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W.P. Nos.24625 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.01.2024

CORAM

THE HONOURABLE MS. JUSTICE R. N. MANJULA

W.P. Nos.24625 of 2021

M.Udaykumar

...Petitioner

Vs.

- 1.The Managing Director,
Tamil Nadu State Transport Corporation,
(Villupuram) Limited,
Vazhuthareddy,
Villupuram-605 602.
- 2.The General Manager,
Tamil Nadu State Transport Corporation,
(Villupuram) Limited,
Kanchipuram Division,
Karaipettai,
Kanchipuram -631 552.
- 3.The Administrator,
Tamil Nadu State Transport Corporation,
Employees Post Retirement Welfare Fund Scheme,
Thiruvalluvar House, Pallavan Salai,
Chennai-600 002.

... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for the issuance of a writ of mandamus, directing the respondents to pay the interest amount for Rs.10,35,167/- for the petitioner's delayed payment of Gratuity amount, Commutation amount, Encashment of leave amount and salary for 11 days from 21.05.2018 to 31.05.2018 and also salary for worked on



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73-1/2 Medical leave days with 6% interest per annum till the date of payment, as per the petitioner's representation dated 22.01.2021.

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For Petitioner : Mr.R.Anbalagan

For Respondents : Mr.T.Chandrasekaran
for respondents 1 and 2
third respondent - No appearance

ORDER

The writ petition is filed for the issuance of a writ of mandamus, directing the respondents to pay the interest amount for Rs.10,35,167/- for the petitioner's delayed payment of Gratuity amount, Commutation amount, Encashment of leave amount and salary for 11 days from 21.05.2018 to 31.05.2018 and also salary for the 73-1/2 Medical leave days with 6% interest per annum till the date of payment, as per the petitioner's representation dated 22.02.2021.

2. Heard Mr.R.Anbalagan, learned counsel for the petitioner and Mr.T.Chandrasekaran, learned counsel for the respondents 1 and 2.

3. The petitioner was appointed as Driver in the Tamil Nadu State Transport Corporation on 04.06.1999 and retired from service on attaining the age of superannuation on 31.05.2018. 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 was 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 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."



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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 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 annum, as ordered in the above Writ Petition.”



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6. The above rationale is applicable to the facts on hand, wherein, the petitioner, who is entitled to get retirement benefits on 31.05.2018, had received his benefits only on 19.09.2019.

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

8. Since the retirement benefits are the important source of income for an employee and each retired Government employee depends on such payment to meet out many of their major commitments, delay in settling the said amount would have caused huge mental agony 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 on the delayed E.L. encashment, gratuity, commutation, etc.



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10. Accordingly, there shall be a direction to the respondents herein to pay the statutory interest at the rate of 10 % per annum on the gratuity amount, from the date of retirement till the date of actual disbursement. With regard to the other retirement benefits including the salary for 11 days for the period from 21.05.2018 to 31.05.2018, the respondents shall pay interest at the rate of 6 % per annum on the belated payment of those 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.

11. With these observations, this Writ Petition stands disposed of. There shall be no order as to costs.

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Index : Yes / No
Internet : Yes/ No
mrn



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R. N. MANJULA, J.

(mrn)

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