
(2003) 09 PAT CK 0111
In the Patna High Court
Case No : C.W.J.C. No. 2396 of 2003

Ram Sumer Ahair

APPELLANT

Vs

The Union of India (UOI) and Others

RESPONDENT

Date of Decision : 12-09-2003

Acts Referred:

Citation : (2003) 09 PAT CK 0111

Final Decision : Allowed

Judgement

1. The only issue in this matter is that of the delayed payments of retiral benefits when the Petitioner had retired in the year 1988, no interest was paid. That payments were delayed. On this there is no issue between the Petitioner and the Union of India.

2. The fact that interest was not given as a relief by the Central Administrative Tribunal was on the ground that there was no culpability. Payment of interest which is due to a person who is entitled to receive the payment, the principle does not rest that there has been any semblance of culpability to withhold it. The principle is equitable. Interest itself rests on equity. Whoever may have delayed it and for whatever reason it might have been delayed, if payment is to be made to a man entitled to receive it then the demand to pay it with interest cannot be resisted, unless the law prohibits such a demand, which it does not. The accounts of the Petitioner showed arrears: due pension, provident fund and delayed payments. The Petitioner claimed interest at the rate of 18 percent. There is no Occasion for the Court to change this rate. The Interest Act, 1978 says at the prevailing rate. In that case it would have to be calculated year to year as interest was permissible on provident fund and pension amounts. "A" Supreme Court case mentions the payment of delayed retiral benefits and arrears at the rate of 12 per cent. State of Kerala and Others Vs. M. Padmanabhan Nair,

3. Thus, in this matter it will be only just) and equitable that the Petitioner is paid interest on his delayed payments at the rate of 12 per cent.

4. The Tribunal was clearly in error, a manifest error, to defeat the claim of interest on the ground of culpability. To that extent the order of the Tribunal is corrected by a writ of certiorari.

5. This petition succeeds with cost at Rs. 1000/-.