

WP(MD). No.1013 of 2026

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated : 01/07/2026

CORAM

THE HON'BLE MR.JUSTICE MUMMINENI SUDHEER KUMAR

WP(MD). No.1013 of 2026
and WMP(MD)No.802 of 2026

R.Thangamani

... Petitioner

Vs.

1. The Director of Sugar,
Department of Sugar,
Aavin Illam, 2nd Floor,
No.3A, Pasumpon Muthuramalinganar Road,
Nandhanam, Chennai - 600035.

2. The Commissioner,
Department of Sugar,
Aavin Illam, 3rd Floor,
No.3A, Pasumpon Muthuramalinganar Road,
Nandhanam, Chennai - 600035..

3. Salem Cooperative Sugar Mills Ltd.,
Rep by its Managing Director ,
Mohanur, Namakkal District.

... Respondents

PRAYER:- Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus calling for the records pertaining to the impugned order passed by the 1st respondent in Rc.No.5096/SL3/2019, dated 20.08.2025 quash the same



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and consequently direct the 2nd respondent to pass order for payment of interest on the terminal and monetary benefits from the date of its accrual till the date of payment as per the relevant statutes of the monetary benefits and for payment of the remaining terminal and monetary benefits to be paid by the third respondent within the time frame fixed by this Court.

For Petitioner	: Ms.J.Anandhavalli
For R1 & R2	: Mr.C.Jeganathan Counsel for Government of Tamil Nadu
For R3	: Mr.R.Jeyabharthy

ORDER

The petitioner, who worked as the Chief Accountant in the third respondent Sugar mills, attained the age of Superannuation on 31.12.2010. In view of the pendency of various charges against the petitioner, he was permitted to retire subject to the disciplinary proceedings. As the disciplinary proceedings and surcharge proceedings are pending, the terminal benefits of the petitioner have not been released.

2. The disciplinary proceedings that were initiated against the petitioner have been dropped, which is evident vide proceedings in



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Na.Ka.No.3292/1/97 dated 13.06.2023. Insofar as the surcharge proceedings are concerned, the same attained finality by virtue of the orders passed by this Court in CRP(MD)No.3214 of 2016 dated 24.03.2021. The Coordinate Bench of this Court having taken note of the facts and circumstances in which surcharge proceedings have been initiated under Section 87 of Tamil Nadu Cooperative Societies Act, 1983 came to the conclusion that the respondents failed to establish that the deficiency that had been caused willfully or deliberately and thus set aside the surcharge proceedings issued under Section 87 of Tamil Nadu Cooperative Societies Act, 1983 as confirmed by the learned Principal District Judge, Namakkal vide order dated 21.06.2016.

3. It is the case of the petitioner that though the petitioner retired from service as early as on 31.12.2010, the terminal benefits payable to the petitioner have not been released till the year 2024 and the entire amounts are illegally withheld by the respondents and therefore, the petitioner is entitled for payment of interest for the said amounts at the rate of 18% per annum.

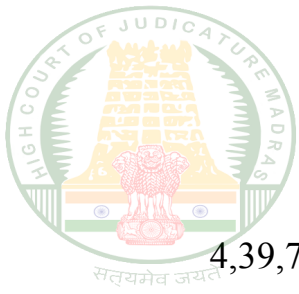


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4. The third respondent filed a counter affidavit contending that the entire amount due and payable to the petitioner have been paid and the delay in disbursal of the said amount is only because of the pendency of the surcharge proceedings as well as disciplinary proceedings against the petitioner.

5. From a perusal of the materials on record and the counter affidavit filed by the third respondent, it is evident that the surcharge proceedings that were initiated against the petitioner under Section 87 of the Act, 1983 have ended in favour of the petitioner on 24.03.2021. The disciplinary proceedings that were stated to have been initiated against the petitioner appears to have been closed as early as in the year 2011. Even if the reason assigned in the counter affidavit, is to be accepted there is absolutely no reason that is assigned for the delay after 24.03.2021, the day on which the surcharge proceedings have come to an end in favour of the petitioner. Ultimately, even as per the counter affidavit, the terminal benefits have been paid only on 06.01.2024 and that is an amount of Rs.7,46,173/- towards gratuity, an amount of Rs.



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4,39,704/- towards Earned Leave encashment and salary due amount of Rs.87,132/- have been paid. From 24.03.2021 till 06.01.2024 there is about 34 months of delay in disbursal of the terminal benefits payable to the petitioner. As the third respondent has retained the amounts for which the petitioner is otherwise legally entitled to, the third respondent is bound to compensate the petitioner appropriately. The said compensation, as held by the Hon'ble Apex Court, can be arrived at by calculating the reasonable rate of interest. This Court is consistently awarding interest at the rate of 6% in case if there is any delay in payment of terminal benefits payable to Government servant on his superannuation.

6. In the light of the above, this Court is of the considered view that it is a fit case, where the petitioner should be compensated by awarding reasonable interest on the delayed payment of terminal benefits.

7. Accordingly, this writ petition is allowed directing the third respondent to calculate and pay the interest at the rate of 6% per annum



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on the belated payment of terminal benefits and pay the said amount as expeditiously as possible at any rate within a period of two months from the date of receipt of a copy of this order. No costs. Consequently, connected miscellaneous petition is closed.

01.07.2026

NCC : Yes/No
Index : Yes/No
Internet : Yes/No
CM

TO

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