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IN THE CENTRAL ADMINISTRATIVE TRIBUNAL : HYDERABAD BENCH
AT HYDERABAD.

O.A.No.697/96.

Date of order : 29.8.1996.

Between

N.Parthasarathy

.. Applicant

And

1. The Union of India,
Rep. by its Secy., to Govt.,
Dept. of Small Scale Industry,
Agro & Rural Industries,
Min. of Industry,
New Delhi.
 2. The Addl. Secy., to Govt., &
Development Commissioner,
Small Scale Industries,
Dept. of Small Scale Industry,
Agro & Rural Industries,
Min. of Industry, G.O.I.,
Nirman Bhavan (South Wing),
7th Floor, Maulana Azad Road,
New Delhi-110011.
 3. The Director,
Small Industries Service Institute,
Min. of Industry, G.O.I.,
Narsapur X Roads, Balanagar,
Hyderabad-500037.
- .. Respondents

Counsel for the Applicant .. Shri N.Rama Mohana Rao

Counsel for the Respondents .. Shri V.Rajeswara Rao,
Addl. CGSC

C O R A M

Hon'ble Shri Justice M.G.Chaudhari : Vice-Chairman

Hon'ble Shri H.Rajendra Prasad : Member(A)

Order

(Per Hon'ble Shri Justice M.G.Chaudhari : Vice-Chairman)

The respondents have filed counter affidavit dated 29.8. We have heard the counsel on both the sides. The only controversy at this stage remains on the question of payment of interest which is claimed @ 18% p.a. by the applicant on salary dues.

2. The applicant was awarded the penalty of reduction of pay by two stages from Rs.2900/- to Rs.2750/- in the time-scale Rs.1640-60-2600-EB-75-2900 for a period of two years with immediate effect non-cumulative. That order was passed

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on 30.4.92 in the disciplinary proceedings. The period of two years of penalty was over on 30.4.94. The applicant therefore requested for grant of increments due to him from 1.5.94 as the reduction in pay was not to operate after the expiry of the period of penalty as the order did not have the effect of postponing future increments of pay. However, by letter dated 2.6.95 the Office of the Director informed the applicant that as the Service Book and Leave Account of the applicant had been sent to the Development Commissioner's Office in connection with the appeal of the applicant against the penalty it was not possible to grant the amount of annual increments due to him and his request will be considered as soon as the service documents were received back.

3. By order dated 20.6.96 the respondents have determined that the applicant is entitled to the restoration of original pay of Rs.2900/- w.e.f. 1.5.94 as the ^{period of} punishment imposed on him had already expired on 30.4.94. In the same order they have stated that the applicant was entitled to Rs.2900/- and one stagnation increment of Rs.75/- from 1.1.91 to 30.4.92, Rs.2750/- for the period from 1.5.94 to 30.4.94 (period of punishment) to Rs.2900/- + 2 stagnation increments i.e., Rs.75/- + Rs.75/- for the period from 1.5.94 to 31.12.94 and to Rs.2900/- + 3 stagnation increments i.e., Rs.75/- + Rs.75/- + Rs.75/- from 1.1.95 onwards. All these payments have been released thereafter and the learned counsel for the applicant has no dispute on that point. The question therefore is as to whether the applicant is entitled to be paid interest on the delayed payment of the difference of amount between the entitlement of Rs.2900/- + 2 stagnation increments for the period from 1.5.94 to 31.12.94 and on the difference between the amount of Rs.2900/- and the amount actually paid towards

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together with 3 stagnation increments of Rs.75/- each from 1.1.95 until the order for payment dated 20.6.96 and if so at what rate.

4. The learned counsel for the applicant submitted that the reason that was given by the respondents that as the service documents of the applicant had been sent to the Development Commissioner's Office the amount could not be paid to the applicant is wholly unjustified. In the counter which has been filed by the respondents it has been reiterated that the service documents of the applicant ^{were} with the Office of the Development Commissioner (Respondent No.2) in connection with the disposal of appeal filed by the applicant against the punishment imposed on him and that only after receipt of the service documents from the Respondent No.2 the dues payable to the applicant could be calculated, recorded in the service documents, payment arranged and claims settled and that this process was carried out immediately after receipt of the service documents and the amounts were paid on 15.7.96. It is stated that these documents were received on 8.5.96 and that there was no delay either intentional or procedural caused in the payment thereafter. It is also submitted that there is no provision under the rules of Govt. of India for payment of interest for delayed payment of this sort of claims to any Govt. servant. The delay is also tried to be justified by stating that normally in such cases there will be delay in releasing increments etc., due to the procedural formalities involved. It is therefore submitted that the applicant is not entitled to claim any interest and the relief may be refused.

