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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 01.10.2021

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THE HON'BLE MR.JUSTICE C.SARAVANAN

W.P.No.21229 of 2021

(Through Video Conferencing)

K.Arumugam ... Petitioner

Vs.

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

2.The Administrator,
Tamil Nadu State Transport Employee's Pension Fund Trust,
Thiruvalluvar Illam, Anna Salai,
Chennai - 2. ... Respondents

Prayer: Writ Petition filed under Article 226 of Constitution of India, for issuance of a Writ of Mandamus directing the respondent to pay the petitioner interest at the rate of 18% per annum, for the period of delay from 01.06.2019 to 24.01.2021, 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 Commuted Value of Pension.

For Petitioner : Ms.Nandhini for Mr.V.Ajay Khose

For Respondent : Mr.A.Sundaravadhanam
Standing Counsel

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ORDER

This Writ Petition has been filed for a Writ of Mandamus, to direct respondent to pay the petitioner interest at the rate of 18% per annum, for the period of delay from 01.06.2019 to 24.01.2021, 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 Commuted Value of Pension in terms of the decision of the First Bench of the Madurai Bench of this Court in W.A.(MD)Nos.383 to 457 of 2015.

2. The First Bench of the Madurai Bench of this Court, in the above case, has directed the State Transport Corporation to settle the terminal benefits of its employees in 12 equal monthly installments and to pay interest at the rate of 6% on the terminal benefits payable to the workman. The First Bench of the Madurai Bench of this Court has also held that workman is entitled to 18% interest for the defaulted period of installments.

3. It is noticed that though the above observation of the First Bench of the Madurai Bench of this Court was followed by a learned Single Judge in W.P.No.15886 of 2020 vide order dated 19.01.2021, the learned Single Judge has subsequently modified the views in W.P.No.506 of 2021 vide order dated 24.03.2021 considering the constraints of the State Finance due to the outbreak of Covid-19 with the following directions:-

> "(i) Respondent/Transport Corporation is directed to pay interest @ 4% per annum to the Petitioner for the belated payment of gratuity, leave salary and communication of pension amount that are yet to be settled, in six equal monthly instalments, commencing 01.04.2021.
>
> (ii) In case of delay in making instalments within the time stipulated supra, with reference to the judgment of the Division Bench of this Court (supra), interest payable for the period of delay shall be at 6% per annum."

4. Considering the same, this Writ Petition is disposed by directing the respondent to consider the representation dated 30.06.2021 of the petitioner and to pay interest at the rate of 4% per annum for the delayed payment of terminal and pension benefits of the petitioner namely EPF Employee's Contribution, Gratuity, Encashment of Earned/Sick Leaves and other legal dues

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to the petitioners in six equated monthly instalments commencing from 1st December, 2021. No costs.

Sd/-
Assistant Registrar(CCC)

//True Copy//

Sub Assistant Registrar

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To

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

2.The Administrator,
Tamil Nadu State Transport Employee's Pension Fund Trust,
Thiruvalluvar Illam, Anna Salai,
Chennai - 2.

W.P.No.21229 of 2021

BS (CO)
PR (09/11/2021)

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