BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : **13.07.2021**

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THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM

AND

THE HONOURABLE MRS.JUSTICE S.ANANTHI

W.A.(MD)No.1354 of 2021

A.Nazmudeen ... Appellant/Petitioner

Vs.

1. The Tamil Nadu State Transport Corporation (Madurai) Ltd., Rep. by its Managing Director, Madurai - 625 016.

2. The Administrator, Tamil Nadu State Transport Corporation Employees Pension Fund Trust, Thiruvalluvar Illam, Chennai - 02. ... Respondents/Respondents

Prayer: Writ Appeal filed under Clause 15 of Letters Patent, against the order of this Court made in W.P.(MD) No.6828 of 2021, dated 25.03.2021.

Prayer in WP(MD). 6828 of 2021 :

Writ Petition is filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus directing the respondents to settle interest at the rate of 18 per cent per annum for the belated payment of petitioners terminal benefits including Gratuity, Terminal Leave Salary, Provident Fund and Commuted Value of Pension from the date of his retirement to till the date on which the said benefits were settled to him and pass such further or other orders as this Hon'ble Court may deem fit and proper in the circumstances of the case and thus render justice.

For Appellant : Mr.Ajay Khose for Mr.A.Rahul

For Respondents : Mr.J.Senthil Kumaraiah for R1
Mr.A.Swaminathan for R2

J U D G M E N T

[Judgment of the Court was delivered by **T.S.SIVAGNANAM,J.**]

We have heard Mr.Ajay Khose, learned counsel for Mr.A.Rahul, learned counsel appearing for the appellant; Mr.J.Senthil Kumaraiah, learned counsel appearing for the first respondent and Mr.A.Swaminathan, learned counsel appearing for the second respondent.

2. The appellant filed the writ petition praying for a direction upon the respondents to pay interest at the rate of 18% per annum for the belated payment of petitioner's terminal benefits including Gratuity, Terminal Leave Salary, Provident Fund and Commuted Value of Pension from the date of his retirement to till the date on which the benefits are settled.

3. Identical issue was considered by us in W.A(MD).Nos.1349 and 1350 of 2021, dated 12.07.2021. In the said case also the writ petition filed by the workmen for similar relief was dismissed. We have allowed the appeal filed by the workman in part by assigning the following reasons:

> "The appellants who are the retired workmen of the respondent Corporation are not aggrieved by the entirety of the impugned order, but only insofar as it has declined the payment of interest on the belated payment of Provident Fund and Earned Leave Salary. Undisputed facts are that the appellant V.Rajendran retired during June 2019 and the appellant S.Gnanasekaran retired in April 2019 and their retirement benefits were settled only on 30.01.2021. So far as the gratuity is concerned, since it is a reward for the past services and not a bounty, statutorily the respondent Corporation is bound to pay interest. Therefore, the learned Single Bench rightly directed for payment of interest at 6% p.a. on the belated payment of gratuity.
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> *5.So far as the Provident Fund and Earned Leave Salary are concerned, the learned Single Bench has denied the same on the ground of pandemic. This, in our considered view, is untenable because, the Provident Fund and Earned Leave Salary have also been held to be retirement benefits and any delay in settling the same would attract interest payable for the delay. The decision of the Hon'ble Supreme Court in* ***S.K.Dua*** *Vs.* ***State of Haryana and another in Civil Appeal No.184 of 2008 dated 09.01.2008,*** *will come to the aid and assistance of the appellants. Therefore, we are of the clear view that the delay in payment of Provident Fund and Earned Leave Salary also to be compensated by payment of interest, which we fix at 6% p.a. It is submitted before us that insofar as appellant Rajendran, the retirement benefits were settled 21 months after he retired and insofar as Gnanasekaran, it was settled after 19 months he retired from service.*
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> *6.In the light of the above, these Writ Appeals are allowed and that portion of the impugned orders*

declining grant of interest on belated payment of Provident Fund and Earned Leave Salary is set aside and the respondent Corporation is directed to pay interest at the rate of 6% p.a. for the period of delay. This direction be complied with within a period of six [6] weeks from the date of receipt of a copy this judgment. However, there shall be no order as to costs."

4. The case on hand is not different from the case referred supra. Therefore, applying the above decision, this **Writ Appeal is allowed** and the respondent is directed to pay interest at the rate of 6% per annum on the Terminal Leave Salary, Provident Fund and Commuted Value of Pension from the date of his retirement to till the date on which the benefits are settled to the appellant at the rate of 6% per annum.

5. This direction be complied with within a period of six weeks from the date of receipt of a copy of this judgment. No costs.

Sd/-

Assistant Registrar(CS-I)

// True Copy //

/ /2021

Sub Assistant Registrar(CS)

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Note: *In view of the present lock down owing to COVID-19 pandemic, a web copy of the order may be utilized for official purposes, but, ensuring that the copy of the order that is presented is the correct copy, shall be the responsibility of the advocate/litigant concerned.*

To:

1. The Managing Director,
   Tamil Nadu State Transport
   Corporation (Madurai) Ltd.,
   Madurai - 625 016.

2. The Administrator,
   Tamil Nadu State Transport Corporation
   Employees Pension Fund Trust,
   Thiruvalluvar Illam, Chennai – 02.

+1 CC to M/s.A.RAHUL, Advocate (SR-22390[F] dated 13/07/2021)

W.A.(MD)No.1354 of 2021
13.07.2021

PM(CO)
TR(20.07.2021) 3P 4C