BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 10.12.2024

CORAM:

THE HONOURABLE MR.JUSTICE B.PUGALENDHI

W.P(MD)No.29654 of 2024

M.Ayyappa ... 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 31.01.2023 to 30.10.2024 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 R1	: Mr.Siva Balaji Standing Counsel
For R2	:Mr.S.C.Herold Singh Standing Counsel

ORDER

The petitioner, a retired Tradesman of the Tamil Nadu State Transport Corporation (Madurai) Ltd., has approached this Court that he was retired from service on 31.01.2023, however, his retirement benefits were settled to him belatedly on 30.10.2024. Therefore, the petitioner has approached this Court, seeking a Mandamus, directing the respondents to pay interest at the rate of 6% for the belated payment of terminal benefits.

2.The learned counsel appearing for the petitioner submits that this Court has already taken a decision, following the order of the Honourable Division Bench of this Court in WP(MD) No.21713 of 2021, dated 07.12.2021, directing the Transport Corporation to pay interest at the rate of 6% for the belated payment of terminal benefits.

3.Mr.Siva Balaji, learned Standing Counsel, who takes notice for the respondent Corporation has not disputed the same and submits that as against the order of this Court in WP(MD) No.21713 of 2021, they have not preferred any appeal.

4.This Court considered the rival submissions made and also perused the materials placed on record.

5.Admittedly, the terminal benefits due to the petitioner were settled to him belatedly. In this regard, this Court has already taken a decision that the retired employee is entitled for interest for the belated payment of terminal benefits, as per the dictum laid down by this Court as well as by the Honourable Apex Court in ***SK Dua Vs. State of Haryana***, reported in ***2008 3 SCC 44*** and the relevant portion is extracted as under:-

> *"6. The employer is liable to settle the retirement benefits without any delay and the belated payment is liable to be compensated by way of interest for the belated payment. In this regard, the Hon'ble Apex Court in S.K.Dua vs. State of Haryana reported in 2008 (3) SCC 44, has held as follows:*

"14. In the circumstances, prima facie, we are of the view that the grievance voiced by the appellant appears to be well founded that he would be entitled to interest on such benefits. If there are statutory rules occupying the field, the appellant could claim payment of interest relying on such rules. If there are administrative instructions, guidelines or norms prescribed for the purpose, the appellant may claim benefit of interest on that basis. But even in absence of statutory rules, administrative instructions or guidelines, an employee can claim interest under Part III of the Constitution relying on Articles 14, 19 and 21 of the Constitution. The submission of the learned counsel for the appellant, that retiral benefits are not in the nature of "bounty" is, in our opinion well founded and needs no authority in support thereof. In that view of the matter, in our considered opinion, the High Court was not right in dismissing the petition in living even without issuing notice to the respondents."

6.This Court has also relied upon the Judgment of the Honourable Division Bench of this Court in WA(MD) No.403 of 2010 etc., batch, dated 04.07.2014.

7.Since this Court has already decided the issue, this writ petition is allowed with a direction to the respondent/Transport Corporation to pay interest for the belated payment of retirement benefits at the rate of 6% p.a., from the date of retirement till the date of actual disbursement, within a period of six months from the date of receipt of a copy of this order. No costs.

10.12.2024

NCC:Yes/No
Index:Yes
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To

1.The General Manager,
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Dindigul Region,
Dindigul.

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

B.PUGALENDHI, J.

vrn

Order made in
W.P(MD)No.29654 of 2024

10.12.2024