



WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.10.2021

CORAM

THE HON'BLE MR.JUSTICE C.SARAVANAN

W.P.No.22835 of 2021

(Through Video Conferencing)

S.Arumugam

... Petitioner

Vs.

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

... Respondent

Writ Petition filed under Article 226 of Constitution of India, for issuance of a Writ of Mandamus directing the Respondent to pay Petitioner interest at the rate of 18% per annum, for the period of delay from 01.05.2018 to 20.09.2019, in paying the amounts paid towards his 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 his right to claim balance amounts towards those benefits.

For Petitioner : Mr.V.Ajoy Khose

For Respondents : Mr.A.Sundaravadhanam  
Standing Counsel

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 period of delay from 01.05.2018 to 20.09.2019, in



paying the amounts paid towards his 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 his right to claim balance amounts towards those benefits 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.

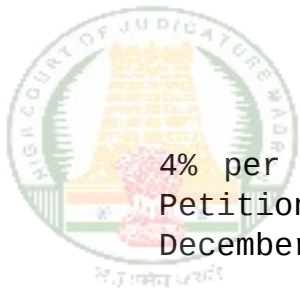
2. The First Bench of the Madurai Bench of this Court, in the above case, has directed the State Transport Corporation to settle the terminal benefits of its employees in 12 equal monthly installments and to pay interest at the rate of 6% on the terminal benefits payable to the workman. The First Bench 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 16.09.2021 of the Petitioner and to pay interest at the rate of



4% per annum for the belated payment of all legal dues to the Petitioner in six equated monthly instalments commencing from 1<sup>st</sup> December, 2021. No costs.

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Sd/-

Assistant Registrar

//True Copy//

Sub Assistant Registrar

rrg

To

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

W.P.No.22835 of 2021

GJ(CO)  
SB(02/11/2021)