on the basis of that letter, there is no justification in contending that the letter at Annexure R-1 is conditional ~~one on which no voluntary retirement could be granted~~ and that, for that simple reason the applicant is entitled to the interest on the delayed payments.

7. Shri V. Bhimanna, learned Standing Counsel for the respondents on the other hand, maintains that though Annexure R-1 which is the letter of the applicant dated 7.6.91, cannot be treated as an unconditional request of the applicant for voluntary retirement, it had to be accepted on account of the assurances given by the railway authorities to Members of Parliament and that as the applicant was allowed to retire voluntarily with retrospective effect with effect from 6.9.91, only to honour the assurances given to the Members of Parliament, it cannot be said that there has been inordinate delay in either allowing the applicant to retire voluntarily or in settling his retiral dues. If the letter dated 7.6.91 written by the applicant seeking voluntary retirement cannot be accepted as a notice of voluntary retirement on account of some conditions attached thereto, any assurance given to anybody cannot make it a proper notice of retirement. Further, the contention

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on behalf of the respondents that it was to honour the assurances given to the Members of Parliament that the letter dated 7.6.91 was later considered as a notice for retirement and acted upon, does not appear either to be true or convincing because in the letters which were written to Shri Ganti Mohanachandra Balayogi, MP, Amalapuram and Sri MVS Murthy, MP, Visakhapatnam (Annexure R.11 and R.12 respectively to the counter) it is clearly stated that the applicant's notice of voluntary ~~exit~~ retirement could not be acted upon, as there were some conditions attached to it, and that the case of his voluntary retirement would be finalised on receipt of another application by him in that behalf. It is evident that the assurance given to the Members of Parliament was, that the question of applicant's voluntary retirement would be considered if he made another application for voluntary retirement. If that is so, the competent authority could ~~not~~ have allowed the applicant to retire voluntarily. Only on the applicant making a fresh application on that ~~date~~ without the applicant making any further application in that behalf, by an order dated 20.2.92, the Divisional Personnel Officer, SERI, Visakhapatnam has accepted the applicant's notice of voluntary retirement dated 7.6.91 and retired him retrospectively with effect from 6.9.91. If the letter dated 7.6.91 could not be treated as a proper notice of voluntary retirement, the Divisional Personnel Officer could not have on 20.2.92, accepted that notice and retired the applicant ~~with~~ with retrospective effect ~~on voluntary grounds~~ from 6.9.91. Therefore, the contention of the respondents that it was for the purpose of honouring the assurance

given to the Members of Parliament that the letter was accepted does not appear to be true. ~~Now~~

8. Now, let us see whether the Annexure R.I which is the letter of the applicant dated 7.6.91 can be treated as a notice of voluntary retirement pure and simple and whether it is a condition ~~one~~ which renders it improper. A reading of Annexure R.I would show that the applicant has stated certain facts which according to him, ~~such~~ <sup>with</sup> ~~which~~ <sup>would</sup> voluntary retirement. He has stated that he was harrassed and discriminated being a Member of the Scheduled Caste <sup>why</sup> and that was the reason he ~~decided~~ to take voluntary retirement. But nowhere in this letter he ~~had~~ attached any condition for his voluntary retirement. A notice of voluntary retirement should state the date with effect from which the employee wishes to retire and end normally three months' notice should be given before the proposed date of retirement. The rules do not prescribe a formality for applying for voluntary retirement, and does not state that that nothing other than the date of proposed retirement should be mentioned. However, if any employee offers to retire, on some condition such offer of voluntary retirement cannot be accepted. In the letter of the applicant dated 7.6.91, I do not find any such ~~offer~~, though as stated earlier, that the applicant has stated certain facts which do not amount to any condition attached to his retirement. Therefore, the delay on the part of the respondents in accepting the notice for voluntary retirement and taking decision on that was unnecessary. If for any reason, it was found that the notice of retirement is not valid one, any assurance given to ~~any~~ anybody would not alter its character and make it proper and valid notice. Therefore, the contention raised in the reply

statement that the letter dated 7.6.91 written by the ~~was~~ applicant is not a valid notice of retirement is an evasive one and cannot be accepted. I am convinced that there has been avoidable and unnecessary delay in ~~final~~ finalising the question of the applicant's retirement which has resulted in settlement of retiral benefits/dues being delayed. The applicant could have, as argued above, profitably made use of the money if the same had been paid to him in time. He was deprived of that opportunity because of the unwarranted delay on the part of the administration in deciding on his voluntary retirement and settlement of his retiral dues. Under these circumstances, I am ~~convinced that the applicant is entitled to get interest for the delayed payment.~~

9. The applicant is claiming interest at the rate of 18% per annum from 7.9.91 on commuted value of pension, arrears of pension, Provident Fund, DCRG, etc. Even if the notice of the applicant was accepted in time, ~~it should normally have~~ <sup>normally</sup> take sometime for the administration to determine the <sup>and</sup> entitlements of the applicant to disburse the same to the applicant. A period of three months from the date of retirement cannot be considered to be too longer period for the purpose. Therefore, I am of the view that any claim for interest would arise only after expiry of three months ~~from~~ from the date of his retirement. As far as the applicant's claim for interest on commuted value of pension ~~is concerned~~ concerned, the same has to be rejected because, until the day of payment of the commuted value of his pension, arrears of pension has been paid to him. However as the arrears of pension has been given to him only on 17.6.92,

the applicant would be entitled to interest on the pension from the date on which the monthly pension fell due to him. On the amount of Provident Fund, Railway Insurance and DCRG the applicant is entitled to interest, <sup>as</sup> on these amounts would be due to the applicant on 7.12.1990 onwards. As far as rate of interest is concerned though the applicant has claimed 18% interest, I am of the view that 12% would be the proper interest to be ordered. In the result, the application is allowed in part. The claim of the applicant for interest on the commuted value of pension is rejected. The respondents are directed to pay to the applicant interest at the rate of 12% per annum on the amount of Provident Fund, Railway Insurance and DCRG with effect from 7.12.1990 and, ~~at the same rate, with effect from the respective date~~ on which the monthly pension fell due to the applicant. Payment as afore-stated should be made within a period of three months from the date of communication of this order. There is no order as to costs.

  
(A.V. HARIDASAN)  
Member(Judl.)

Dated 11th August, 1994

Dictated in the Open Court

  
DEPUTY REGISTRAR(J)

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Copy to:

1. The General Manager, South Eastern Railway, Union of India, Calcutta,
2. The Divisional Railway Manager, South Eastern Railway, Visakhapatnam.
3. The Divisional Personnel Officer, South Eastern Railway, Visakhapatnam.
4. One copy to Mr. P. B. Vijaya Kumar, Advocate, CAT, Hyderabad.
5. One copy to Mr. V. Bhimanna, Addl. CGSC, CAT, Hyderabad.
6. One spare copy.

YLKR

Typed by

Compared by

Checked by

Approved by

IN THE CENTRAL ADMINISTRATIVE TRIBUNAL  
HYDERABAD BENCH HYDERABAD

THE HON'BLE MR.A.V.HARIOSAN: MEMBER(J)

AND

THE HON'BLE MR.A.B.GORTHI : MEMBER(A)

Dated: 11.8.94

ORDER/JUDGMENT.

M.R./R.P./C.P.NO.

O.A.NO. 256/93 <sup>in</sup>

T.A.NO.

(W.P.NO. )

Admitted and Interim Directions  
Issued.

Allowed.

Disposed of with directions.

Dismissed.

Dismissed as Withdrawn.

Dismissed for Default.

Rejected/Ordered.

No order as to costs.

