BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT
DATED: 17.08.2020
CORAM:
THE HONOURABLE MR.JUSTICE R.SURESH KUMAR
W.P.(MD)No.9338 of 2020

Radha Krishnan ... Petitioner

Vs.

1) The Managing Director,
Tamil Nadu State Transport Corporation(KMB) Ltd.,
New Railway Station Road,
Kumbakonam,
Thanjavur District, 612 001

2) The General Manager,
Tamil Nadu State Transport Corporation (KMB) Ltd.,
Karaikudi Region,Marudhupathi, Managiri Post,
Karaikudi, Sivagangai District.

3) The Administrator,
Tamil Nadu State Transport Corporation Ltd.,
Employees Pension Fund Trust,
Thiruvalluvar Illam,
Pallavan Salai, Chennai-2 ... Respondents

PRAYER : Writ Petition filed under Article 226 of the Constitution of India to issue a Writ of Mandamus, directing the respondents to disburse interest at the rate of 6% for the belated payment of retirement benefits namely Gratuity, Provident Fund and Commutation.

For Petitioner : Mr.K.Gokul
For Respondents : Mr.P.M.Vishnu Varthanan,
Standing Counsel

O R D E R

The prayer sought for in this writ petition is for a Writ of Mandamus, directing the respondents to disburse the interest at the rate of 6% for the belated payment of retirement benefits namely Gratuity, Provident Fund and Commutation.

2. The case of the petitioner is that, he was working in the Technical Section of the respondent Transport Corporation and after serving for long years, he retired on superannuation on 30.04.2016. Though he retired on 30.04.2016, his retiral benefits were not immediately paid by the respondents, however, it has been paid belatedly on 12.01.2018 (i.e.) one year and seven months, after his retirement.

3. Therefore, for the belated payment of retiral benefits, the petitioner seeks for interest to be calculated in this regard and the learned counsel appearing for the petitioner would submit that, similar issues, in a number of cases have been dealt with by this Court and orders were passed directing the respective Transport Corporations to pay an interest at the rate of 6% per annum for the belated payment of retiral benefits.

4. However, Mr.P.M.Vishnu Varthanan, learned standing counsel appearing for the respondent Transport Corporation would submit that, in many cases, the retiral benefits, not only was belatedly paid, but also was paid only in installment basis and here in the case in hand, the petitioner has been paid the entire retiral benefits in one lump sum, of course belatedly, after one year and seven months. Therefore, the petitioner is not entitled to get any interest.

5. The said submission made by the learned standing counsel appearing for the respondent Transport Corporation is not appealing because whether the retiral benefits are paid in one lump sum or by way of installments, that makes no difference for getting interest by the employee for the belated payment.

6. Suppose, if any consent is given by the employee to get the retiral benefits either on installment basis or belatedly in one lump sum, for whatever reason to be attributable on the respondent side, then one can understand that, the petitioner employee cannot seek for any interest on the belated payment.

7. Here in the case in hand, the petitioner retired on 30.04.2016. Therefore, he is entitled to get the retiral benefits at once, immediately on his retirement atleast within a period of one month.

8. However, admittedly, the benefits have been paid only after one year and seven months. Therefore, even if there could have been a delay of one and a half month for the disbursement of retiral benefits and for such delayed payment, certainly the petitioner would be entitled to get interest.

9. Since the interest as has been directed by this Court in a number of earlier cases is only 6% per annum, that would be only a nominal interest and even the said interest cannot be denied by the respondent Transport Corporation.

10. In that view of the matter, this Court is inclined to dispose of the writ petition with the following direction:

"that the petitioner's request dated 24.02.2020 shall be considered by the respondents and they shall calculate the interest at the rate of 6% payable for the belated payment of retiral benefits and accordingly pay the accrued interest, which shall be calculated from the date it has become due till the date of payment."

11. The aforesaid payment of interest shall be made by the respondents within one month, immediately after the restoration of normalcy from the COVID 19 situation. This concession of paying the interest after return of normalcy is ordered because the respondent Transport Corporation has not been plying their buses due to lock down procedure, by thus, they are not getting any recurring revenue for the past four or five months.

12. With these directions, this Writ Petition stands disposed of. However, there shall be no order as to costs.

Sd/-
Assistant Registrar (CS-III)

// True Copy //

/ /2020
Sub Assistant Registrar(CS)

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Note: In view of the present lock down owing to COVID-19 pandemic, a web copy of the order may be utilized for official purposes, but, ensuring that the copy of the order that is presented is the correct copy, shall be the responsibility of the advocate/litigant concerned.

To:

1) The Managing Director,
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2) The General Manager,
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Thiruvalluvar Illam,
Pallavan Salai, Chennai-2

+1 CC to Mr.P.M. VISHNUVARTHANAN, Advocate (SR-14277[F] dated 17/08/2020)

Order made in
W.P.(MD)No.9338 of 2020
Dated:
17.08.2020

KM (18.09.2020) 4P 5C