

(C O P Y)

GOVERNMENT OF MEGHALAYA
FINANCE (A.P.F) DEPARTMENT

NO.FEM.65/85/5,

Dated Shillong, the 12th June, 1985.

From : **Shri U.K. Sangma,**
Joint Secretary to the Govt. of Meghalaya,
Finance (APF) Department.

To
All Special Secretaries/Secretaries/Heads of Departments.

Sub : PAYMENT OF PENSION AND GRATUITY TO RETIRED GOVERNMENT
EMPLOYEES – SUPREME COURT JUDGEMENT THEREON.

Sir

I am directed to forward herewith a copy of the Judgement of the supreme Court in the Special Leave petition (Civil), NO.9425 of 1984 – State of Kerala & other versus M. Padmandabha Nair.

1. The Judgement of the Supreme Court was given in the case of a government employees aggrieved by the delay by Government in the settlement of pension and gratuity on his retirement. The Supreme court ruled that in case of any culpable delay in the settlement of pension beyond the period of two months from the date of retirement of a Government employee, the State Government concerned will be made liable for payment of penal interest on the dues at the current market rates commencing from the date of expiry of the two months after retirement.
2. The Supreme Court had also directed that the State Government should consider the possibility of fixing a responsibility on any particular Government official for such criminal lapses resulting in the delay of settlement of pension because of which the Government was bound to pay the penal interest.
3. Under the existing rules the process of finalising the pension papers should start 2(two) years before the due date of retirement of an employee. It can only therefore be presumed that all the relevant documents to be issued by government should be ready well in advance so that the pension could be sanctioned and forwarded Accountant General for issue of P.P.O. delayed by the concerned officer for which neither any justification nor explanation had been give. The claim for interest was therefore rightly, decreed in respondent's favour.
4. Unfortunately, such claim for interest that was allowed in respondent's favour by the District Court and confirmed by the High Court was at the rate 6 percent per annum though interest at 12 percent has been claimed by the respondent in his suit. However, since the respondent acquiesced in his claim being decreed at 6 percent by not preferring any cross-objections in the High Court it could not be proper for us to enhance the rate to 12 percent per annum which we were otherwise inclined to grant.
5. We are also of the view that the State Government is being rightly saddled with a liability for the culpable neglect in the discharge of his duty by the District Treasury Officer who delayed the issuance of the L.P.C. but since the concerned officer had not been impleaded an a party defendant to the suit the Court is unable to hold him liable for the decretal amount. It will, however, be for the State Government to consider whether the erring official should or should not be directed to compensate the Government the loss sustained by his culpable lapses. Such action if taken would help generate in the officials of the State Government a sense of duty towards the Government under whom they serve as also a sense of accountability to members of the public.