BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 22.04.2024

CORAM :

THE HONOURABLE MR.JUSTICE K.MURALI SHANKAR

W.P(MD)No.9656 of 2024

B.Ulaganathan : Petitioner

Vs.

1.The General Manager,
Tamil Nadu State Transport Corporation (Madurai) Ltd.,
Dindigul Region, Dindigul.

2.The Administrator,
Tamil Nadu State Transport,
Corporation Employees Pension Fund Trust,
Thiruvalluvar Illam, Pallavan Salai,
Chennai 600 002. : Respondents

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 pay interest at the rate of 6% per annum, for the period of delay from 31.03.2020 to 07.02.2024 in paying the amounts paid towards the terminal benefits within a time frame as may be fixed by this Court.

For Petitioner : Mr.G.M.Xavier

For Respondents : Mr.K.Ramaiah,
Senior Counsel, for R1.

: Mr.S.C.Herold Singh, for R2.

ORDER

This Writ Petition has been filed seeking a Writ of Mandamus, directing the respondents to pay interest at the rate of 6% per annum, for the period of delay from 31.03.2020 to 07.02.2024 in paying the amounts paid towards the terminal benefits within a time frame as may be fixed by this Court.

2. It is not in dispute that the petitioner was working under the second respondent and got retirement on 31.03.2020, but he was given terminal benefits only on 07.02.2024 and that the respondents have not paid interest.

3. When the matter is taken up for hearing today, the learned counsel for the petitioner has relied on the judgment of Division Bench of this Court in W.A.(MD)No.1349 and 1350 of 2021, dated 12.07.2021, wherein the Hon'ble Division Bench has relied on the judgment of the Hon'ble Supreme Court in ***S.K.Dua Vs. State of Haryana and another*** in Civil Appeal No.184 of 2008, dated 09.01.2008, allowed the petition and the relevant passages are extracted hereunder :

"4.The appellants who are the retired workmen of the respondent Corporation are not aggrieved by the entirety of the impugned order, but only insofar as it has declined the payment of interest on the belated payment of Provident Fund and Earned Leave Salary. Undisputed facts are that the appellant V.Rajendran retired during June 2019 and the appellant S.Gnanasekaran retired in April 2019 and their retirement benefits were settled only on 30.01.2021. So far as the gratuity is concerned, since it is a reward for the past services and not a bounty, statutorily the respondent Corporation is bound to pay interest. Therefore, the learned Single Bench rightly directed for payment of interest at 6% p.a. on the belated payment of gratuity.

5. So far as the Provident Fund and Earned Leave Salary are concerned, the learned Single Bench has denied the same on the ground of pandemic. This, in our considered view, is untenable because, the Provident Fund and Earned Leave Salary have also been held to be retirement benefits and any delay in settling the same would attract interest payable for the delay. The decision of the Hon'ble Supreme Court in ***S.K.Dua Vs. State of Haryana and another in Civil Appeal No.184 of 2008 dated 09.01.2008****, will come to the aid and assistance of the appellants. Therefore, we are of the clear view that the* *delay in payment of Provident Fund and Earned Leave Salary also to be compensated by payment of interest, which we fix at 6% p.a. It is submitted before us that insofar as appellant Rajendran, the retirement benefits were settled 21 months after he retired and insofar as Gnanasekaran, it was settled after 19 months he retired from service.*

6. In the light of the above, these Writ Appeals are allowed and that portion of the impugned orders declining grant of interest on belated payment of Provident Fund and Earned Leave Salary is set aside and the respondent Corporation is directed to pay interest at the rate of 6% p.a. for the period of delay. This direction be complied with within a period of six [6] weeks from the date of receipt of a copy this judgment. However, there shall be no order as to costs."

4. The above decision is squarely applicable to the case on hand. The learned counsel for the respondents would also fairly concede the same.

5. Considering the above, this Court has no other option but to allow the petition. Accordingly, the Writ Petition is allowed and the

respondents are directed to pay interest at the rate of 6% per annum on the Provident Fund, Gratuity, Terminal Leave Salary from the date of his retirement to till the date on which the benefits are settled. No costs.

22.04.2024

NCC :Yes/No
Index :Yes/No
Internet : Yes/ No
das

K.MURALI SHANKAR, J

DAS

Order made in
W.P(MD)No.9656 of 2024

Dated : 22.04.2024