



W.P.No.4871 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 22.02.2023

CORAM:

**THE HONOURABLE MR. JUSTICE M.S. RAMESH**

**W.P.No.4871 of 2023**

V.Arivazhagan

...Petitioner

Vs

1. Tamil Nadu State Transport  
Corporation (Salem) Ltd.,  
Rep. by its Managing Director,  
No.12, Ramakrishna Road,  
Salem - 7.

2. Tamil Nadu State Transport  
Corporation Employees' Pension Fund Trust,  
Rep. by its Administrator,  
Thiruvalluvar Illam, Pallavan Salai,  
Chennai - 600 002.

...Respondents

**PRAYER:** Writ Petition filed under Article 226 of the Constitution of India to issue a Writ of Mandamus, directing the respondents to pay the petitioner interest at the rate of 12% per annum for the belated payment of his PF, gratuity, commuted value of pension and earned leave salary, to pay the amounts towards 15 day of earned leave surrendered by the petitioner, while he was in service and to settle the amounts payable under the Social Security Scheme, Family Benefit Fund, IRT



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Contributions and to refund of contributions under the Post Retirement Benefit Scheme, together with interest at the rate of 12% within a specified time.

For Petitioner : Mr.V.Ajoy Khose

For Respondents : Mr.K.Raja

### **ORDER**

With the consent of both the parties, this writ petition is taken up for final disposal at the admission stage itself.

2. Aggrieved against the belated settlement of the terminal benefits and the non-settlement of surrender leave salary, the petitioner has claimed interest on the belated payment in this Writ Petition.

3. Insofar as the petitioner's claim for interest on the belated payment of terminal benefits is concerned, this Court has passed various orders, justifying the payment of interest to the aggrieved pensioners and in the case of ***S.P.Ramasamy Vs. The Managing Director, Tamil Nadu State Transport Corporation (Kumbakonam) Ltd. and others*** passed in



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***W.P.(MD).No.26481 of 2019, dated 13.12.2019,*** the following order came to be passed:-

*"5.I am not in agreement with the said representation made. There was already a duty cast on the respondent Corporation to pay the terminal benefits on the date of retirement itself and the very fact that the belated disbursement of retirement benefit, had already put the retired employee to serious prejudice, entertaining the present request for disbursement of the interest on the belated payment in installments, could cause further prejudice to the retired employee. 6.In the light of the above observations, there shall be a direction to the respondent/Corporation to pay the penal interest at the rate of 6% per annum on the belated payment of the retirement benefits for the period from the date of the retirement, till the date of actual disbursement, as expeditiously as possible and in any event, not before the expiry of three months from the date of receipt of a copy of this order."*

4. This Court is of the view that the first respondent herein could be directed to pay the interest on the belated payment of the terminal



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benefits, at the rate of 6% per annum, as ordered in the above Writ Petition.

5. Insofar as the petitioner's claim for payment of surrender leave salary is concerned, this Court, in the case of ***N.R.Suresh Babu vs. The Principal Secretary to Government and another passed in WP(MD)No.3757 of 2021 dated 26.02.2021***, had directed the Transport Corporation to settle the surrender leave salary, together with interest at the rate of 6% per annum from the date of his retirement till the date of actual disbursement, in six equal monthly installments. The relevant portion of the order reads as follows:

*"9.Accordingly, there shall be a direction to the second respondent herein to settle the surrender leave salary for 105 days, in respect of the years 2009-2016, together with interest at the rate of 6% per annum from the date of retirement till the date of actual disbursement. The second respondent shall be entitled to disburse the surrender leave salary in six Equal Monthly Installments and the 1st Installment shall commence from 1<sup>st</sup> of March 2021."*



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The aforesaid order came to be confirmed by the Hon'ble Division Bench of this Court in a Judgment passed in W.A.(MD).Nos.1883 to 1892 of 2021, dated 04.10.2021.

6. In view of the aforesaid orders passed by this Court, the petitioner herein would be entitled for claim of surrender leave salary, together with interest at the rate of 6% per annum payable from the date of his retirement till the date of actual disbursement.

7. In the light of the above findings, there shall be a direction to the first respondent herein to pay interest on the belated payment of the terminal benefits and the surrender leave salary to the petitioner, at the rate of 6% per annum, commencing from the date of his retirement, till the date of actual disbursement, within a period of eight weeks from the date of receipt of a copy of this order.



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**M.S.RAMESH,J.**

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8. Accordingly, the Writ Petition stands ordered. No costs.

**22.02.2023**

Index: Yes/No

Speaking order/Non-speaking order

hvk

To

1.The Managing Director,  
Tamil Nadu State Transport  
Corporation (Salem) Ltd.,  
No.12, Ramakrishna Road,  
Salem - 7.

2.The Administrator,  
Tamil Nadu State Transport  
Corporation Employees' Pension Fund Trust,  
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