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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **W.P.(C) 1494/2025, CM APPLs. 7426/2025 & 7427/2025**

SHYAM SINGH

.....Petitioner

Through: Mr. D.N. Singh and Mr. Aditya
Nath Singh, Advs.

versus

M C D

.....Respondent

Through: Mr. Siddhant Nath, SC with
Mr. Bhavishya Makhija and Mr. Amaan
Khan, Advs.

CORAM:

HON'BLE MR. JUSTICE C. HARI SHANKAR

HON'BLE MR. JUSTICE AJAY DIGPAUL

ORDER (ORAL)

06.03.2025

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C. HARI SHANKAR, J.

W.P.(C) 1494/2025

1. This writ petition assails order dated 17 May 2024 passed by the Central Administrative Tribunal¹ in a batch of OAs of which OA 3290/2023 stands disposed of.

2. The petitioner approached the Tribunal as all his retiral benefits had not been paid to him at the time of his retirement. He, therefore, sought disbursal of the retiral benefits along with interest.

¹ "Tribunal" hereinafter



3. The Tribunal has, by the impugned order, noted that there was delay in releasing the retiral dues of the petitioner. The respondent was, therefore, directed to release retiral dues within three months from the date of receipt of a certified copy of the order of the Tribunal, failing which the petitioner was held to be entitled to interest at the rate of 12% from the date of expiry of the said period of three months.

4. The petitioner filed RA 70/2024 before the Tribunal seeking clarification regarding interest. The Tribunal has modified para 6 of its order to read thus:

“6. In the light of the above facts and circumstances of the case, it is an undisputed fact that there has been delay in releasing the retiral dues to the applicant. Therefore, on the basis of well settled law, as enumerated herein above, all the OAs are disposed with a direction to the respondents to release all remaining retiral benefits due to the applicants from the date of their retirement. While doing so, the respondents shall provide to the applicants due and drawn statement. Interest for delayed payment, at this state, cannot be acceded to as we are informed that the MOD is facing acute financial crises. This exercise shall be done within a period of three months from the date of receipt of a certified copy of this order, failing which all the applicants shall be entitled to interest @ 7.5% from the date of expiry of period of three months. If there is any further delay beyond the period of six months, then the applicants shall be entitled for interest at the rate of 12% instead of 7.5%.”

5. The petitioner has now approached the Court submitting that his entitlement to interest should reckon from the date of his retirement, as he has been deprived of his retiral dues since then.

6. We have heard Mr. D.N. Singh, learned Counsel for the



petitioner and Mr. Siddhant Nath, learned Counsel for the MCD.

7. Counter-affidavit filed by the MCD is taken on record.

8. There can be no possible dispute with the contention of the petitioner. Interest is an accretion on principal. It becomes due from the time the employee has been deprived of the amount which is legitimately due. The MCD could not, either before the Tribunal or before this Court, offer any explanation for not disbursing the retiral dues of the petitioner at the time when he retired.

9. In the matter of delay in disbursement of retiral dues, the Court has to adopt a strict stance, as the retiral dues of a conscientious Government servant are at times the principal source of sustenance of the Government servant and his family in the evening of their lives.

10. In that view of the matter, we have already held in *MCD v Bijender Singh*² that an employee would be entitled to interest on retiral dues from the date of his retirement.

11. Accordingly, we modify the order passed by the Tribunal by holding that the interest at the rate of 7.5% p.a. would be reckoned from the date of the petitioner's superannuation, and not from the expiry of three months from the order of the Tribunal, till the date when the principal amount of the retiral dues was/is paid. We clarify that the direction for increase in the rate of interest to 12% p.a., in the

² 2024 SCC OnLine Del 7716



event the amount is not/has not been paid before the expiry of six months from the date of the judgment of the Tribunal, stands as it is.

12. The writ petition stands allowed accordingly.

C. HARI SHANKAR, J

AJAY DIGPAUL, J

MARCH 6, 2025/ar

[Click here to check corrigendum, if any](#)