

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

CWP No. 20666 of 2016

DATE OF DECISION : 03.10.2016

Shamsher Singh Gadgala

.... PETITIONER

Versus

Union of India and others

..... RESPONDENTS

CORAM :- HON'BLE MR. JUSTICE AJAY KUMAR MITTAL

HON'BLE MR. JUSTICE RAMENDRA JAIN

Present: Mr. J.N. Gupta, Advocate,
for the petitioner.

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RAMENDRA JAIN, J.

1. The petitioner joined Indian Ordnance Factories Service (IOFS) under Directorate General Ordnance Factories (DGOF), Department of Defence Production, Ministry of Defence, Government of India, on 02.12.1966. From 06.07.1978 to 17.07.1994, he remained on deputation with Central Tool Room and Training Centre (CTTC). Thereafter, with effect from 18.07.1994, he was permanently absorbed in CTTC, and was deemed to have retired from IOFS on 17.07.1994. But the respondents issued retirement orders of the petitioner only on 28.11.1995 making it effective from 18.07.1994. Thereafter, the petitioner applied for retiral benefits in September, 1996. However, the payment of retiral benefits was made to the petitioner very belatedly. Aggrieved by the same, the petitioner filed OA No. 060/00039/2015, claiming three reliefs, including the payment

of compound interest @ 18% per annum on delayed payment of retiral benefits. Vide order dated 01.06.2016 (Annexure P-10), passed by the Central Administrative Tribunal, Chandigarh Bench, Chandigarh, the said OA was allowed in the manner indicated therein. With regard to grant of interest on delayed payment of retiral benefits, the petitioner was held entitled to interest @ 8% per annum with effect from 01.04.1997 till the date of payment. On the monthly pension amount, the interest was ordered to be calculated with effect from the due dates or with effect from 01.04.1997 whichever is later. The difference amount by re-calculating the commuted value of pension is to be paid along with interest @ 8% per annum with effect from 01.04.1997 till the date of payment.

2. The petitioner has filed the instant petition challenging the aforesaid order dated 01.06.2016 only to the extent of grant of rate of interest. He has prayed for issuance of a writ in the nature of mandamus directing respondents No.1 to 3 to grant interest on the delayed payment of retiral benefits at the rate of 12% per annum.

3. In support of claim of the petitioner for grant of interest @ 12% per annum, learned counsel for the petitioner has relied upon several decisions rendered by the Supreme Court as well as this Court, as mentioned in para 19 of the petition.

4. After hearing learned counsel for the petitioner, we are of the considered opinion that the rate of interest on the delayed payment of retiral benefits is to be granted in view of the facts and circumstances of each case. Considering the peculiar facts and circumstances of the instant case, as well as the rate of interest at which the banks are currently paying interest on

Fixed Deposits, in our opinion, the interest granted by the Tribunal at the rate of 8% per annum is reasonable and justified.

5. Dismissed.

(RAMENDRA JAIN)
JUDGE

October 03, 2016
ndj

(AJAY KUMAR MITTAL)
JUDGE

Whether speaking/reasoned
Whether Reportable

Yes/No
Yes/No