



WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26.07.2021

CORAM:

THE HONOURABLE Mr. JUSTICE S.S.SUNDAR

W.P. No.11027 of 2021
(Through Video Conference)

N.Lakshmanasamy

... Petitioner

Vs.

1.The Management of Tamil Nadu
State Transport Corporation (Kovai) Ltd.,
Erode Region,
Rep. by its Managing Director, Erode.

2.The Administrator,
Tamil Nadu State Transport
Employees' Pension Fund Trust,
Thiruvalluvar Illam,
Anna Salai, Chennai 600 002

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying to issue a Writ of Mandamus directing the respondents to pay the petitioner interest at the rate of 18% per annum, for the period of delay from 01.06.2018 to 20.09.2019, in paying the amounts paid towards the terminal and pension benefits of the petitioner namely EPF Employee's Contribution, Gratuity, Encashment of Earned / Sick Leaves and Commutated Value of Pension, within a time frame as may be fixed by this Court.

For Petitioner : Mr. V.Ajoy Khose

For Respondents : Mr. A.Sundaravadanam,
Standing Counsel

O R D E R

Mr. A.Sundaravadanam, learned Standing Counsel, takes notice on behalf of the respondents.

2. This Writ Petition has been filed for the issuance of a Writ of Mandamus, directing the respondents herein to pay the



petitioner interest at the rate of 18% per annum for the period of delay from 01.06.2018 to 20.09.2019 towards the belated payment of the petitioner's terminal and pension benefits, namely E.P.F. Employee's Contribution, Gratuity, Encashment of Earned / Sick Leaves and Commuted Value of Pension, within a time stipulated by this Court.

3. There is no dispute with regard to the fact about the belated payment to the petitioner. Learned counsel appearing for the petitioner submitted that in similar cases though interest at the rate of 6% was awarded by this Court, recently in a few judgments of this Court, the rate of interest has been reduced from 6% to 4% based on the request of Transport Corporation because of their financial crisis due to COVID-19 Pandemic. Learned counsel appearing for the petitioner states that there is no dispute with regard to the factual averments. He would also further state that the second respondent is the Competent Authority to disburse the commuted value of pension and the first respondent is the person who is liable to pay other Counts. It is well settled that retirement dues must be paid in time.

4. Having regard to the facts and circumstances, the precedents and the consistent view taken by this Court, this Court is of the view that the respondents are liable to pay an interest at 4% per annum for the delay in payment of terminal benefits to the petitioner in this writ petition.

5. The learned Standing Counsel appearing for the respondents has no serious objection as to the grant of interest at the rate of 4% and a direction to pay the interest in six equal instalments.

6. Based on the submissions of the learned counsel appearing for the petitioner and the learned Standing Counsel appearing for the respondents, this Court is inclined to pass orders in the following lines:

- (i) The respondents are directed to pay the petitioner an interest at the rate of 4% for the delayed payment of terminal benefits in six (06) monthly instalments, commencing from 01.09.2021;
- (ii) In case of any dispute with regard to the quantum of amount payable under any head, it is open to the petitioner to work out either amicably or by approaching proper forum;
- (iii) In case the amount is not disbursed within the above said instalments, and if there is a delay of more than three months, then, the petitioner is entitled for an interest at 6% per annum; and
- (iv) If the delay exceeds more than one year from



the date of first instalment, then, the petitioner is entitled to approach this Court for a higher rate of interest.

6. With the above directions, this writ petition is disposed of. No costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

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To

1.The Managing Director,
Management of Tamil Nadu
State Transport Corporation (Kovai) Ltd.,
Erode Region, Erode.

2.The Administrator,
Tamil Nadu State Transport
Employees' Pension Fund Trust,
Thiruvalluvar Illam,
Anna Salai, Chennai 600 002

+1cc to V.Ajoy Khose, Advocate (SR No.35718)

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PCH (CO)
PR (11/08/2021)