

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 15.11.2018

CORAM

THE HONOURABLE MR.JUSTICE C.V.KARTHIKEYAN

W.P.No.17996 of 2012

and

M.P.No.1 of 2015

E.Gopal

Petitioner

Versus

1.The Director of Local Fund Audit
Kuralagam IV Floor,
Chennai - 600 108

2.The Commissioner,
Kumbakonam Municipality,
Kumbakonam
Thanjavur District

Respondent

PRAYER: Petition under Article 226 of the Constitution of India, praying for the issue of a Writ of Mandamus, directing the respondents to sanction the interest on the belated payment of terminal benefits to a tune of Rs.12,45,964/- which is due on 01.09.2009 and paid on 23.12.2011 with 12% interest compounded annually as per G.O.Ms.No.122 Finance (Pension) Department dated 20.02.1995 within a date fixed by this Court.

For Petitioner:: Mr.A.R.Nixon
For R1 :: Mrs.Sri Jayanthi
Spl.Govt.Pleader
For R2 :: Mr.P.Srinivas

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ORDER

This Writ Petition is filed to direct the respondents to sanction the interest on the belated payment of terminal benefits to the tune of Rs.12,45,964/- which was due on 01.09.2009 and paid only on 23.12.2011, with 12% interest compounded annually as per G.O.Ms.No.122, Finance (Pension) Department, dated 20.02.1995.

2. Heard both sides.

3. The petitioner retired from service as Revenue Officer on 31.08.2009. His pension proposal was sent to the first respondent-The Director of Local Fund Audit, Chennai by the second respondent-The Commissioner, Kumbakonam Municipality, Kumbakonam, Thanjavur District on 16.12.2010. The petitioner was paid the terminal benefits by a cheque dated 19.12.2011 for an amount of Rs.12,45,964/-. The petitioner claims that he had received the terminal benefits only after 2 years 3 months and 19 days. Consequently, he had sought interest at 12% per annum compounded annually in accordance with G.O.Ms.No.122, Finance (Pension) Department, dated 20.02.1995.

4. Mr.P.Srinivas, learned counsel for the second respondent, by filing counter, stated that the proposal for retirement benefits have been submitted only on 18.09.2009 and it was forwarded to the first respondent only on 22.12.2009. Terminal benefits were sanctioned on 26.07.2011 by the first respondent. It had been stated that the calculation in respect of earned leave and leave salary for personal benefits, would take time and that was also informed to the petitioner. According to the second respondent, the delay was only on account of the petitioner's request for payment of leave salary before sanctioning of the retirement benefits.

5. G.O.Ms.No.122, Finance (Pension) Department dated 20.12.1995 applies only if there is a delay in payment of the death-cum-retirement gratuity and the rate of interest shall be at 12% per annum compounded annually. In this case, the stand of the respondents is that it was the petitioner who sought payment of the leave salary even before sanctioning the retirement benefits which is the actual reason for the delay.

6. Taking note of the above fact, I hold that grant of 8% interest for the total amount for a period of one year would be just. The said amount shall be shared in equal proportions between the first and second respondents.

7. With the above directions, this Writ Petition is disposed of. No costs. Consequently, connected Miscellaneous Petition is closed.

Sd/--

Assistant Registrar(Ccc)

//True Copy//

Sub Assistant Registrar

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To

1.The Director of Local Fund Audit
Kuralagam IV Floor,
Chennai - 600 108

2.The Commissioner,
Kumbakonam Municipality,
Kumbakonam
Thanjavur District

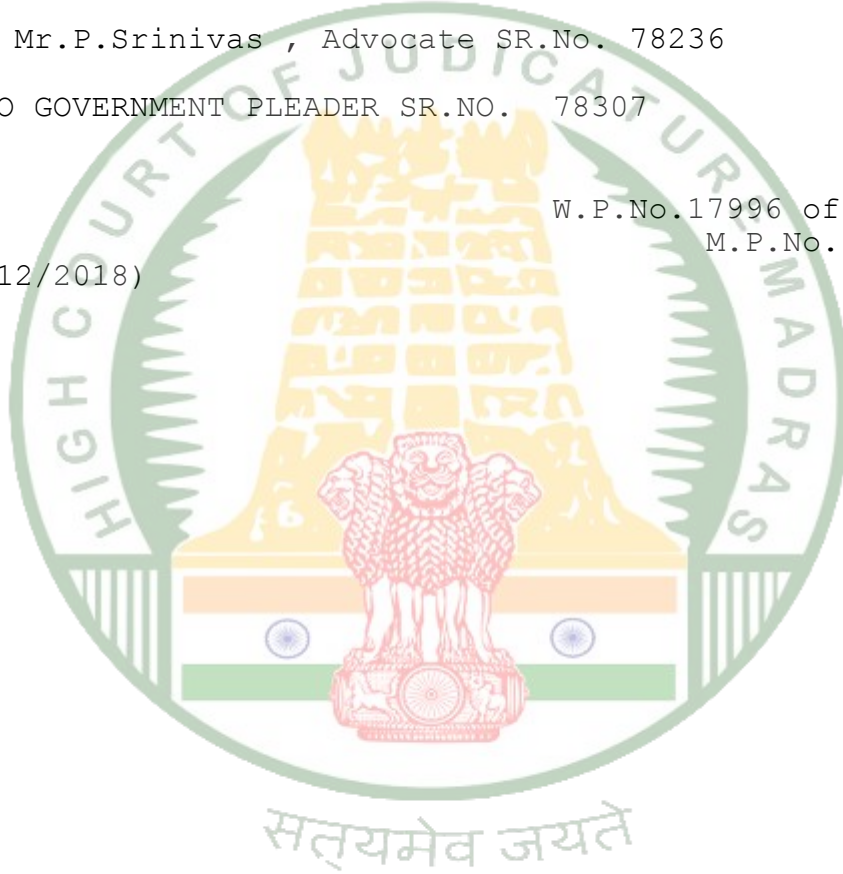
+1cc to Mr.A.R.Nixon , Advocate SR.No. 78487

+1cc to Mr.P.Srinivas , Advocate SR.No. 78236

+1 CC TO GOVERNMENT PLEADER SR.NO. 78307

W.P.No.17996 of 2012 and
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ASK(05/12/2018)



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