

COURT NO. 1
ARMED FORCES TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

141.

OA 3816/2023 WITH MA 727/2025

Mrs Shalin James W/o Late Ex NC (E) M James Applicant
Versus
Union of India & Ors. Respondents

For Applicant : Mr. Narender Kaushik, Advocate
For Respondents : Mr. Kumar Gaurav, Advocate

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HON'BLE MR. JUSTICE RAJENDRA MENON, CHAIRPERSON
HON'BLE LT GEN C.P. MOHANTY, MEMBER (A)

O R D E R
10.03.2025

The applicant, Mrs. Shaling James, wife of the late Ex NC (E) M James, has invoked the jurisdiction of this Tribunal under Section 14 of the Armed Forces Tribunal Act, 2007, claiming interest @12% per annum on the delayed payment of the liberalized family pension.

2. It is evident from the records that the liberalized family pension was paid to the applicant after an inordinate delay of more than 20 years. Therefore, the central issue is whether the applicant is entitled to the interest as claimed for the delayed payment.

3. The relevant facts for deciding this claim are as follows:
The applicant's husband was enrolled in the Indian Air Force on 01.05.1970. During his posting with Sqn 2211, he was

injured in a terrorist attack on 11.11.1990 and subsequently passed away. Initially, the Competent Authority (AOC, AFRO) considered the cause of death as not attributable to military service. Therefore, the applicant was granted ordinary family pension from 12.11.1990, as per PPO No. 08/14/B/F/P/0001/1992, 08/14/B/F/P/0002/1992 respectively and the same was intimated on 16.01.1992 with copies of the PPO provided to the applicant (Annexure R1 and R2).

4. Following the Government of India Ministry of Defence letter dated 18.01.2010 (Annexure R3), the Pension Sanctioning Authority considered the applicant's case for the grant of Liberalized Family Pension. Consequently, Liberalized Special Family Pension was granted @ Rs. 884/- per month, with effect from 12.11.1990 vide PPO No. 08/14/B/757/96 (Annexure R4).

5. Subsequently, on 07.03.2018, the office of JCDA received a representation from the applicant, which was forwarded to SBI, CPFC, Chandni Chowk Bank, New Delhi-06, advising them to pay the Liberalized Family Pension @ Rs. 12,250/- per month plus the admissible Dearness Relief (DR) for the period from 01.07.2014 to 31.12.2015, as per Circular No. 555 of PCDA (P)

Allahabad, and thereafter at Rs. 31,483/- per month plus DR from 01.01.2016 for the remainder of her life or until her disqualification.

6. It should be noted that, in 1990, when only the Special Family Pension was granted and the Liberalized Family Pension had not yet been granted, the applicant filed a Writ Petition No. 5726/93 before the Hon'ble Delhi High Court on 06.02.1997. The Hon'ble Delhi High Court ruled in favor of the applicant vide its judgment dated 22.04.1997 granting Liberalized Family Pension from 01.01.1996 vide PPO No. 08/14/B/758/1996. The applicant's claim for Liberalized Family Pension was accordingly settled in 1996 through the issuance of the relevant PPO. However, despite the judgment in 1997, there was no final settlement of the claim for more than 20 years and Liberalized pension payments were made to the applicant only in 2021 and 2022 as outlined in the impugned order dated 05.01.2022.

7. The applicant claims interest on the delayed payment of arrears from 01.01.1996 to 31.12.2021, amounting to Rs. 12,79,163/-. Additionally, a sum of Rs. 16,38,003/- was paid to the applicant as temporary relief on 25.11.2021. The applicant now seeks interest on these arrears @12% per annum.

8. The grievance of the applicant is that despite directions issued by the Hon'ble Delhi High Court in 1997, the payments were delayed for over 20 years without any justification. The pension was only settled and paid in 2021 and 2022, as reflected in the impugned order, with the final settlement occurring on 25.01.2022.

9. The respondents, upon being notified, have filed a detailed counter affidavit. They confirm that the payments were delayed noting that after the judgment by the Hon'ble Delhi High Court, the pension was revised and the arrears were paid to the applicant in 2022. Specifically, the revision was made on 25.01.2022, with arrears of Rs. 12,79,163/- paid for the period from 01.01.1996 to 31.12.2021. Additionally, temporary relief of Rs. 16,38,003/- was paid on 25.11.2021. The respondents have indicated that the delay in settlement was due to correspondence between various departments and the Bank. In Para 4 and 5 of the counter affidavit the respondents make the following averments.

4. That the contents of Para 4 (a) to 4 (c), it is submitted that as per PPO NO. 08/14/B/757/96 ordinary family pension was revised to Liberalized Special Family Pension @Rs 884/- pm w.e.f. 12.11.1990 as per Hon'ble Delhi High Court Vide CWP No. 5726/93. SBI CPPC Chandni Chowk, New Delhi, vide their letter No. CPPC/DEF/2021-22/LKS/4256 dated 25 Jan 2022, had revised the basic w.e.f 01 Jan 2022 and had paid the difference of arrears from 01 Jan 1996 to 31

Dec 2021 amounting to Rs. 12,79,163/- to the family pensioner on. Further, their office had already paid Rs. 16,38,003/- on 25.11.2021 as temporary relief.

10. The issue before this Tribunal is whether the applicant is entitled to interest on the delayed payment of pension. Several judgments have addressed the issue of delayed pension payments, and the law is well established that an employee cannot be left to suffer due to delays caused by the government or any establishment. The Hon'ble Supreme Court has consistently held that in cases of unexplained and inordinate delays, interest must be paid for delayed payments.

11. Recently, on 12.11.2024, the Hon'ble Supreme Court in SLP (C) No. Appeal 7965/2023 titled *The Authorized Officer, Karnataka Bank Vs M/S RMS Granites (P) LTD. & Ors.* reaffirmed the principle of awarding interest on delayed payments. As noted in Para 16 of the judgment, the law on this matter is clear: interest is to be granted for delayed payments in appropriate cases. Para 16 reads as under:-

Concept of Awarding Interest on Delayed Payment

16. It may be mentioned that there is misconception about interest. Interest is not a penalty or punishment at all, but it is the normal accretion on capital. For example if A had to pay B a certain amount, say ten years ago, but he offers that amount to him today, then he has pocketed the interest on the principal amount. Had A paid that amount to B ten years ago, B would have invested that amount somewhere and earned interest thereon, but instead of that A has kept that amount with himself and

earned interest on it for this period. Hence equity demands that A should not only pay back the principle amount but also the interest thereon to B. [See: Alok Shanker Pandey Vs. Union of India : AIR 2007SC 1198.]

12. In the present case, there is a clear and unexplained delay in settling the applicant's pension claim. The payments were only made after a delay of over 20 years, and there is no justification for this delay. Therefore, the applicant is entitled to interest on the entire amount paid, starting from 01.01.1996 until the payment was made, as indicated in the counter affidavit.

13. Based on the above, this Tribunal allows the OA and directs that the interest on the amount paid to the applicant, as outlined in the counter affidavit, be paid at an interest @8% per annum. The interest should be paid to the applicant within two months from the date of this order.

14. No order as to costs.

[JUSTICE RAJENDRA MENON]
CHAIRPERSON

[LT GEN C.P. MOHANTY]
MEMBER (A)

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