



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 21.08.2020

CORAM

THE HON'BLE MR.JUSTICE R.SURESH KUMAR

W.P.(MD)No.9814 of 2020

V.Venkatachalam

... Petitioner

-Vs-

1.The Tamil Nadu State Transport
Corporation (Kumbakonam) Ltd.,
Rep., by its Managing Director,
Tirunelveli.

2.The General Manager,
The Tamil Nadu State Transport
Corporation (Tirunelveli) Ltd.,
Tirunelveli Region,Tirunelveli.

...Respondents

Prayer: Writ Petition is filed under Article 226 of Constitution of India, to issue a Writ of Mandamus, to direct the respondents to settle interest at the rate of 6% per annum for the belated payment of the petitioner's terminal benefits including gratuity, commuted value of pension and provident fund from the date of the petitioner's retirement to till the date on which the said benefits were settled to him.

For Petitioner : Mr.A.Rahul
For Respondents : Mr.R.Rajamohan

ORDER

The present writ petition has been filed for a mandamus to direct the respondents to settle interest at the rate of 6% per annum for the belated payment of the petitioner's terminal benefits including gratuity, commuted value of pension and provident fund from the date of the petitioner's retirement to till the date on which the said benefits were settled to him.

2. The petitioner was working as Traffic Inspector in the respondent Corporation. After having served for several years in the respondent Corporation, he retired from service on superannuation. However, his service benefit had not been immediately disbursed by the respondents and according to the learned counsel appearing for the petitioner, since the petitioner retired from service on superannuation in the month of March 2018, the benefits should have been disbursed then and there. However, belatedly only in the month of November 2018 i.e., on 03.11.2018, the retiral benefits for the petitioner was disbursed by the respondent Corporation. Therefore, the learned counsel



would submit that, the petitioner is entitled to get interest at the rate of 6% for the belated payment of retiral benefits paid to the petitioner and in order to get such interest, the present writ petition has been filed.

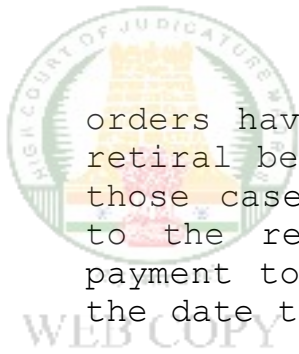
3. The learned counsel appearing for the petitioner also relied upon an earlier decision of this Court made in W.P(MD). No.25672 of 2019, dated 03.12.2019 and would submit that, number of orders in that line have been passed, where, this Court allowed the writ petitions filed by the respective employees/petitioners, where directions were issued to the respondent Transport Corporation to pay 6% interest for the belated payment for the period from the date of the said retiral benefits become due till the date of payment. In the same line, similar orders can be passed in the present writ petition also, the learned counsel contended.

4. However, Mr.R.Rajamohan, learned Standing Counsel would submit that, though number of orders have been passed in the line, as has been indicated by the learned counsel for the petitioner, in some cases, the Court passed orders to pay the retiral benefits on installment basis of 12 equal monthly installments. In those cases, it is the stand of the respondent Corporation that, the Transport Corporation need not pay interest. Further, contended by the learned Standing Counsel for the respondents that, yet another special reason is available for the respondents to state that, because of the COVID-19 situation from March 3rd week onwards, the Transport Corporation are not able to ply their buses as the Public Transport System has been suspended due to lock down procedure.

5. In view of the said factor that, for the past three or four months, since no revenue generation is possible or available to the respondent Transport Corporations, the Corporation is under severe financial crisis so, it is one of the reason the respondent Corporation could not pay the retiral benefits to number of retired employees. Therefore, in that circumstances, according to the learned Standing Counsel for the respondents, if the respondent Corporation is directed to pay the interest also to these people, that will further add financial burden to the respondent Transport Corporation. Therefore, that can also be taken into account while disposing this writ petition.

6. I have considered the said submissions made by the learned counsel appearing for the parties and also perused the materials placed before this Court.

7. As has been rightly pointed out by the learned counsel appearing for the petitioner that, in number of cases, similar



orders have been passed, where if there is any belated payment of retiral benefits for the employee of the Transport Corporation, in those cases, Court have shown its indulgence by giving direction to the respondent Corporation to pay interest for the belated payment to the retired employees at the rate of 6% per annum from the date the amount become due till the date of payment.

8. In the case cited by the learned counsel for the petitioner in W.P(MD).No.25672 of 2019, dated 03.12.2019 also, this Court has passed the same order, where the following directions have been given through Court:

'.....

6.In the light of the above observations, there shall be a direction to the second respondent's corporation to pay the penal interest at the rate of 6% per annum on the belated payment of the retirement benefits for the period from the date of the retirement till the date of actual disbursement, as expeditiously as possible and in any event, before the expiry of three months from the date of receipt of a copy of this order.

7.With the above directions, this Writ Petition is allowed. No costs. '

9. After having considered these submissions and the factual matrix of these cases, this Court feels that, no deviation can be made by this Court in this case alone as in number of such writ petitions, orders that of the one, as has been extracted above, have been passed by this Court and those orders in many cases have been confirmed by the respective Hon'ble Division Benches of this Court. When that being the position, this Court is not impressed with the submission made by the learned counsel appearing for the respondents for avoiding the payment of interest payable to the petitioner/employee for the belated payment of retiral benefits.

10. More over, since 6% interest per annum is a very minimal interest, which alone since has been directed to be paid in all these cases, this Court also feels that, it is not on a higher side to claim such interest.

11. For all these reasons, I am inclined to dispose of this writ petition with the following directions:

'(i)that the respondents are hereby directed to calculate the interest payable to the petitioner for the belated payment of retiral benefits and such interest shall be calculated at the rate of 6% per annum and the petitioner is entitled to get such



interest from the date of the retiral benefits are actually become due till the date of payment.

(ii) Accordingly, the calculated interest shall be paid by the respondent Transport Corporations to the petitioner within a period of three (3) months from the date of restoration of normalcy after COVID-19 situation.

(iii) It is made clear that, for the three months period now allowed as well as the COVID-19 period, the petitioner is not entitled to get interest in view of the aforesaid peculiar situation faced by the respondent Transport Corporation.

12. With these directions, the writ petition is disposed of. No costs. It is further made clear that, after restoration of normalcy from the COVID 19 period, within three months period now fixed by this Court, if interest, to be calculated in this regard, is not paid, as indicated above, further penal interest of 18% per annum shall be charged from the respondent Corporation at the end of the three months period.

Sd/-

Assistant Registrar ()

// True Copy //

/ /2020

Sub Assistant Registrar(CS)

RR

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.

+1 CC to Mr.R. RAJAMOHAN, Advocate (SR-14622[F]
dated 21/08/2020)

W.P.(MD)No.9814 of 2020

21.08.2020

PM(CO)

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