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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 3776/2015**

Date of decision: 12th January, 2016

UNION OF INDIA & ORS ... Petitioner
Through Mr. Ashwani Bhardwaj, Advocate.

versus

SURAJ BHAN Respondent
In person.

CORAM:
HON'BLE MR. JUSTICE SANJIV KHANNA
HON'BLE MR. JUSTICE NAJMI WAZIRI

SANJIV KHANNA, J.

Union of India impugns order dated 18th February, 2014, passed by the Central Administrative Tribunal, Principal Bench (Tribunal, for short) in OA No.1821 of 2013, directing them to pay interest on the commuted value of pension at the same rate as applicable to the General Provident Fund. The order also directs payment of interest on leave encashment. However, counsel for the Union of India submits that this part of the direction is not under challenge and interest towards late payment of leave encashment stands paid.

2. Undisputed facts in brief may be noticed. The respondent-Suraj

Bhan superannuated on 31st August, 2009 from the post of Assistant Post Master (LSG), Delhi Circle. On retirement, the respondent was paid provisional pension as he was facing disciplinary proceeding for major penalty, vide memo dated 2nd June, 2008. This had prompted the respondent to file OA No.539/2011 for there was delay in concluding the departmental proceedings. By order dated 13th May, 2011, the authorities were directed to consider the Enquiry Officer's report, and that the competent authority would decide the disciplinary case within four months from the date of receipt of the order dated 13th May, 2011.

3. By Presidential Order No.C-14016/74/2010-VP dated 29th September, 2011, disciplinary proceedings were dropped and thereafter, commuted value of pension was paid to the respondent on 10th February, 2012. The impugned order passed by the Tribunal directs that interest should be paid on the computed value of the pension which would be computed after expiry of three months from the date the said dues became payable i.e. three months after superannuation of respondent on 31st August, 2009.

4. Learned counsel for the petitioner does not dispute that interest

has to be paid when there is delay in payment of pension dues, but submits that in the present case, computed pension was calculated only on 1st February, 2012 and not earlier and, therefore, no interest is payable.

5. It is difficult to accept the submission made. As far as the respondent herein is concerned, there has been a delay in receipt of commuted value of pension. The respondent should be compensated for the said delay. An identical situation had arisen in the case of Narender Pal, the senior of the respondent, against whom also departmental proceedings were initiated. He had filed OA NO.432/2011, which was decided by the Tribunal vide order dated 30th May, 2011 and it was directed that he should be paid interest on the commuted value of pension with effect from 1st June, 2006, his date of retirement being 30th September, 2005. Order of the Tribunal dated 30th May, 2011 passed in the case of Narender Pal was made subject matter of challenge in W.P.(C) 127/2012, titled *Union of India & Ors. Vs. Narender Pal*. The writ petition was dismissed vide order dated 9th January, 2012, recording that the retiral benefits had not been paid to the employee in view of the pending disciplinary proceeding, which

were ultimately dropped. In these circumstances, the respondent-employee was entitled to interest on retiral benefits and there was no infirmity in the order passed by the Tribunal in making the said direction. It is also recorded that due to inflation, the real value of money had depreciated and payment of interest only ensured that no loss was caused to the retired employee. We perceive interest in such matters is not gratis or penal, but paid to recoup the loss incurred and suffered by the aging retiree, who stands deprived and denied of what should have been paid earlier.

6. Following the aforesaid reason and in view of the aforesaid factual background, we do not find any merit in the present writ petition and the same is dismissed.

SANJIV KHANNA, J.

NAJMI WAZIRI, J.

**JANUARY 12, 2016
NA/VKR**