



W.P.(MD).No.16006 of 2023

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 04.07.2023

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THE HONOURABLE MRS.JUSTICE L.VICTORIA GOWRI

W.P.(MD).No.16006 of 2023

R.Manoharan

... Petitioner

Vs.

1.The Managing Director,
Tamil Nadu State Transport Corporation
(TVL) Ltd.,
23/2, Thoothukudi Road,
Kattabomman Nagar,
Tirunelveli District-627 007.

2.The General Manager,
Tamil Nadu State Transport Corporation
(TVL) Ltd.,
Tirunelveli Region,
Tirunelveli District-627 007.

... Respondent

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus, directing the respondents to disburse interest at the rate of 6% for the belated payment of retirement benefits Gratuity, Provident Fund and Leave Salary.

For Petitioner : Mr.K.Gokul



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For Respondent : Mr.D.Jebaraj
Standing Counsel

ORDER

The present writ petition has been filed seeking direction to the respondents to disburse interest at the rate of 6% for the belated payment of retirement benefits Gratuity, Provident Fund and Leave Salary.

2. The petitioner was appointed as a Conductor in respondent corporation on 01.04.1994. After completing 28 years of service, he retired from service as a Selection Grade Conductor on 31.05.2022 on his age of superannuation. After he retired from service, the respondent disbursed his retirement benefits namely gratuity, provident fund and leave salary on 31.05.2023 belatedly after a period of 13 months and the respondent corporation also failed to give interest for the said period. Hence, the respondent corporation is liable to pay the interest for which the petitioner sent a representation through RPAD on 10.06.2023. The respondents failed to take effective steps to disburse the interest at the rate of 6% for gratuity, provident fund and leave salary. Since his representation was not considered, this writ petition came to be filed.



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3. The Hon'ble Division Bench vide order, dated 18.03.2014 in W.A. (MD)Nos.403 of 2010 etc. batch had held as follows:-

“12. There are few employees who have come up with review applications on the ground that though by the previous orders passed in the writ appeals of the Corporation, the Corporation was directed to pay interest, no time limit was fixed for eventual payment. There are few other employees who have come up with writ petitions seeking for a direction to pay the balance gratuity and other retirement benefits within a time frame, by considering their representations. Some other employees have come up with writ appeals in W.A.(MD)Nos.15 to 27 of 2010 in this respect. But we do not think that a time limit could be fixed. We are in agreement with the orders of the learned single Judges directing payment of interest. A few Judges have granted interest at 6% p.a., and a few Judges have granted interest at 9% p.a. Taking into account the overall facts and circumstances, and the precarious position in which the corporation is now placed, we are of the view that application of uniform rate of interest at 6% would suffice. There is one more reason for us to arrive at this conclusion. The persons in whose favour only interest at 6% was allowed, have not come up with a prayer for awarding interest at 9%. Therefore, if we do not apply an uniform rate, a few persons will get 6% and a few persons will get 9%. Such a disparity created by Court has to be



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levelled. Therefore, while dismissing the writ appeals filed by the Corporation, we direct the Corporation to apply uniform rate of interest at 6% p.a., and make disbursements in accordance with seniority. Though we do not wish to fix a time limit for the Corporation to make payment, in view of the condition in which the Corporation is placed, we are of the view that in their own interest, the Corporation should settle the benefits as soon as possible, so that further liability of interest can be avoided.”

4. In addition to that, this Court has passed an order in W.P(MD)No.4866 of 2023 has held as follows:

“7. I am therefore of the view that fixing the rate of 6% would be not only just and equitable but also in consonance with the law laid down by the Hon'ble Division Bench. My attention has also been drawn to yet another order dated 22.07.2021 in W.A. (MD)No.1413 of 2021 in which, it has been held that the Corporation must pay interest at the rate of 6% per annum for the period of delay.

8. The Writ Petition is allowed by directing the respondent management to pay interest at the rate of 6% per annum for the belated settlement of the petitioner's terminal benefits. This shall be done within a period of three months from the date of receipt of a copy of this order. No costs.”



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5. In view of the same, this Court directs the respondent management to pay interest at the rate of 6% per annum for the belated settlement of the petitioner's terminal benefits. The said exercise shall be completed within a period of twelve (12) weeks from the date of receipt of a copy of this order.

6. This Writ Petition stands disposed of. No costs.

04.07.2023

NCC : No
Index : No
Internet : No

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To

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L.VICTORIA GOWRI, J.

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