BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 07.03.2023

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THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN

W.P(MD)No.4896 of 2023

S.Seenivasan ... Petitioner

Vs.

1.The Managing Director,
Tamil Nadu State Transport Corporation (Madurai) Ltd.,
Bye-Pass Road, Madurai-16.

2.The General Manager,
Tamil Nadu State Transport Corporation (Madurai) Ltd.,
Virudhunagar Region,
Virudhunagar.

3.The Administrator,
Tamil Nadu State Transport Corporation Employees Pension
Fund Trust, Thiruvalluvar Illam, Pallavan Salai,
Chennai-2. ... Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus, to direct the respondents to settle the belated payment interest at the rate of 18% per annum on the delayed payment of Retirement Benefits such as Provident Fund Rs.15,85,745/-, Gratuity Rs.11,38,320, Leave Salary Rs.4,99,171/- and Commutation Rs. 8,97,131/- Leave Salary Rs.4,99,171/- and Commutation Rs.8,97,131/- from the date of retirement on 31.05.2020 till the date of settlement on 01.12.2022.

For Petitioner : Mr.S.Govindan

For Respondents : Mr.S.Gladsonmicheal Rajadurai
Standing Counsel for R1 & R2
: Mr.S.C.Herold Singh
Standing Counsel for R3

ORDER

Heard the learned counsel on either side.

2. The respondents are directed to pay interest at the rate of 6% per annum on the belated settlement of the petition mentioned benefits to the petitioner within a period of twelve weeks from the date of receipt of a copy of this order.

3. It is true that one of the components of the petition mentioned benefits includes commutation also.

4. The learned Standing Counsel submitted that this Court may not award interest for the belated settlement of the commutation amount.

5. The learned counsel appearing for the petitioner draws my attention to the order dated W.A.(MD)No.403 of 2010 etc., batch (The Managing Director Vs. A.Thambi Raj). Paragraph No.7 of the said order reads as follows:-

> "7.Be we do not agree, as the payment of interest on delayed settlement of terminal benefits cannot be thought to be by way of penalty. It is actually for compensating the employees for the depreciation in the value of money and also for the opportunity lost by them in not being able to invest such amount in whatever from they wanted to. The concept of payment of interest can be traced to the common law of contracts. It is based upon the principle of "unjust enrichment" and

> also on the principle of "opportunity lost" for a person whose money is retained even unintentionally by somebody else. Hence, the second contention is also rejected."

6. The aforesaid decision clearly answers the contention advanced by the learned standing counsel.

7. The writ petition is allowed on these terms. No costs.

07.03.2023

Index : Yes / No
Internet : Yes/ No
rmi

G.R.SWAMINATHAN, J.

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