IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED:02.02.2022

CORAM

THE HON'BLE MR.JUSTICE V.PARTHIBAN

W.P.NO.6203 OF 2020

V.K.Purushothaman
...Petitioner

Vs.

1. State Express Transport Corporation Ltd., Represented by its Managing Director, No.2, Pallavan Salai, Chennai - 600 002.

2. Tamil Nadu State Transport Corporation, Employees Pension Fund Trust, Represented by its Adminstrator, Pallavan Salai, Chennai - 600 002.

...Respondents

PRAYER: Petition filed under Article 226 of the Constitution of India praying to issue a writ of Mandamus directing the respondents to settle a sum of Rs.18,450/- towards PRBS and a sum of Rs.1,000/- towards Erode Engineering College and Perunthurai Medical College and the interest amount of Rs.3,45,750/- for belated settlement of terminal benefits of Rs.21,00,000/- settled towards Gratuity, and Provident Fund by considering the petitioner representation dated 19.09.2019.

For Petitioner	..	Mr.D.Soundar raj
For Respondents	..	Mr.K.Kathiresan (for R.1) Mr.C.S.K.Sathish Standing Counsel (for R.2)

ORDER

In this writ petition, 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 this writ petition has been taken up for hearing, there was a clamour for claiming higher interest of 6 percent and it was also opposed by the counsels who are representing the Corporation. According to them 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.D.Soundar raj, 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 No.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 payment. 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 counsels appearing on behalf of the petitioners would pray for 6% interest as majority of the judges have granted the same.

4.At this learned counsels representing the Corporation uniformly 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 are 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. Therefore, a passionate request has been made before this Court for grant of 4% interest which should be reasonable and fair to compensate belated payment made to the retired employees.

5. In consideration of the request emanating from the learned Standing counsels for the Corporation, which appear to

this Court to be fair and reasonable considering the weak financial position of the Corporation, this Court persuaded the learned counsels appearing for the petitioners to accept 4% interest. The learned counsel for the petitioner has accepted 4% interest to be payable on the belated payment made to the petitioners. During the course of argument it is also agreed by both the counsels of the corporation that the 4% interest payable would be settled in one lump-sum, if 8 weeks time is granted to the Corporation.

6.In view of the consensus being reached by the parties, this writ petition stands disposed of with the following directions;

> The Corporation is directed to pay 4% interest to the employees who have been settled belatedly their retirement benefits within a period of 8 weeks from the receipt of copy of order of this Court. In case, some of the employees who have not been settled their portion of the retirement benefits as such are also entitled to be paid 4% interest till they receive the actual retirement benefits in full.
>
> Those payment would also carry 4% till the date it is fully released by the corporation. The interest of 4% would cover the period of 8 weeks from the date of receipt of copy of this order.
>
> Any further default of the payment by the corporation, the interest would be enhanced to 6 percent after the expiry of 8 weeks of period of time and such percentage would become payable till the entire amounts are settled to the employees concerned.

7.The Writ Petition stands disposed of accordingly. No costs.

Sd/-
Assistant Registrar(CO)

//True Copy//

Sub Assistant Registrar

mrm

To

1. State Express Transport Corporation Ltd.,

Represented by its Managing Director,
No.2, Pallavan Salai, Chennai - 600 002.

2. Tamil Nadu State Transport Corporation,
Employees Pension Fund Trust,
Represented by its Adminstrator,
Pallavan Salai,
Chennai - 600 002.

+1cc to M/s.K.Kathiresan, Advocate, S.R.No.6374

+1cc to M/s.D.Soundar Raj, Advocate, S.R.No.6766 [26/04/2022]

W.P.No.6203 of 2020

SSN(CO)
RLP(21/02/2022)