

**CENTRAL ADMINISTRATIVE TRIBUNAL  
CHANDIGARH BENCH**

...

**O.A. No.60/534/2018  
M.A. No.60/1961/2018**

**Date of decision: 09.10.2019**

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**CORAM: HON'BLE MR. SANJEEV KAUSHIK, MEMBER (J).**

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Gurmail Singh age 56 years, son of Sansara Ram, permanent resident of VPO Dhanda Khala, Tehsil Garh Shankar, District Hoshiarpur, Punjab, Group C.

**...APPLICANT**

**VERSUS**

1. Union of India through Chairman Railway Board, Department of Railways, Rail Bhawan, New Delhi.
2. General Railway Manager, East Central Railway, Hajipur, District Vaishali, Bihar.
3. Divisional Railway Manager, East Central Railway, Mugal Sarai, District Varanasi, Uttar Pradesh.
4. The Branch Manager, Union Bank of India, 41/1 Walia Complex, Dugri Road, Ludhiana (Punjab).
5. The Branch Manager, Union Bank of India, Branch Sunder Nagar-52, New Delhi.

**...RESPONDENTS**

**PRESENT:** Sh. G.S. Pannu, counsel for the applicant.  
Sh. Sanjay Goyal, counsel for the respondents.

**ORDER (Oral)**

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**SANJEEV KAUSHIK, MEMBER (J):-**

1. By means of present O.A., the applicant seeks issuance of a direction to the respondents to release his retiral benefits along with interest on account of delay in release of pension and other retiral benefits from the date it became due. Further direction has been sought particularly to respondents no.4 and 5 to release an amount of Rs.4,26,655/- along with interest @18% p.a. from the date of wrongful withdrawal i.e. 03.8.2016 till the actual date of payment.
2. After exchange of pleadings matter came up for hearing today.

3. Learned counsel for the applicant fairly admitted that pending O.A., the respondents have credited the above stated amount but without the element of interest, which applicant is asking for. He submitted that applicant entered into service as Senior Section Engineer under East Central Railway on 7.6.1982. He submitted technical resignation which was accepted by the respondents on 12.4.2014. Thereafter, he became due for retiral benefits which the respondents did not give. Vide communication dated 5.5.2016 (Annexure A-7), he was informed that they have made payment in the year 2016 on different dates. Thus, he submitted that once respondents have admitted that payment has been made after long delay of two years, therefore, they are liable to pay interest. He admitted that during the pendency of the O.A., respondents No.4 and 5 have released amount of Rs.4,26,655/- which they had wrongly withdrawn from his account. Lastly, he submitted that applicant is entitled to interest on delayed payment, which has been admitted by the respondents.

4. Learned counsel for the respondents drew our attention to para 6 of the written statement which reads as under:-

“That as per service record, the applicant has been transferred to Dedicated Freight Corridor Corporation of India Limited on deputation w.e.f. 17.4.2009 vide CAO (C)/MHX's Office Order No.35/2009 dated 31.3.2009 and Dy. CE (Con)/Patna's letter dated 17.4.2009. At last, his technical resignation has been accepted from 12.4.2014 (FN) vide letter dated 12.4.2014.”

5. In support of the above plea, he submitted that since applicant was posted on various stations, therefore, delay has occurred in collecting information and they have already paid admissible amount, therefore, this petition be closed.

6. I have given my thoughtful consideration to the entire matter.
7. The solitary issue of payment of interest on delayed payment of retiral benefits is no more res-integra.
8. It is settled proposition of law that interest is compensatory in character and can be recovered for withholding the payment of any amount when it is due and payable. It is different from penalty and tantamount to compensation as the person entitled for recovery has been deprived of the right to use the said amount, as held by the Constitution Bench of the Hon'ble Supreme Court in the case of **SECRETARY, IRRIGATION DEPARTMENT, GOVERNMENT OF ORISSA & ORS. V. G.C. ROY**, AIR 1992 SC 732, which has been subsequently followed in the case of **UNION OF INDIA V. JUSTICE S.S. SANDHAWALIA**, (1994) 2 SCC 240, where their Lordships of the Hon'ble Supreme Court have held as under:

"Once it is established that an amount legally due to a party was not paid to it, the party responsible for withholding the same must pay interest at a rate considered reasonable by the Court. Therefore, we do not see any reason to interfere with the High Court's order directing payment of interest at 12% per annum on the balance of the death-cum-retirement gratuity which was delayed by almost a year."

9. In the case of **S.K. DUA V. STATE OF HARYANA**, (2008) 3 SCC 44, their Lordships have held as under:

"If there are Statutory Rules occupying the field, the appellant could claim payment of interest relying on such Rules. If there are Administrative Instructions, Guidelines or Norms prescribed for the purpose, the appellant may claim benefit of interest on that basis. But even in absence Statutory Rules, Administrative Instructions or Guidelines, an employee can claim interest under Part III of the Constitution relying on Articles 14, 19 and 21 of the Constitution. The submission of the learned counsel for the appellant, that retiral benefits are not in the nature of 'bounty' is, in our opinion, well-founded and needs no authority in support thereof."

Similar view has been held in the case of **UMA AGRAWAL (DR.) VS. STATE OF U.P.** (1999) 3 SCC 438, **BAL KISHORE MODY V. ARUN KUMAR SINGH** (2001) 10 SCC 174, **GHAZIABAD DEVELOPMENT AUTHORITY VS. BALBIR SINGH** (2004) 5 SCC 65. Even this very Bench of the Tribunal in O.A.No.1033-CH-2012 **(RAJINDER SINGH VS. UNION OF INDIA & OTHERS)**, has held the similar view that if amount belonging to employee/pensioner is released with delay, he becomes entitled to interest as a compensation

10. When above narrated law is applied to the facts of the present case, it is clear that the technical resignation was accepted by the respondents way back in April 2014 and payment was made in the year 2016 on different date i.e. after a delay of approximately two years. No reason much or less reasonable reason has been given by the respondents for withholding the amount, therefore, I am left with no other option but to allow this petition and hold that the applicant is entitled to interest @ 8% p.a. which is admissible on GPF amount from the date when amount was due till the date of actual payment. The O.A. along with pending M.A. stands disposed of. No costs.

**(SANJEEV KAUSHIK)**  
**MEMBER (J)**

Date: 09.10.2019.  
Place: Chandigarh.

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