

**BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT**

DATED: 28.02.2019

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THE HONOURABLE MR.JUSTICE R.MAHADEVAN**W.P(MD)No.1663 of 2016**
and W.M.P(MD)Nos.18632 of 2017

N.Premkumar

... Petitioner

Vs.

The Managing Director,
Tamil Nadu State Transport Corporation
(Kumbakonam) Limited,
New Railway Feeder Road,
Kumbakonam.

... Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a writ of Mandamus, directing the respondents to settle the entire terminal benefits of Gratuity, Surrender of Earned Leave and Encashment, arrears of Dearness Allowance, Encashment of Medical Leave immediately with interest at the rate of 12% from the date of the petitioner's retirement on 31.07.2013.

For Petitioner : Mr.K.S.Muthu

For Respondent : Mr.D.Sivaraman

ORDER

According to the petitioner, he worked in the respondent Corporation as Assistant Engineer and he was permitted to retire from service on 31.07.2013. However, the terminal and pensionary benefits due to him have not been settled. Hence, he made representation to the respondents. However, the same yielded no result. As he is entitled to receive all the terminal and pensionary benefits, the petitioner has come forward with the present writ petition seeking a direction to the respondents to settle the entire terminal benefits of Gratuity, Surrender of Earned Leave and Encashment, arrears of Dearness Allowance, Encashment of Medical Leave immediately with interest at the rate of 12% from the date of the petitioner's retirement on 30.06.2014.e rendered in the fifth respondent's Society with 18% interest.



2. Heard both sides and perused the records.

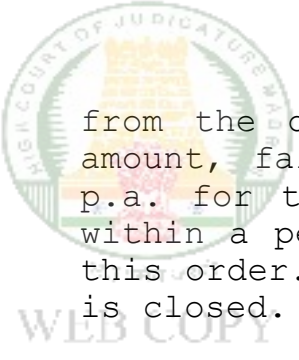
3. The learned counsel appearing for the respondents submitted that after filing of the Writ Petition, the authority concerned has paid the retirement benefits to the petitioner, for which, the learned counsel appearing for the petitioner claims interest for the belated payment to the retirement benefits.

4. This Court, in WP.No.20107 of 2018 vide order dated 28.02.2019, extensively dealt with the issue relating to sanction of retirement benefits, pension and interest on belated payment of the same and ultimately, observed and held at paragraphs 20 and 22, as under:

"20. Thus, the principles enunciated from the aforesaid decisions rendered by the Supreme Court as well as by this Court and also in the light of the Government Orders and the relevant provisions of law, are that the benefits bestowed by law upon an employee in recognition of his/her committed, continuous, loyal and devoted duty by payment of the pension, gratuity, leave salary etc., are in the nature of property and such right cannot be taken away without following due process of law; further, the grant of pension is not a bounty and the Government is obliged to follow the relevant Rules in that regard; Also that, the delay in settlement of retiral benefits and payment of pension is frustrating the employees and the same could have been compensated by way of interest."

"22. In view of the above, the respondent authorities are directed to consider the claim of the petitioner in line with the observations made in the earlier Paragraph Nos.4 to 20 of this order and pay the benefits accordingly. Insofar as the interest on belated payment of retiral benefits is concerned, considering the facts and circumstances of the case and having regard to the present day cost of living, the respondent authorities are directed to pay interest at 8% per annum, from the date of entitlement till the date of payment of entire amount, failing which, the same shall carry penal interest at 18% p.a. for the default period. Such an exercise shall be completed, within a period of six weeks from the date of receipt of a copy of this order."

5. Following the aforesaid order, this writ petition stands disposed of directing the respondent authorities to consider the claim of the petitioner in line with the observations made in the Paragraph Nos.4 to 20 of the order dated 28.02.2019 passed in WP(MD) No.20107 of 2018 and pay the benefits accordingly, if not paid earlier. Insofar as the interest on belated payment of retiral benefits is concerned, considering the facts and circumstances of the case and having regard to the present day cost of living, the respondent authorities are directed to pay interest at 8% per annum,



from the date of entitlement till the date of payment of entire amount, failing which, the same shall carry penal interest at 18% p.a. for the default period. Such an exercise shall be completed, within a period of six weeks from the date of receipt of a copy of this order. No costs. Consequently, connected Miscellaneous Petition is closed.

Sd/-

Assistant Registrar

/ True Copy /

Sub Assistant Registrar(CS)

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To

The Managing Director,
Tamil Nadu State Transport Corporation
(Kumbakonam) Limited,
New Railway Feeder Road,
Kumbakonam.

+1 CC to M/s.D.SIVARAMAN, Advocate (SR-50840[F] dated 01/03/2019)

W.P(MD)No.1663 of 2016
28.02.2019

ES/13.05.2019/3P/3C