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W.P.No.8276 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 10.10.2023

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THE HONOURABLE MS. JUSTICE R.N.MANJULA

W.P.No.8276 of 2021

P.Kandasamy

... Petitioner

Vs.

1. The Tamil Nadu State Transport Corporation
(Salem) Limited,
Represented by its Managing Director,
Ramakrishna Road,
Salem.

2. The General Manager,
The Tamil Nadu State Transport Corporation
(Salem) Limited,
Dharmapuri.

3. The Administrator,
The Tamil Nadu State Transport Corporation
Employees Pension Fund Trust,
Thiruvalluvar House, Anna 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 settle the
surrender leave salary of 16 days to the petitioner for the years 2010 to
2018 and EEC & PMC share amount, Social Welfare amount and



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Retirement benefit scheme amount (RBS) along with interest at the rate of 18% per annum from the date of due till the date of payment and also further direct the respondents to pay interest at the rate of 18 % per annum for the belated settlement of PF, Gratuity, Leave Salary and commuted value of pension from the date of retirement till the date of payment.

For Petitioner : Mr.D.Senthilkumar
For Respondents : Mr.R.Babu,
Standing counsel for TNSTC
for R1 & R2
Mr.C.S.K.Sathish
for R3

ORDER

The petitioner has filed this Writ Petition seeking to issue a direction to the respondents to settle the surrender leave salary of 16 days to the petitioner for the years 2010 to 2018 and EEC & PMC share amount, Social Welfare amount, and Retirement benefit scheme amount (RBS) along with interest at the rate of 18% per annum from the date of due till the date of payment and also further direct the respondents to pay interest at the rate of 18 % per annum for the belated settlement of PF, Gratuity, Leave Salary and commuted value of pension from the date of



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retirement till the date of payment.

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2. Heard Mr.D.Senthilkumar, learned counsel for the petitioner, Mr.R.Babu, learned Standing counsel for R1 & R2 and Mr.C.S.K.Sathish, learned counsel appearing for the third respondent.

3. The petitioner was appointed as a Record Clerk in the Tamil Nadu State Transport Corporation on 28.05.1986 and retired from service on 30.06.2018. The retirement benefits of the petitioner have been settled to him after an inordinate delay. Any delay in settling the same will entitle the petitioner to claim interest for the period during which, the delay is caused.

4. Learned counsel for the petitioner attracted the attention of this Court to similar such orders made in W.P(MD).No.22 of 2021 to canvass his point that awarding interest for the delay in settlement is considered by this Court every now and then. The relevant portion of the said order is extracted hereunder :-



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" 8.In all the decisions cited by the learned Standing Counsel, both the Division Bench, as well as the learned Single Judges, there is no discussion with regard to the non entitlement of the interest. Since there is no dictum laid down in any of the decisions to the effect that the employees will not be entitled for interest on belated payment of earned leave, I am unable to accept these submissions made by the learned Standing Counsel.

9.Accordingly, there shall be a direction to the respondents herein to settle the surrender leave salary for 137 days, in respect of the years 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017 and 2017-2018, together with interest at the rate of 6% per annum from the date of retirement till the date of actual disbursement. The respondents shall be entitled to disburse the surrender leave salary in six Equal Monthly Installments and the 1 st Installment shall commence from 1st of March 2021."

He further relied upon the judgment made in W.P.(MD).No.19949 of 2020 dated 04.01.2021, wherein, this Court had held as under :-

"3.In an identical issues, this Court has passed



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various orders, justifying the payment of interest to the aggrieved pensioners and in the order dated 13.12.2019 in W.P.(MD).No.26481 of 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



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respondents could be directed to pay the interest on the belated payment, at the rate of 6% per annum, as ordered in the above Writ Petition.”

5. The above rationale is applicable to the facts in hand, wherein, the petitioner, who is entitled to get retirement benefits on 30.06.2018, had received his benefits only on 22.09.2019, which is tabulated hereunder :-

Sl.No	Particulars	Amount	Date of Settlement	Delay
1.	Provident Fund	Rs.6,79,822/-	22.09.2019	450
2.	EL Encashment	Rs.5,27,739/-	22.09.2019	450
3.	Gratuity	Rs.11,43,748/-	22.09.2019	450
4.	Commutated value of Pension	Rs.9,69,362/-	22.09.2019	450

6. Learned counsel appearing for the respondents did not deny the fact that there is a delay involved in settling the terminal benefits to the petitioner as stated in the above table.

7. Since the retirement benefits are the last source of income for an



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employee and each Government employee is depending on such payment to meet out many of his major commitments, delay in settling the amount would have caused huge mental agony and loss to the petitioner.

8. Taking into consideration of the above aspects, I feel that the petitioner should be properly compensated by way of awarding interest with surrender leave salary settlement and also for the period during which the delay was made in settling with the terminal benefits.

9. Accordingly, there shall be a direction to the respondents herein to settle the surrender leave salary for 16 days, in respect of the years from 2010 to 2018, together with interest at the rate of 4% per annum from the date of retirement till the date of actual disbursement and also the respondents shall pay the interest to the petitioner at the rate of 4 % per annum on the belated payment of the retirement benefits from the date of retirement till the date of actual disbursement, within a period of **twelve weeks** from the date of receipt of a copy of this order.



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10. With these observations, this Writ Petition stands disposed of.

No costs.

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Index : Yes / No

Speaking / Non-speaking

Neutral Citation : Yes / No

To

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R.N.MANJULA, J.

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