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W.P.No.15575 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 17.10.2023

CORAM

**THE HONOURABLE MS. JUSTICE R.N.MANJULA**

**W.P.No.15575 of 2021**

S.Kalidasan

... Petitioner

Vs.

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

2.The General Manager,  
The Tamil Nadu State Transport Corporation  
(Salem) Limited,  
Salem Region, Ramakrishna Road, Salem.

3.The Chief Financial Advisor cum Chief  
Accounts Officer,  
The Tamil Nadu State Transport Corporation  
(Salem) Limited,  
Ramakrishna Road, Salem.

... Respondents

**Prayer :** Writ Petition is filed under Article 226 of the Constitution of India, to issue a Writ of Mandamus to direct the respondents to pay the Retirement Benefit Scheme amount, share amount of Erode Engineering College(EEC) & Perundurai Medical College(PMC) and Social Security Scheme amount and also along with interest at the rate of 18% per annum for the belated payment of retirement benefits including Provident Fund,



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Leave Salary, Gratuity amount, share amount of Erode Engineering College(EEC) & Perundurai Medical College(PMC), Retirement Benefit Scheme amount and Social Security Scheme amount within the time limit that may be fixed by this Court.

For Petitioner : Mr.Ilamvaludhi for  
Mr.D.Senthilkumar

For Respondents : Mr.R.Babu 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 pay the Retirement Benefit Scheme amount, share amount of Erode Engineering College(EEC) & Perundurai Medical College(PMC) and Social Security Scheme amount and also along with interest at the rate of 18% per annum for the belated payment of retirement benefits including Provident Fund, Leave Salary, Gratuity amount, share amount of Erode Engineering College(EEC) & Perundurai Medical College(PMC), Retirement Benefit Scheme amount and Social Security Scheme amount within the time limit that may be fixed by this Court.



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2. Heard Mr.Ilamvaludhi, 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 Conductor in the Tamil Nadu State Transport Corporation on 22.05.1987 and retired from service on 31.05.2019. 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 :-

*" 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*



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*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<sup>st</sup> Installment shall commence from 1<sup>st</sup> of March 2021."*

5. 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 various orders, justifying the payment of interest to the aggrieved pensioners and in the order dated 13.12.2019*



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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 respondents could be directed to pay the interest on the belated payment, at the rate of 6% per*



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*annum, as ordered in the above Writ Petition.”*

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6. The above rationale is applicable to the facts in hand, wherein, the petitioner, who is entitled to get retirement benefits on 31.05.2019, had received his benefits only on 22.01.2021, which is tabulated hereunder :-

| Sl.No | Particulars                         | Amount                | Date of Settlement | Delay |
|-------|-------------------------------------|-----------------------|--------------------|-------|
| 1.    | Provident Fund                      | Rs.9,99,483/-         | 22.01.2021         | 602   |
| 2.    | EL Encashment                       | Rs.5,22,841/-         | 22.01.2021         | 602   |
| 3.    | Gratuity                            | Rs.10,58,658/-        | 22.01.2021         | 602   |
| 4.    | Retirement Benefit Schemes Amount   | Not settled till date | -                  | -     |
| 5.    | EEC & PMC share amount              | Not settled till date | -                  | -     |
| 6.    | Social Security Scheme amount (SSS) | Not settled till date | -                  | -     |

7. 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.



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

9. Taking into consideration of the above aspects, I feel that the petitioner should be properly compensated by way of awarding interest for the period during which the delay was made in settling the terminal benefits.

10. Accordingly, there shall be a direction to the respondents herein to settle the Retirement Benefit Scheme amount, share amount of Erode Engineering College(EEC) & Perundurai Medical College(PMC) and Social Security Scheme amount along with interest at the rate of 4% per annum and also the respondents shall pay the interest to the petitioner at the rate of 4% per annum on the the belated payment of retirement benefits viz., Provident Fund, Leave Salary, Gratuity amount from the date of retirement till the date of actual disbursement, within a period of



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twelve weeks.

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11. With these observations, this Writ Petition is disposed and the respondents are directed to settle the Retirement Benefit Scheme amount, share amount of Erode Engineering College(EEC) & Perundurai Medical College(PMC) and Social Security Scheme amount along with interest at the rate of 4% per annum from the date of retirement till the date of disbursement and also the respondents shall pay the interest to the petitioner at the rate of 4% per annum on the the belated payment of retirement benefits viz., Provident Fund, Leave Salary, Gratuity amount 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..

No costs.

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Index : Yes / No

Internet : Yes

To



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**R.N.MANJULA, J.**

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