



WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 04.02.2022

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THE HON'BLE MR.JUSTICE V.PARTHIBAN

W.P.NOS.1972 & 1973 OF 2022

C.Govindasamy ...Petitioner in W.P.No.1972 of 2022
A.Thennagathan ...Petitioner in W.P.No.1973 of 2022

Vs.

1. Tamil Nadu State Transport Corporation (Villupuram) Ltd.,
Represented by its Managing Director,
3/137, Salamedu,
Villupuram - 605 602.
2. The General Manager,
Tamil Nadu State Transport Corporation (Villupuram) Ltd.,
Vellore Region,
Rangapuram,
Vellore - 632 009. ...Respondents in all W.Ps

COMMON PRAYER:

Petition filed under Article 226 of the Constitution of India praying to issue a writ of Mandamus, directing the respondents to pay their interest at the rate of 6% per annum for the belated payment of their gratuity and earned leave salary.

For Petitioners .. Mr.V.Ajoy Khose
(in all W.Ps)

For Respondents .. Mr.G.Saravanakumar, (in all W.Ps)



COMMON ORDER

In these writ petitions, the prayer is for the grant of interest for the belated settlement of retirement benefits like P.F, Gratuity, and encashment of Earned Leave/sick leave etc. As a matter of fact, this Court, both Single Judges and Division Benches dealt with such prayer earlier for payment of interest for the belated settlement of retirement benefits to the retired transport employees.

2.The Courts have been granting payment of interest @ 4% or 6% as the case may be. In some cases, the Division Bench of this Court has granted 6% interest and in few other cases this Court has granted 4% interest. On the whole, this Court finds that, there is no consensus as to whether 4% or 6% to be granted in such matters where the employees have been settled their retirement benefits belatedly due to resource crunch faced by the State Corporation.

3. Today, when these writ petitions have been taken up for hearing, there was a clamour for claiming higher interest of 6 percent and it was also opposed by the counsel who is representing the corporation. According to him, in a recent decision of the learned Judge of this Court in W.P.No.23229 of 2021 dated 28.10.2021, after taking into account the various earlier orders, has granted only 4 percent interest. Per contra, the learned counsel Mr.V.Ajoy Khose would rely on a decision of the Division Bench of this Court in W.A.(MD).No.1349 & 1350 of 2021 dated 12.07.2021, wherein there was a direction to pay 6% interest. A learned Judge of this Court following the above Division Bench Judgment in Writ Appeal Nos.1349 & 1350 of 2021, in a batch of Writ Petitions in W.P.Nos.15636, 15640, 15647, 15651, 15654 & 15656 of 2021 dated 29.07.2021 has once again granted 6% interest for the delayed payments. One other learned Judge of this Court vide order dated 02.07.2021 in W.P.No.10553 of 2021 has ordered 6% interest. Therefore, learned counsel appearing on behalf of the petitioners would pray for 6% interest as majority of the judges have granted the same.

4.At this, learned counsel representing the Corporation submitted that already the Corporation has suffered huge losses due to Covid-19 situation prevailing in State for more than 20 months. The Corporation would be unable to mobilize and come up with funds to pay 6% interest. The Corporation is already facing severe financial strain, and unable to sustain itself and any further increase in the percentage of interest to be paid to the employees, it would result in severe financial burden on the corporation, which the Corporation would be unable to bear. The Corporation would also have to take into consideration the serving employees and the retiring employees also in future.



To

1. The Managing Director,
Tamil Nadu State Transport
Corporation (Villupuram) Ltd.,
3/137, Salamedu,
Villupuram - 605 602.

2. The General Manager,
Tamil Nadu State Transport
Corporation (Villupuram) Ltd.,
Vellore Region,
Rangapuram,
Vellore - 632 009.

+1cc to Mr.V.Ajoy Khose, Advocate, S.R.No.7107

W.P.Nos.1972 & 1973 of 2022

RK(CO)
PM/17/02/2022