IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 12.06.2025

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THE HONOURABLE Ms. JUSTICE P.T. ASHA

W.P.Nos.1513 & 1514 of 2021

The Chairman
CIPET Employees Provident Fund Trust
C/o.CIPET
Guindy Industrial Estate
Chennai - 600 032. ... Petitioner in both WPs

Vs

1.State of Punjab, Reptd by its
Principal Secretary to Govt. of Punjab
Department of Finance
Chandigarh.

2.The Managing Director
Punjab Financial Corporation
95-98, Bank Square, Sector 17-B
Chandigarh - 160 017.

3.The Senior Deputy General Manager (Accts)
Punjab Financial Corporation
95-98, Bank Square, Sector 17-B
Chandigarh - 160 017.

4.The Principal Director (F&A)
CIPET Head Office
Guindy Industrial Estate
Chennai - 600 032. ... Respondents in both WPs

Common Prayer: Writ Petitions filed under Article 226 of the Constitution of India praying to issue a Writ of Mandamus directing 2 to 4 respondents herein to credit the Provident Fund Deposit amount collected from the employees of the petitioner-Trust together with interest as per the scheme floated by the second respondent under (i) INE669H09012 (in W.P.No.1513 of 2021) and (ii) INE669H09020 and INE669H09038 (in W.P.No.1514 of 2021) within the time frame as fixed by this Court and pass such further or other orders.

For Petitioner (in both WPs)	: Mr.A.V.Arun for Mr.M.A.Arunesh
For Respondents (in both WPs)	: Mr.T.Sai Krishnan for R2 Mr.M.T.Arunan for R4

COMMON ORDER

The above writ petitions have been filed by the Trust created by the CIPET Employees seeking to issue a writ of mandamus to respondents 2 to 4 to credit the provident fund deposit amount collected from the employees of the petitioner-Trust together with interest, within a time frame fixed by this Court.

2. The facts that have given rise to the filing of the above writ petitions are herein below set out :

a) The petitioner-Trust was created by the employees of CIPET for their benefits and to get the settlement of provident fund dues payable to them in time.

b) The Trust has been created as per the statutory regulations and provisions of the Employees Provident Fund and Miscellaneous Provisions Act.

c) The second respondent is a non-banking financial Corporation registered under the State Financial Corporation Act, 1951, and it is a State Undertaking Organisation. It had floated a Scheme for Investment under 2006 bonds, viz., PFC Bond-I at the rate of 7.85%, PFC Bond-II at the rate of 8.50% and PFC Bond-III at the rate of 9.32% respectively.

d) The petitioner-Trust had invested the provident fund deposit amount of the employees in the second respondent-Financial Contribution by executing the bonds with the above rate of interest for a period of 10 years, which would mature in the year 2016. According to the petitioner-Trust, the second respondent undertakes to pay the interest as per the schemes floated by it. The agreed term as per the disclosure document was that the second respondent would pay the interest for the deposited amount, annually and would repay the principal at 20:20:20:20:20 from the 6th year of investment onwards.

e) The first respondent had guaranteed the investments in the bonds made with the second respondent-Corporation.

f) It has been alleged by the petitioner-Trust that the second respondent had not settled the entire principal amount along with interest, on its maturity and therefore, they are not in a position to make settlement to the employees in time.

g) In this regard, the petitioner-Trust had sent several emails and letters to the second respondent requesting them to settle the dues, to which, the respondents 2 and 3 had sent a reply stating that due to deficit of funds, it could not make the payment in time, however, it assured to settle the interest dues, subject to availability of funds by email dated 01.11.2016.

h) Thereafter, the petitioner had been repeatedly writing letters to the respondents 1 and 2, and finally on 28.03.2019, the petitioner-

Trust had letter to the respondents to settle the dues within time. Since there was no response to the same, the petitioner-Trust is before this Court in W.P.No.1513 of 2021 and W.P.No.1514 of 2021, seeking a mandamus to respondents 2 to 4 for the above relief as against the bonds executed with the second respondent viz., No.INE669H09012, No.INE669H09020 and No.INE669H09038 respectively.

