

**IN THE CENTRAL ADMINISTRATIVE TRIBUNAL  
HYDERABAD BENCH: HYDERABAD**

**Original Application No.21/103/2017**

**Reserved on: 10.12.2018  
Order pronounced on: 14.12.2018**

Between:

Smt. P. Leela Charles, aged about 43 years,  
W/o. (late) Shri P.S. Charles,  
Sandella Rama Puram Village,  
Musalamadugu Post, Burgampahad Mandal,  
Bhadradri – Kothagudem District, TS – 507114.

...Applicant

**And**

1. Union of India, rep. by its Secretary,  
Govt. of India, Dept. of Atomic Energy,  
Anushakthi Bhawan, CSG Marg, Mumbai – 400 001.
2. The Heavy Water Plant (Manuguru),  
Rep, by the General Manager,  
Gauthami Nagar (P), Aswapuram (M),  
Bhadradri – Kothagudem District – 507116, TS.
3. The Chief Controller (Pension),  
Central Pension Accounting Officer,  
Ministry of Finance, Govt. of India,  
Trikoot II Complex, Bhiakaji Cama Place,  
New Delhi – 110 066.

...Respondents

Counsel for the Applicant	...	Mr. T. Koteswara Rao
Counsel for the Respondents	...	Mr. Sambasiva Rao, Advocate For Mr. V. Vinod Kumar, Sr. CGSC

***CORAM:***

***Hon'ble Mr. B.V. Sudhakar*** ... ***Member (Admn.)***

***ORDER***  
***{As per Hon'ble Mr. B.V. Sudhakar, Member (Admn.)}***

2. The OA is filed to pay arrears of pension due to late husband of the applicant and also family pension with interest for delayed payment granted by the 2<sup>nd</sup> respondent.

3. Brief facts of the case are that the applicant is the wife of late Sri P.S.Charles who served the respondents organisation and died on 14.1.2008. After the death of applicant's husband, Pension of Rs.3,500/- was granted vide PPO dated 28.12.2011 but no arrears of pension were paid. The 2<sup>nd</sup> respondent sanctioned family pension on 29.4.2014 @ Rs.3,500 p.m and the same was revised @ Rs.4,920 from 15.1.2008 to 14.1.2015 at enhanced rate and Rs.3,500 from normal rate w.e.f. 15.1.2015 vide impugned order dt 1.9.2016 but not given effect till date. Hence the OA.

4. The applicant has cited the Honourable Supreme Court Judgment in State of Kerala vs M. Padmanabha Nair, AIR 1985 SC 356 where in it was observed that pension is a right and that any delay in making the payment will invite penalty of interest at the current market rate of interest. Also in Deokinandan Prasad vs State of Bihar, AIR 1983 SC 1134 the Honourable Supreme Court has held that denial of pensionary benefits tantamount to depriving of life under Article 21 of the Constitution of India and awarded interest on delayed payments along with exemplary cost of Rs.25,000. Both the judgments cover the case of the applicant.

5. Respondents intimate that the late husband of the applicant was compulsorily retired from service as a measure of penalty on 26.5.2005. The late husband of the applicant was asked to file forms for final settlement on 6.7.2005 which were submitted on 28.7.2005. Accordingly the request was processed and PPO issued on 6.2.2006. Consequent to the 6<sup>th</sup> CPC recommendation revised PPO was issued by 2<sup>nd</sup> respondent on 28.12.2011 not knowing that the late husband of the applicant had expired on 14.1.2008. The revised PPO was sent to the concerned bank for disbursing the pension. The

respondents contend that it is the responsibility of the bank to pay pension and arrears, if any, based on the revised PPO issued. The same was informed to the applicant vide lr. dt 29.4.2014. The respondents take serious objection to the fact that the applicant has not informed the respondents about the death of her husband. It has come to the notice of the respondents only when an RTI application was filed on 27.3.2014 and accordingly the 2<sup>nd</sup> respondent wrote to the concerned bank to pay life time arrears for the period 1.1.2006 to 14.1.2008 and family pension @ Rs.3,500 p.m with effect from 15.1.2008. In response the bank authorities have intimated that the arrears and family pension were paid vide email dt 13.5.2014 which was also intimated to the applicant vide lr dt 13.5.2014.

6. Heard the learned counsel and perused the documents placed on record.
7. The records make it explicit that the 2<sup>nd</sup> respondent has directed the bank to pay the arrears of pension for the period 1.1.2006 to 14.1.2008 and family pension @ Rs.3,500 p.m with effect from 15.1.2008. The bank authorities have confirmed that the amount has been paid vide email 13.5.2014. The delay in payment is evident. The respondents claim that it is responsibility of bank to make proper payment and that there duty ends by issuing a PPO. The banks are assigned the job of disbursing pension under an agreement/contract which would definitely have clauses as to how to regulate payments and penal clauses in case there is any deviation in discharging the job entrusted. It is not out of place to state that the respondents are handling tax payer's money. Hence there are systems to monitor as to how the finances are being utilized. Lest an organisation cannot survive. The fund flow statements of an organisation are the KPIs (key performance indicators) to

know as to how the funds are being used. The primary responsibility of keeping a close watch on the fund management is that of the finance/ accounts wing. In the background of this well established financial principle, it is surprising that the accounts wing claims that they are not responsible and it is the bank. The aspect which is important is that the funds belong to the respondents and not to the bank. Therefore there is all the more need to have a bird's eye view on what is coming in and what is going out. In case the banker has made the mistake, the relevant penal clause of the agreement/contact has to be invoked but not the family pensioner and that too an old female pensioner who is not well versed with the procedures. One another assertion of the respondents is that the applicant has not informed about the death of her husband. Applicant's husband died on 14.1.2008. They claim that they came to know when an RTI application was made on 27.3.2014. Every year the respondents need to take a life certificate from the pensioner. In the present case perhaps it is the banker who may have to do it and keep the respondents informed. There necessarily has to be a reporting system to keep track of such developments. The respondents state that it is for the applicant to inform. No doubt the applicant should but the respondents cannot absolve themselves of the need to keep a tab of the same. However, it is open for the respondents to ascertain and act on the slip as per the rules and regulations in vogue. The respondents have to look within and correct the system deficiencies, whenever there are any excess payments made or when payments are not paid in time. Responsibility to be fixed on those responsible. Any loss caused to the respondents has to be made good by those who are the cause for it by following the well laid down disciplinary procedure and as per law. Reverting to the delay in payment, whether it is the banker or the respondent, it is the

applicant who has suffered. Hence she has to be compensated. The learned counsel for the applicant has submitted the judgments of the Honourable Supreme Court in State of Kerala and ors vs M.Padmanabhan Nair reported in 1985 AIR 356, 1985 SCR (2) 476 and Devaki Nandan Prasad vs State of Bihar and ors in 1983 AIR 1184, 1983 SCR (2) 921 where in interest was levied for delayed payment of pensionary benefits. Honourable High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh in W.P. No. 37240 of 2017 upheld this Tribunal order of ordering interest to be paid on delayed payment of Gratuity at GPF rate of interest. Therefore keeping the aforesaid facts in view and the observations of the superior judicial forums, the OA succeeds. Hence the OA is allowed and the respondents are directed to consider as under:

- i) Paying 6 percent rate of interest on delayed payment of pensionary benefits as per impugned orders dt 28.12.2011 and 1.9.2016 from 15.1.2008 till the date of payment.
- ii) Time allowed is 4 months from the date of receipt of this order
- iii) No order to costs.

**(B.V. SUDHAKAR)  
MEMBER (ADMN.)**

Dated, the 14<sup>th</sup> day of December, 2018

*evr*