

CENTRAL ADMINISTRATIVE TRIBUNAL  
BANGALORE BENCH

ORIGINAL APPLICATION NO.170/00172/2018

DATED THIS THE 30<sup>TH</sup> DAY OF AUGUST, 2018

**HON'BLE DR.K.B.SURESH, MEMBER (J)**

**HON'BLE SHRI DINESH SHARMA, MEMBER (A)**

Dr. S. Rajendran, IFS (Retd),  
#8, IAS Officers' Colony,  
5<sup>th</sup> C Cross, 16<sup>th</sup> Main, BTM II,  
Bangalore – 560 076

.....Applicant

(By Party-in-person)

Vs.

The State of Karnataka,

Represented by its Chief Secretary,  
Vidhana Soudha,  
Bangalore – 560 001

....Respondent

(By Shri T.S. Mahanthesh, Counsel for the Respondent)

O R D E R (ORAL)

(HON'BLE DR. K.B. SURESH, MEMBER (J)

Heard. The matter is in a very small compass. Apparently the leave encashment facility was not allowed to the applicant since a disciplinary proceeding was pending against him. He was exonerated and therefore became eligible for the grant of the said benefit and now he claims for interest. On the basis of Annexure-R2 which indicates that in such cases interest is not payable, the Government challenges the question of interest.

2. The challenge is not correct. A monetary value of a benefit is to the benefit of the concerned person. If it was unduly delayed then interest must follow as a natural course. The Government do not have the power nor the responsibility to deal with its commercial obligations in an arbitrary manner. Once an amount is said to be due from the Government to a citizen when the retention of that amount is with the Government is without a purpose it is to be viewed as a commercial obligation and nothing more. The Government is liable to pay interest.

3. Relating to the interest, it may be allowed to him at the current rate of GPF interest to be paid within the next two months. If it exceeds beyond two months, then at the rate of 15%.
4. The OA is allowed with the above directions. No order as to costs.

(DINESH SHARMA)

(DR.K.B.SURESH)

MEMBER (A)

MEMBER (J)

/ksk/

**Annexures referred to by the applicant in OA No. 170/00172/2018**

Annexure A1 Copy of the notice dated 30.09.2011

Annexure A2 Copy of the defence statement of the applicant dated 26.10.2011

Annexure A3 Copy of the Government order dated 17.06.2016

Annexure A4 Copy of the applicant's letter dated 9.08.2017

Annexure A5 Copy of the applicant's letter dated 08.12.2017

**Annexures with reply statement**

Annexure R1 Copy of the All India Service (Leave) Rules, 1955

Annexure R2 Copy of the All India Services Rules, 1958

Annexure R3 Copy of the Government of Karnataka letter dated 24.05.2018

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