



W.P.(MD)No.28323 of 2023

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 03.10.2024

CORAM:

THE HON'BLE MR JUSTICE R.VIJAYAKUMAR

W.P.(MD)No.28323 of 2023

C.Ganesan

... Petitioner

vs.

1.The Management of
Tamil Nadu State Transport Corporation (Kumbakonam) Ltd.,
Karaikudi Region
Rep.by its Managing Director
Karaikudi

2.The Administrator
Tamil Nadu State Transport Employees' Pension Fund Trust
Thiruvalluvar Illam
Anna Salai, Chennai - 2

....Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying for a Writ of Mandamus directing the respondents to pay the petitioner's interest at the rate of 6% per annum, for the period of delay from 01.05.2018 to 21.09.2019 in paying the amounts paid towards his terminal and pension benefits namely EPF Employee's Contribution, Gratuity, Encashment of Earned/Sick Leaves and Commutated Value of Pension as per the order this Court dated



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03.07.2019 in WP(MD).No.14264 of 2019 within a time frame as may be fixed by this Court.

For Petitioner : Mr.A.Arunachalam
For Respondents : Mr.K.Ramaiah
Standing Counsel for R1
: Mr.S.C.Herold Singh
Standing Counsel for R2

ORDER

The instant writ petition has been filed by a retired employee of the Tamil Nadu State Transport Corporation seeking a mandamus for payment of 6% interest per annum for the belated disbursement of terminal benefits.

2.The petitioner herein had attained superannuation on 30.04.2018. Since his retirement benefits were not disbursed, the petitioner had filed W.P(MD).No.9864 of 2019. This Court by an order dated 24.04.2019, directed the respondent Transport Corporation to consider the petitioner's representation and pass orders. In view of the order of this Court, the Transport Corporation had passed an order on 14.06.2019 indicating the fact that steps are being taken for disbursement of the terminal benefits. This order was challenged by the writ petitioner in WP(MD).No.14264 of 2019 on the ground that the request of the



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petitioner has not been considered. This Court by an order dated 03.07.2019 has passed the following orders:

“3. In view of the same, this Writ Petition is disposed of with the following directions:-

i). A direction is issued to the Transport Corporation to settle the terminal benefits of the petitioner that are yet to be settled, in twelve equal monthly installments:-

(ii). The first installment shall commence by making payment on or before the 25th September, 2019 and the amount in each of the remaining installments shall be paid on or before 25th of every succeeding month;

(iii). The said terminal amount shall carry interest @ 6% per annum, as per the Division Bench Judgment referred to above. In case of delay in making installments, the interest payable could be 18% for the delayed period;

(iv). The aforesaid direction to settle the terminal benefits would not preclude the workman to question the computation of any of the terminal benefits, if the same is paid lesser than the amount to which, he is entitled to receive.”

3. On 20.09.2019, the respondent Corporation had disbursed the entire terminal benefits however without interest. Another retired employee namely



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Mr.M.Lakshmanan was also granted terminal benefits on the same day, without any interest. The said Lakshmanan had filed W.P(MD).No.3024 of 2021 before this Court seeking interest for the belated disbursement of terminal benefits. The writ petition has been allowed on 22.03.2021 and it is not in dispute that the respondents had complied with the order of this Court.

4.Since interest was not paid to the writ petitioner as per order dated 03.07.2019, the petitioner had filed Contempt Petition (MD).No.1500 of 2021. The respondent Corporation made a submission to the effect that interest has already been paid and there is a dispute only with regard to the quantum of interest. Recording the same, the contempt petition was closed on 24.02.2022 with liberty to the petitioner to approach the competent authority, if there is an error in calculation or otherwise. Thereafter, the petitioner has sent a representation on 23.03.2023 seeking payment of interest for the belated disbursement of terminal benefits. Since there was no response, the present writ petition has been filed.

5.According to the learned counsel appearing for the writ petitioner, even though orders were passed by this Court on 03.07.2019, the terminal benefits



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were released to the writ petitioner only based upon the seniority of the date of retirement of the petitioner as well as another employee by name Lakshmanan. Therefore, the respondent Corporation is liable to pay interest for the belated disbursement of terminal benefits. He had further contended that the respondent Corporation had made an incorrect submission before the contempt Court to the effect that they have already paid the interest amount and only there is a dispute with regard to the quantum of interest.

6.Per contra, the learned counsel appearing for the respondent Corporations had contended that the petitioner herein has given an undertaking letter on 24.08.2019 to accept terminal benefits in one installment. Therefore, he would not insist for payment of interest. In view of the letter of undertaking given by the petitioner, the question of payment of interest would not arise.

7.I have considered the submissions made on either side and perused the material records.

8.The petitioner who was working as a Checking Inspector in the



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respondent Corporation has reached the age of superannuation on 30.04.2018.

The terminal benefits were released to the writ petitioner only on 20.09.2019.

These facts are not in dispute.

9.This Court by an order dated 03.07.2019 in WP(MD).No.14264 of 2019 has ordered to release the terminal benefits in installment and the terminal amount would carry interest at 6% per annum. It is not in dispute that instead of payment in installment, a lumpsum payment was made to the writ petitioner, however the interest amount was denied on the ground that the petitioner has given an undertaking letter. Even assuming that the terminal benefits were paid in lumpsum on 20.09.2019, it is clear that the disbursement was made only after more than one year. The letter of undertaking proceeds on the basis that since the terminal benefits is paid in a single installment, the petitioner would not insist for any interest. This letter of undertaking has been given on the presumption that the order of this Court dated 03.07.2019 in W.P(MD).No.14264 of 2019 speaks about the rate of interest only from the date of the order. However, it is settled position of law that the employee would be entitled to receive terminal benefits from the next date of his retirement.



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10. In view of the above said facts, the respondents are directed to pay interest at the rate of 6% per annum from the due date till 20.09.2019 within a period of 12 weeks from the date of receipt of a copy of this order.

11. With the above said observations, this writ petition stands disposed of.
No costs.

03.10.2024

Intex : Yes/No
Internet : Yes/No
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R.VIJAYAKUMAR, J.

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