

CENTRAL ADMINISTRATIVE TRIBUNAL
MADRAS BENCH

Dated the Friday 9th day of February Two Thousand And Eighteen

PRESENT:

THE HON'BLE MR. R. RAMANUJAM, MEMBER (A)

O.A.310/01737/2016

A. Chandrasekaran,
S/o. Late Shri K P Arunachala Sundaram @ KP Arunachalam,
E-1, Sapphire Apartments,
G.K.S. Nagar,
Main Road Extn.,
Sravnampatti,
Coimbatore-641 035.Applicant

(By Advocate : M/s. Ayyar & Iyer)

VS.

1. Union of India – Rep. by
The Secretary,
Ministry of Health & Family Welfare,
Nirman Bhavan,
New Delhi- 110 011;
2. The Director,
Pasteur Institute of India,
Coonoor- 643 103.
The Nilgiris.Respondents

(By Advocate: Mr. M. Kishore Kumar)

ORAL ORDER

(Pronounced by Hon'ble Mr. R. Ramanujam, Member (A))

Heard learned counsel on both sides. This O.A. is filed by the applicant seeking the following relief:-

“to call for all connected records pursuant to letter No. PII/ACCTS/PENSION/98/1134/2016 Dated 05.07.2016 of the 2nd respondent addressed to the 1st Respondent read with applicant’s representation dated 07.03.2016 and direct the Respondents to extend the benefits of interest envisaged under Rule 68 of CCS (Pension) Rules, 1972 together with admissible penal interest for the belated settlement of gratuity and leave salary encashment and also settle commutation of pension under rules within the time schedule stipulated by this Hon’ble Tribunal in the substantial interest of equity, fairness and good conscience and or pass any such orders or directions that this Hon’ble Tribunal may be pleased to do so, as deem fit in the facts and circumstances of the case and thus render justice.”

2. Learned counsel for the applicant submits that the retirement benefits payable to the applicant were withheld due to pendency of disciplinary proceedings which concluded in favour of the applicant. The applicant was fully exonerated and, therefore, he was entitled to payment of interest at the applicable rates on the retirement benefits. He would accordingly seek a direction to the respondents to pay interest on the retirement benefits which have already been settled as the applicant was not responsible for the delayed payments.

3. Learned counsel for the applicant also submits a rejoinder to the respondents' reply which is taken on record.

4. Learned counsel for the respondents would submit that the applicant has sought relief under Rule 68 of CCS(Pension) Rules, 1972 under which the applicant could be paid interest on the delayed payment with effect from the date following the date of retirement and such interest shall be payable only on the gratuity. The respondents admit to this liability and the applicant will be paid interest on delayed gratuity shortly. He would, however, submit that no interest is payable on other retirement benefits. He would also submit that interest will be payable at the rate allowed for General Provident Fund (GPF) deposits and the applicant claims of 15% interest is not permissible.

5. I have carefully gone through the O.A., the reply and the rejoinder and considered the matter. In view of the admission that the applicant is entitled to interest on delayed payment of gratuity at the rate applicable to GPF deposits, the respondents are directed to pay interest on the delayed payment from the date of retirement till the date of actual payment on gratuity at the rate applicable to GPF in the relevant year. However, the mere fact that the rules do not provide for payment of interest on delayed payment of leave encashment and commutation of pension does not mean that money would have no time value. As the amounts were due on the day following the retirement of the applicant and the applicant was under departmental proceedings for no fault of his which fact is established by his

exoneration, the applicant shall be entitled to interest on the delayed payment of leave encashment and commutation of pension as well. The respondents are directed to process his claim accordingly and pay interest at the same rate on the delayed payment of these dues.

6. The O.A. is allowed in the above terms. No costs.

(R. RAMANUJAM)
MEMBER(A)

9.2.2018

asvs.