



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 11.08.2021

CORAM:

THE HONOURABLE MR.JUSTICE A.A.NAKKIRAN

W.P.No.16657 of 2021

[Video Conferencing]

S.Ramamoorthy

...Petitioner

vs.

1. The Management of
Tamil Nadu State Transport Corporation (Salem) Ltd.,
Salem Region,
Rep. by its General Manger,
Salem.
2. The Administrator,
Tamil Nadu State Transport Employee's Pension Fund Trust,
Thiruvallur Illam,
Anna Salai,
Chennai - 2.

...Respondents

Prayer:- Writ Petition filed under Article 226 of the Constitution of India, praying for issuance of a writ of Mandamus, directing the respondents to pay interest at the rate of 18% per annum, for the period of delay from 01.02.20 to 01.06.21, 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 and without affecting his right to claim balance amounts to wards those benefits.

For Petitioner : Mr.V.Ajoy Khose

ORDER

- 1.With the consent of both parties, the Writ Petition was taken up for final disposal at the admission stage itself.
- 2.The petitioner herein, who retired from the services of the Respondents Corporation on reaching the age of superannuation, have come up with the above Writ Petition, seeking a direction to the respondents to pay interest at the rate of 18% per



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annum, for the period of delay from 01.02.20 to 01.06.21, 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.

3. This Court heard the submission of the learned counsel for the petitioner and perused the materials available on record.
4. 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.
5. 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 instalments 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 instalments.
6. Following the above judgements, 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.
7. 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 period of delay from 01.02.20 to 01.06.21, 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,, that are yet to be settled, in four equal monthly instalments, commencing from 01.10.2021. In case of delay in making instalments 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.
8. 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



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.

9. The Writ Petition is disposed of with the above observations and directions. No costs.

Sd/-
Assistant Registrar(CS III)

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Sub Assistant Registrar

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To:

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Tamil Nadu State Transport Corporation (Salem) Ltd.,
Salem Region,
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Chennai - 2.

+1 CC to Mr.Ajoy Khose, Advocate, Sr.No. 39609.

W.P.No.16657 of 2021

PCH(CO)
LS(25/08/2021)