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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.10.2021

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THE HON'BLE MR.JUSTICE C.SARAVANAN

W.P.NO.22467 OF 2021

(Through Video Conferencing)

K.Natarajan

... Petitioner

.Vs.

The Management of Tamil Nadu
State Transport Corporation
(Kovai) Limited, Erode Region,
Represented by its Managing Director,
Erode.

... Respondent

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 01.05.2020 to 01.06.2021 in paying the amounts paid towards the terminal benefits of the petitioner namely EPF Employee's Contribution, Gratuity and Encashment of Earned/Sick Leaves within a time frame.

For Petitioner : Mr.V.Ajoy Khose

For Respondent : Mr.A.Sundaravadhanam

ORDER

This Writ Petition has been filed for a Writ of Mandamus, to direct the respondent to pay interest at the rate of 18% per annum for the belated payment of the petitioner's EPF Employee's Contribution, Gratuity and Encashment of Earned/Sick Leaves 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 belated payment of EPF Employee's Contribution, Gratuity and Encashment of Earned/Sick Leaves and other legal dues to the petitioner in six equated monthly instalments commencing from 1st December, 2021. No costs.

Sd/-

Assistant Registrar(CS IX)

//True Copy//

Sub Assistant Registrar

arb



To

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

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+1cc to Mr.V.Ajoy Khose, Advocate, S.R.No.54215

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MG (CO)
PBS/01/12/2021