5. We are not impressed by the reasons given in the counter by the respondents to explain the delay in payment of the amounts due to the applicant. In our opinion the pendency of the appeal had no relevance once the period of penalty was over. The difficulty faced by the concerned office

incharge of releasing the payment arising due to want of the record cannot be regarded as a sufficient reason to delay the payment. It was open to the said office to make the entries after the record was received by maintaining the record of payment under acknowledgement of the applicant or to have called for the record for the limited purpose of restoring the pay and increments and return the same to the appellate authority. The time taken by the appellate authority to dispose of the appeal has no relevance to this matter. In our opinion therefore the reply given by the respondents dated 20.6.95 was not based on justifiable ground and was not tenable. The fact that the applicant was entitled to receive the amount is not in dispute. The delay being ~~on~~

unjustified the applicant is entitled to be compensated by payment of interest for the delay in payment of that amount. We, therefore, hold that the respondents are liable to pay to the applicant interest on the amount of difference and annual increments from the respective dates when they became payable till the date of actual payment as indicated earlier. Shri


V.Rajeswara Rao submitted that the respondents had acted correctly and it was the appeal of the applicant which resulted in the procedural delay and that cannot be a ground to hold that the respondents are liable to pay interest particularly when no rule has been pointed out under which the applicant can claim interest. In the circumstances as obtained in this case we find it difficult to agree with this submission. We, therefore, hold that the applicant is entitled to be awarded interest on the amount of difference and annual increments due from the respective dates when they became payable till the date of actual payment and the respondents are liable to pay the same.

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6. Coming now to the question of quantum of interest, although the applicant had claimed it @ 18% p.a. we think that ^{having} as regards to the circumstances of the case and as the applicant is very much in the service of the respondents it would be reasonable to award the interest @ 9% p.a. on the amount due from the dates when they became payable till the date of actual payment.

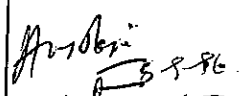
- In the result, the respondents are directed to calculate the amount of interest in the manner indicated above and pay the same to the applicant preferably with the salary bill for the month of September, 1996 but if for any reason that may not be possible then in any event alongwith the salary bill for October, 1996 payable on 1.11.96. The O.A. is accordingly disposed of finally. No order as to costs.


(H. Rajendra Prasad)
Member (A).


(M.G. Chaudhari)
Vice-Chairman.

Dated: 29.8.1996.
Dictated in Open Court.

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Deputy Registrar (D)

To

1. The Secretary to Govt.,
Union of India,
Dept. of Small Scale Industry
Agro and Rural Industries,
Ministry of Industry, New Delhi.
2. The Addl. Secretary to Govt., and
Development Commissioner,
Small Scale Industries, Dept. of Small Scale Industry,
Agro and Rural Industries, Min. of Industry G.O.I.
Nirman Bhavan (South Wing) 7th Floor,
Maulana Azad Road, New Delhi-11.
3. The Director, Small Industries Service Institute,
Ministry of Industry, ~~Box~~ G.P.O. Narsapur X Roads,
Balanagar, Hyderabad-37.
4. One copy to Mr. N. Ramamohan Rao, Advocate, CAT. Hyd.
5. One copy to Mr. V. Rajeswar Rao, Addl. CGSC. CAT. Hyd.
6. One spare copy.
7. One copy to Library, CAT. Hyd.

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24/9/96

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IN THE CENTRAL ADMINISTRATIVE TRIBUNAL

HYDERABAD BENCH AT HYDERABAD

THE HON'BLE MR. JUSTICE M.G. CHAUDHARI
VICE-CHAIRMAN

AND

THE HON'BLE MR. H. RAJENDRA PRASAD: M(A)

Dated: 29.8.1996

ORDER / JUDGMENT

M.A/R.A./C.A. No.

in

O.A.No. 697/96

T.A.No. (w.p.)

Admitted and Interim Directions

Issued.

Allowed.

Disposed of with directions

Dismissed

Dismissed as withdrawn.

Dismissed for Default.

Ordered/Rejected.

No order as to costs.

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केन्द्रीय प्रशासनिक अधिकरण
Central Administrative Tribunal
निका/DESPATCH
18 SEP 1996
हैदराबाद बेंच
HYDERABAD BENCH