



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29.07.2021

CORAM:

THE HONOURABLE MR.JUSTICE S.S.SUNDAR

W.P. No.15731/2021

P.C.Vellingiri

..Petitioner

Versus

1. The Managing Director,
Tamil Nadu State Transport
Corporation Ltd
[Coimbatore] Ltd., No.37,
Mettupalayam Road,
Coimbatore 641 043..
2. The General Manager
Tamil Nadu State Transport
Corporation Ltd
[Coimbatore] Ltd., Erode Region
Erode.

..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 the interest at the rate of 18% per annum for the belated payment of provident fund to the tune of Rs.12,01,760/- for 22 months and the interest payable for the gratuity to the tune of Rs.3,28,630/- for 22 months and the future interest payable from the date of payment made till the date of realization.

For Petitioner : Mr.P.Paramasiva Doss

For Respondents : Mr.Sundaravadhanam
Standing Counsel

ORDER

- (1) The writ petition is filed by the relieved employee of the 1st respondent Corporation for issuance of a writ of mandamus directing the respondents the interest at the rate of 18% per annum for the belated payment of provident fund to the tune of Rs.12,01,760/- for 22 months and the



interest payable for the gratuity to the tune of Rs.3,28,630/- for 22 months and the future interest payable from the date of payment made till the date of realization.

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(2) Mr.Sundaravadhanam, learned Standing counsel accepts notice on behalf of the respondents.

(3) In similar cases, this Court has recently reduced interest at 4% per annum for the delayed payment. It is admitted that the petitioner is entitled to terminal benefits and there was delay in settlement of terminal benefits namely Provident Fund and Gratuity and hence, prayed for payment of interest for the delayed payment. This Court uniformly has recognised the petitioner's entitlement to interest. Though interest @ 6% was granted earlier, the Courts have subsequently reduced the rate of interest from 6% to 4% considering the difficulties of the Transport Corporation during Covid Pandemic.

(4) This Court is inclined to dispose of these writ petitions with the following direction:

The respondents / Transport Corporation is directed to pay interest @ 4% per annum for the delayed payment of Provident Fund and Gratuity. The amount calculated towards interest should be paid in six monthly instalments commencing from 01.09.2021. In case of any further delay in paying instalments within the time stipulated by this order, the interest payable will be @ 6% for the delayed payment. If there is any dispute with regard to quantum, the parties are at liberty to workout their remedy independently and if there is a delay in payment beyond one year, then the petitioner is liberty to approach this Court for higher rate of interest.

(5) Accordingly, the writ petition stands disposed of. No costs.

Sd/-

Assistant Registrar(CS-VIII)

//True Copy//

Sub Assistant Registrar

AP



To

1. The Managing Director,
Tamil Nadu State Transport Corporation Ltd
[Coimbatore] Ltd., No.37,
Mettupalayam Road,
Coimbatore 641 043..

2. The General Manager
Tamil Nadu State Transport Corporation Ltd
[Coimbatore] Ltd., Erode Region
Erode.

W.P. No.15731/2021

GJ(CO)
RGA(19/08/2021)