

(2021) 06 CAT CK 0084

In the Central Administrative Tribunal

Case No : Original Application No. 332, 00194 Of 2020

N N Lal

APPELLANT

Vs

Union Of India & Others

RESPONDENT

Date of Decision : 29-06-2021

Acts Referred:

General Provident Fund (Central Services) Rules, 1960 — Rule 11, 11(4), 31, 32, 33

Citation : (2021) 06 CAT CK 0084

Hon'ble Judges : A Mukhopadhaya, Member (A)

Bench : Single Bench

Advocate : Ram Bilash Verma

Final Decision : Partly Allowed

Judgement

A Mukhopadhaya, Member (A)

1. Heard the applicant, Shri N.N. Lal, who is present in person and Shri Ram Bilash Verma, learned counsel for the respondents.

2. Shri N.N. Lal, applicant in person, submitted that this OA was initially filed seeking payment of interest on delayed payment of GPF, commuted

value of of pension, gratuity and leave encashment after his superannuation on 31.07.2019. On his attention being drawn to respondents' O.M. dated

5.10.1999, (Annexure- 22 of the CA), in which it has been specifically stated that no interest is payable on delayed payments of pension/ commuted

value of pension, (Para-2 of the OM refers), he argued that although these two payments were made on 29.08.2019 i.e. within one month of his

superannuation, he is still preferring a claim for payment of interest as he is of the view that even this 29 days delay, (as he viewed it), occurred

because of the late processing of the case by the respondents with some degree of malicious intention. Again, while gratuity due was paid on

29.08.2019 i.e. within the mandated period of 30 days of retirement, Shri Lal argued that even this payment could have been made on the date of his

retirement itself had the respondent authority been more vigilant in this regard. On the question of leave encashment, Shri Lal admitted that as per

provisions of OM dated 05.10.1999, (Annexure-22 of the CA), he accepts that there is no provision under rules for payment of interest on delayed

payment of leave encashment; (Para-2 of the OM refers). However, here also, he argued that this payment, although made within one month of his

superannuation, was delayed owing to the inadequate interest taken by the respondents in processing the case related to his retirement dues in time.

Finally, as regards the late payment of the GPF amount due to him on 11.10.2019, Shri Lal pointed out that Rule- 11 of the GPF (CS) Rules, (Rule

11(4) refers), clearly provides as follows:

4. In addition to any amount to be paid under Rules 31, 32 or 33, interest thereon up to the end of the month preceding that in which the payment is

made, or up to the end of the sixth month after the month in which such amount, became payable whichever of these periods be less, shall be payable

to the person to whom such amount is to be paid:

In view of this, he argued that since it is undisputed that the GPF amount due to him on account of his subscription to the fund was paid only on

11.10.2019, he is entitled to payment of interest on the GPF in accordance with rules for the months of August, 2019 and September, 2019 i.e. two

months.

4. Per contra, Shri Ram Bilash Verma, learned counsel for the respondents, while reiterating submissions made in the CA of the respondents, stated

that all payments of gratuity, commutation of pension and leave encashment were made within the month following upon the retirement of the

applicant and therefore, the period taken to make these payments cannot be described as excessive or unreasonable in any way. Also, in terms of OM

of 05.10.1999; (Annexure-22 of the CA), he pointed out that para-2 of the same clearly mentioned that as per CCS (Pension) Rule, 1972, no interest is

payable on delayed payments of gratuity and commuted value of pension and argued that even if it is considered that 29 days period taken in making

these payments constitute delay, the respondents are not liable to pay interest on this. As regards leave encashment, Shri Verma, drawing attention to

para 2 of OM dated 05.10.2019, (Annexure-22 of the CA), argued that even where there is delay in payment of leave encashment, (which is not accepted by the respondents in this case), the Department of Personnel and Training, in their note, dated 2-8-1999 have specifically clarified that there was no provision under CCS (Leave) Rules for payment of any such interest for alleged delayed payment. He also pointed out that the said OM specifically mentioned that encashment of leave is primarily a benefit granted under the leave rules and not a pensionary benefit. Finally, as regards payment of interest on alleged delayed payment of GPF dues, learned counsel for the respondents, Shri Verma, while not contradicting the tenor of the provisions of Rule-11 of the GPF (CS) Rules cited by the applicant, argued that in the general conspectus of events in this case and the explanation detailed in the CA of the respondents, any delay which the Court may consider to have occurred in this regard cannot be ascribed either to malafide or inefficient functioning but was a concomitant of the process of calculation and finalisation of the GPF amount payable in this case as certain objections raised in the PAO had to be addressed and resolved and this took some time.

5. I have carefully considered the revival submissions of the applicant and the learned counsel for the respondents.

6. At the outset, a plain reading of the relevant rules and instructions referred to above to makes it clear that payments of gratuity, commuted value of pension and leave encashment, as made to the applicant by the respondents, were essentially within the time frame allowed in the rules and instructions for making such payments, and, in any case, do not render the respondents liable for payment of interest. Where GPF payment is concerned, it is noticed that payment has been made on 11.10.2019, with the applicant having superannuated over two months earlier on 31.07.2019.

Here, while making allowances for the care that needs to be taken before making payments from such funds, nevertheless, in accordance with the letter and spirit of Rule 11 of the GPF (CS) Rules, it is deemed appropriate to direct the respondents to pay interest to the applicant at the then prevalent GPF rate for the months of August, 2019 and September, 2019 i.e. two months. The payment will be made within two months from the date of receipt of a certified copy of this order.

7. Thus, the OA is partly allowed as above.

8. There will be no order on costs.