THE HON'BLE SRI JUSTICE P. NAVEEN RAO

WRIT PETITION (TR) No.251 OF 2017

Dated:04.07.2017

Between:

Syed Yousufuddin, S/o. Late Syed Nizamuddin, Aged about 61 years, Occ: Retd. Selection Cleaner, Water Supply Section, Zaheerabad Municipality, aheerabad, Medak District, R/o.Ward No.12, Bangareddinagar Colony, Zaheerabad, Medak District .. Petitioner

AND

The Government of Andhra Pradesh, Rep., by its Principal Secretary to Government, Municipal Administration And Urban Development Department, A.P. Secretariat, Hyderabad and others .. Respondents

The Court made the following:

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ORDER:

Petitioner joined in service as Section Cleaner on 01.01.1979. He retired from service on 31.12.2010 on attaining the age of superannuation. Pension was sanctioned to the petitioner on 02.08.2012 and arrears of amounts of pension and other benefits were paid on 30.08.2012. In this Writ Petition, which is now transferred from Andhra Pradesh Administrative Tribunal, Hyderabad, the petitioner seeks relief to grant interest at 12% per annum for the period from 31.10.2010 to 30.08.2012 as there is no justification for delay in sanction of payment and retirement benefits.

2. Learned counsel for the petitioner submits that for no fault of the petitioner, the revised pay scale was not extended while he was in service and while forwarding pension proposal for sanction of pension also revised pay scale was not extended on account of lapses of the 3rd respondent – Municipality and there was unwarranted delay in sanction of pension of about two years and therefore great prejudice is caused to the petitioner on account of delay in making the payments and hence he should be compensated at least by paying interest at 12% per annum. In support of his contention that the employee should be paid pension and other benefits soon after retirement and if there is delay caused to the employee, he should be compensated by way of

interest, he placed reliance on the decision of the Supreme Court in **Vijay L. Mehrotra v. State of U.P.[1].**

3. In the counter affidavit filed on behalf of the 3rd respondent – Municipality, no justification is shown for the delay in fixing the pay as per the revised pay scales except contending that there was delay in sending the proposals.

4. The averments made in the counter affidavit would disclose that actual proposal for sanction of pension was submitted on 21.12.2011 i.e., almost one year after retirement of the petitioner. The said proposal was defective as the revised pay scales, which were notified by the Government vide G.O.Ms.No.52, dated 25.02.2010 and which came into effect from 01.07.2008, were not extended to the petitioner. Since his revised pay based on which pensionary benefits can be paid was not incorporated in the proposal sent for scrutiny, the Accountant General raised objection and returned the said proposal. Only after the proposal was returned, revised pay scales were extended to the petitioner and revised proposal was submitted. Thereafter, pension payment order was issued and consequential benefits were paid. Narration of the dates and events noted above would disclose that the delay in settlement of retirement benefits and grant of pension was attributable to the 3rd respondent – Municipality. For no fault or negligence of the petitioner, the delay in settlement of retirement benefits occurred. Thus, there is merit in the claim made by the petitioner for grant of interest on the delayed portion. As observed by the Supreme Court in **Vijay L. Mehrotra,** it is mandatory for

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[1] AIR (2000) SC 3513 (2)

the employer for prompt settlement of retirement benefits and soon after the employee retires, the amount be paid. A short delay in settlement can be condoned, if it is for a justified cause or reason.

5. In the instant case, no valid reasons are assigned for delay in pay fixation as per the revised pay scales.

6. In the facts and circumstances of this case, the Writ Petition (TR) is allowed and the petitioner is entitled to interest at 12% per annum as claimed by the petitioner from the date of his retirement i.e., from 01.01.2012 to 30.08.2012. The 3rd respondent - Municipality is directed to calculate interest amount payable to the petitioner for the above period and pay the same. The entire exercise shall be completed within a period of two months from the date of receipt of a copy of the order. There shall be no order as to costs.

Miscellaneous Petitions, if any, pending in this Writ Petition (TR) shall stand closed.

P. NAVEEN RAO, J

Date:04.07.2017

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