



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 31.03.2022

CORAM:

WEB COPY

THE HONOURABLE MR.JUSTICE KRISHNAN RAMASAMY

W.P.[MD]No.5772 of 2022

K.Premkumar

... Petitioner

Vs.

The Management of Tamilnadu State Transport
Corporation (Thirunelveli) Ltd.,
Thirunelveli Region,
Rep. by its General Manager,
Thirunelveli.

... Respondent

PRAYER : This Writ Petition is filed under Article 226 of Constitution of India for issuance of Writ of Mandamus, to direct the respondent to pay interest at the rate of 18% per annum, for the period of delay from 01.09.2018 to 21.09.2019, in paying the amounts paid towards the terminal benefits of the petitioner namely EPF Employee's Contribution, Gratuity and Encashment of Earned 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.S.Arunachalam
For Respondent	: Mr.R.Rajamohan

O R D E R

Seeking a direction to the respondent to settle interest at the rate of 18% per annum for the belated payment of petitioner's terminal benefits namely EPF Employee's Contribution, Gratuity and Encashment of Earned Leaves, from the date of his retirement to till the date on which the said benefits were settled to him, the petitioner is before this Court with the present writ petition.

2.By consent of both sides, the writ petition itself is taken up for final disposal at the stage of admission itself.

3.According to the petitioner, he was working as Special Grade Tradesman in the respondent corporation. Though he retired on 31.03.2019, he was not attaining the age of superannuation, his retirement



benefits were settled belatedly. Hence, the petitioner has made a representation to the respondent on 22.11.2021, for interest on the belated payment of the terminal benefits. Since the said representation has not been considered so far, the petitioner is before this Court.

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4. In this regard, the learned counsel for the petitioner referred to the Division Bench judgment of this Court made in W.A. (MD) Nos.1883 to 1892 of 2021 dated 04.10.2021. Referring to the said judgment, he would submit that the petitioner is entitled to 6% interest.

5. The learned counsel for the respondent submitted that due to financial crisis they may be permitted to pay the interest on the belated payment in monthly instalments.

6. Admittedly, the petitioner was retired from service on 31.08.2018, on attaining the age of superannuation. However, his retirement benefits were settled belatedly.

7. The Division Bench of this Court in the case cited supra has held as follows:

"8. When the appellant is liable to pay the surrender leave salary on the retirement of their employees, the delay in making payment of the leave salary is solely because of the appellants' inaction. The first respondent writ petitioner cannot be penalized for the wrong done by the appellant. Hence, the award of 6% interest on the surrender leave salary by the learned single Judge is perfectly correct. We do not find any ground to interfere with the orders passed by the learned single Judge. The writ appeals are devoid of merits and the same are dismissed. However, we make it clear that the reliefs granted by the learned single Judge in the writ petitions are confined only to the first respondent/writ petitioners, who have filed the writ petitions. No costs. Consequently, connected miscellaneous Petitions are closed."

8. As held by the Hon'ble Division Bench of this Court, when there is a delay in payment of retirement benefits, the employee is entitled for payment along with interest.

9. In view of the above, this Court is of the view that the petitioner is entitled for the interest at the rate of 6% per annum. Therefore, this Court directs the respondent to pay interest at the rate of 6% per annum for the belated retirement benefits namely EPF Employee's Contribution, Gratuity and Encashment of Service from the date of his retirement till the date on



which the said terminal benefits were settled to him, on or before 31.07.2022, failing which, the Managing Director or the General Manager (Chief Finance Officer) shall appear before this Court.

10.The Writ Petition is disposed of with the above direction.
No costs.

11.Post this matter on **04.08.2022** 'for reporting compliance'.

Sd/-

Assistant Registrar (CO)

// True Copy //

/ /2022

Sub Assistant Registrar(CS)

cp

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:-

The General Manager,
The Management of Tamilnadu State Transport
Corporation (Thirunelveli) Ltd.,
Thirunelveli Region,
Thirunelveli.

Copy to

The Section Officer,
Writ Section,
Madurai Bench of Madras High Court,
Madurai.

W.P. [MD]No.5772 of 2022
31.03.2022

PA(11.04.2022) 3P 3C