



WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 09.08.2021

CORAM:

THE HONOURABLE MR.JUSTICE A.A.NAKKIRAN

W.P.Nos.16440 & 16442 of 2021

[Video Conferencing]

B.Akbar Ali ...Petitioner in W.P.No.16440/2021

K.Chellamuthu ...Petitioner in W.P.No.16442/2021

vs.

The Management of
Tamil Nadu State Transport Corporation (Kovai) Ltd.,
Rep. By its Managing Director,
Coimbatore. ...Respondents in both W.Ps.

Common Prayer:- Writ Petitions filed under Article 226 of the Constitution of India, praying for issuance of a writ of Mandamus, directing the respondent to pay the petitioner interest to the petitioner at the rate of 18% per annum for the period of delay from 01.07.2019 to 24.01.2021 and 01.08.2019 to 24.01.2021, respectively, in paying the amounts paid towards the petitioner terminal benefits namely EPF Employee's Contribution, Gratuity and Encashment of Earned/Sick Leaves within a time frame as may be fixed by this Court and without affecting my right to claim balance amounts towards those benefits.

For Petitioner in all W.Ps : Mr.Manoharan
For Mr.V.Ajoy Khose

For Respondents in all W.Ps : Mr.M.Sundaravadhanam
[Transport Corporation]

COMMON ORDER

- 1.With the consent of both parties, these Writ Petitions were taken up for final disposal at the admission stage itself. Mr.M.Sundaravadhanam, learned Counsel for Transport Corporation takes notice for the respondent.
- 2.The petitioners herein, who retired from the services of the Respondents Corporation on reaching the age of superannuation, have come up with the above Writ Petitions, seeking a direction



to the respondent to pay the petitioners interest to the petitioners at the rate of 18% per annum for the period of delay from 01.07.2019 to 24.01.2021 and 01.08.2019 to 24.01.2021, respectively, in paying the amounts paid towards the petitioners terminal benefits namely EPF Employee's Contribution, Gratuity and Encashment of Earned/Sick Leaves within a time frame.

3. This Court heard the submission of the learned counsel on either side and perused the materials/ documents 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 belated payment of EPF Employees Contribution, Gratuity and Encashment of Earned / Sick Leave Salary, 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 time 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 petitioners / workman to question the



computation of any of the terminal benefits, if the same is paid lesser than the amount to which, they are entitled to receive. Likewise, if the petitioners have any grievance that they are entitled to interest for the amount already settled, they can agitate the same as per law, if they are entitled.

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

Sd/-
Assistant Registrar(CS IX)

//True Copy//

Sub Assistant Registrar

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To:

The Management of
Tamil Nadu State Transport Corporation (Kovai) Ltd.,
Rep. By its Managing Director,
Coimbatore.

+2 CC to Mr.C.Ajay Khose, Advocate, Sr.No. 39252,39253.

W.P.Nos.16440 & 16442 of 2021

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