IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 08.04.2021

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THE HONOURABLE MR. JUSTICE M.GOVINDARAJ

WP NO.8860 OF 2021

P.Subramani .. Petitioner

Versus

1.Tamil Nadu State Transport Corporation
(Coimbatore) Ltd.,
Rep. by its Managing Director
Mettupalayam Road, Coimbatore.

2.Tamil Nadu State Transport Corporations
Employees' Pension Fund Trust
Rep. by its Administrator
Thiruvalluvar Illam, Pallavan Salai,
Chennai – 2. .. Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Mandamus, directing the respondents 1 and 2 to pay petitioner, interest for the belated payment of P.F., Gratuity, encashment of earned leave / sick leave and commuted value of pension at the rate of 12% per annum, within a specified time as may be fixed by this Court.

For Petitioner : Mr.V.Ajoy Khose
For Respondents : Mr.A.Sundaravadhanan
Standing Counsel

O R D E R

Mr.A.Sundaravadhanan, learned Standing Counsel, takes notice on behalf of the respondents. By consent, the Writ Petition is taken up for final disposal at the admission stage itself.

2.This Writ Petition has been filed by the petitioner seeking for a direction to the respondents to pay interest for the belated payment of P.F., Gratuity, encashment of earned leave / sick leave and commuted value of pension at the rate of 12% per annum.

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3.The petitioner has joined the services of the respondent / Transport Corporation on 29.12.1987 as Cleaner. He was retired from service on 30.09.2019 on attaining the age of superannuation. However, his terminal benefits, namely EPF, Gratuity and leave salary etc., were paid only on 24.01.2021, after a lapse of 16 months from the date of his retirement. Seeking interest for the belated payment, the petitioner is before this Court.

4.Heard the submissions made on either side.

5.It is well settled in very many cases that the employee is entitled to interest for the belated payment of his retiral benefits. A Division Bench of this Court in GOVERNMENT OF TAMIL NADU, REP. BY ITS SECRETARY TO GOVERNMENT, REVENUE DEPARTMENT VS. M.DEIVASIGAMANI [2009 (3) MLJ 01] has held that the employee is entitled to interest on belated payment of pension and other retiral benefits, even in the absence of statutory rules / administrative instructions or guidelines and that he can claim interest under Part III of the Constitution, relying on Articles 14, 19 and 21 of the Constitution.

6.In a similar circumstance, the First Bench of this Court in W.A.(MD) Nos.383 to 457 of 2015 on 12.06.2015, directed the respondent / Transport Corporation to settle the terminal benefits of its employees in equal monthly installments and to pay 6% interest on the terminal benefits payable to the workman. It has also held that the workman is entitled to 18% interest for the defaulted period of installments.

7.Following the above judgments, a learned Single Judge of this Court in W.P.No.15886 of 2020 on 19.01.2021, directed the respondent/ Transport Corporation to pay interest @ 6% per annum, for the belated payment of gratuity and other retiral benefits.

8.Considering the facts and circumstances of the case and also considering the period of delay, this Court is inclined to grant interest @ 4% per annum, for the belated payment of gratuity, leave salary and commutation of pension amount that are yet to be settled, in six equal monthly installments, commencing from 01.06.2021. In case of delay in making installments within the time stipulated supra, the interest payable could be 10% for the delayed period to be recovered from the Officer responsible for disbursement of the amount.

9.It is made clear that the aforesaid direction to pay interest would not preclude the petitioner / workman to question the computation of any of the terminal benefits, if the same is

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paid lesser than the amount to which, he is entitled to receive. Likewise, if the petitioner has any grievance that he is entitled to interest for the amount already settled, he can agitate the same as per law, if he is entitled.

10.The Writ Petition is disposed of with the above observation and direction. No costs.

-s/d-
Assistant Registrar(CS-II)

True Copy

Sub-Assistant Registrar

TK
To

1.The Managing Director
Tamil Nadu State Transport Corporation
(Coimbatore) Ltd.,
37, Mettupalayam Road, Coimbatore - 43.

2.The Administrator
Tamil Nadu State Transport Corporations
Employees' Pension Fund Trust
Thiruvalluvar Illam, Pallavan Salai,
Chennai - 2.

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