



W.P(MD)No.5112 of 2023

WEB COPY

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 27.04.2023

CORAM

THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN

W.P(MD)No.5112 of 2023

G.T.Sheela Jayanthi

... Petitioner

Vs

1.The General Manager,
Tamil Nadu State Transport Corporation,
(Kumbakonam) Limited,
No.27, New Railway Station Road,
Kumbakonam,
Thanjavur District – 612 001.

2.The Special Officer,
Tamil Nadu State Transport Corporation,
(Kumbakonam) Limited,
Employees Co-op Thrift and Credit Society
Limited No.O.K.879,
Kumbakonam.

... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Mandamus, directing the first respondent to pay a sum of Rs.2,12,195/- along with 18 percent interest from the date of payment made by the petitioner ie. 25.01.2021 to the second respondent which was recovered by the first respondent from the petitioner on 17.07.2019.



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For Petitioner : Mr.P.Manoharan

For Respondents : Mr.K.Jagadees Balan
Standing Counsel

ORDER

Heard the learned counsel on either side.

2. The petitioner was employed in the first respondent Corporation. She retired on 23.03.2019 under voluntarily retirement scheme. The petitioner had availed loan from the second respondent. The Management withheld a sum of Rs.1,94,090/- (Rupees One Lakh Ninety Four Thousand and Ninety only) while settling the petitioner's retiral benefits on the ground that the Management has to settle the petitioner's loan liability. Unfortunately, the Management failed to settle the loan liability. The second respondent issued notice to the petitioner. A co-employee has acted as surety for the petitioner. Left with no other option, the petitioner had to pay a sum of Rs.2,12,195/- (Rupees Two Lakhs Twelve Thousand One Hundred and Ninety Five only) to the society / the second respondent. While the loan liability was Rs.1,71,000/- (Rupees One Lakh Seventy One Thousand only) the petitioner has to pay penal interest to the tune of Rs.41,195/- (Rupees Forty One Thousand One Hundred and Ninety Five only). This was on 25.01.2021. The petitioner has filed this writ petition for



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directing the Management to pay the withheld amount together with interest at the rate of 18% per annum.

3. The learned counsel appearing for the petitioner relies on the decision of the Hon'ble Apex Court made in Civil Appeal No.689 of 2000 (***Vijay L.Mehrotra Vs State of Uttar Pradesh & Others***) dated 31.01.2000. The Hon'ble Apex Court directed the state to pay interest at 18% per annum on belated settlement of the retiral benefits.

4. Though 18% used to be awarded earlier, the interest rate conditions have vastly changed. This Court has been granting interest only at the rate of 6% per annum on belated payment. In the Principal Seat, only 4 % is awarded. In the case on hand, the learned counsel appearing for the petitioner is justified in his contention that the loss suffered by the petitioner on account of the Management's deliberate failure in not settling the loan liability has to be made good. After the writ petition was filed, a sum of Rs.1,94,090/-(Rupees One Lakh Ninety Four Thousand and Ninety only) was paid to the petitioner by way of cheque on 15.04.2023. The petitioner had to pay a sum of Rs.2,12,195/- (Rupees Two Lakhs Twelve Thousand One Hundred and Ninety Five only) in January 2021 itself. We are now in April 2023. I therefore direct the first respondent Management to pay a further sum of Rs.25,000/- (Rupees Twenty



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Five Thousand only) to the petitioner within a period of three weeks from the date of receipt of a copy of this order.

5. This writ petition is allowed on these terms. There shall be no order as to costs.

27.04.2023

Index : Yes / No
Internet : Yes / No
NCC : Yes / No
MGA

To

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G.R.SWAMINATHAN, J.

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