3. On the contrary, the learned counsel appearing for the second respondent would submit that the second respondent had paid the principal amount along with interest till the date of maturity, the details of which are as follows :

S.No.	***Case No.***	***Amount paid in Rs.***	***Cheque Details***
1.	WP.1513/2021	Rs.16,28,396/- (Principal Rs.15,00,000/- + Interest Rs.1,28,396/-) Date of Maturity : 01.06.2016	Ch.No.121717 dt.12.12.2022 PNB Chandigarh
2.	WP.1514/2021	Rs.22,46,847/- (Principal Rs.19,20,000/- + Interest Rs.3,26,847/-) Date of Maturity : 30.09.2016	Ch.No.121725 dt.12.12.2022 PNB Chandigarh
3.	WP.1514/2021	Rs.18,73,319/- (Principal Rs.16,00,000/- + Interest Rs.2,73,319/-) Date of Maturity : 01.12.2016	Ch.No.121733 dt.12.12.2022 PNB Chandigarh

4. Further the learned counsel appearing for the second respondent has taken a plea that this Court does not have a jurisdiction over the case on hand, since the respondents 1 to 3 are at Punjab.

5. The learned counsel of the petitioner would contend that the aforesaid amount paid by the petitioner, includes the principal plus the interest only till the date of maturity i.e., 2016 and not upto the date of the actual payment, i.e., the amount was settled only in the year 2022. The petitioner would further submit that the second respondent had settled the interest after the expiry of 6 years from the date of maturity, and that no interest was paid for the period between 2016-2022, and that it is still due for settlement and the details are as follows:

Sl. No.	***W.P.No.***	***Principal Received (in Rs.)***	***Interest received (in Rs.) Upto 2016***	***Interest Receivable (in Rs.) (from 2016-2022)***
1	1513/2021	15,00,000/-	1,28,396/-	7,64,542/-
2	1514/2021	19,20,000/-	3,26,847/-	10,05.953/-
3	1514/2021	16,00,000	2,73,319/-	8,94,788/-
Total :		**50,20,000/-**	**7,28,562/-**	**26,65,283/-**

6. Heard Mr.A.V.Arun, learned Senior Counsel assisted by Mr.M.Arunesh, learned counsel appearing for the petitioners, Mr.T.Sai Krishnan learned counsel appearing for the second respondent and Mr.M.T.Arunan, learned counsel appearing for the fourth respondent.

7. Admittedly the amounts (principal + interest) which had fallen due for settlement in the year 2016 to the petitioner-Trust, has been remitted only in the year 2022. The fourth respondent has also conceded to the submissions of the petitioner-Trust and also to the break-up details provided by the petitioner with regard to the bonds entered into and the amount payable on the date of maturity and also the interest that would fall due on the date of actual payment.

8.1 Considering the fact that the petitioner had made the investments with the second respondent-Financial Corporation only taking into account the benefits that had been held out by the second respondent, which was also guaranteed by the first respondent, the petitioner-Trust would be entitled to interest till the date of actual payment. The second respondent having benefited from and out of the investments made by the petitioner-Trust from the date of its investment till the date of repayment, the second respondent is liable to pay the interest, not only upto the date of maturity, but till the date of actual payment.

8.2 This apart, the arguments of the learned counsel appearing for the second respondent that this Court does not have jurisdiction over the case, cannot be countenanced, as the petitioner-Trust and the fourth respondent have their Office at Chennai, and the payments have also been received at Chennai. Therefore, this Court holds that this Court has jurisdiction to entertain the present writ petitions.

9. In view of the above observations, the writ petitions are allowed. Since the principal amount of investment has been received by the petitioner-Trust and the interest till 2016 (the date of maturity varies depending on the date of executing the bond in each writ petitions), the second and third respondents are directed to pay interest for the investments made by the petitioner-Trust from the year 2016 for the aforementioned

bonds, as the case may be, till the date of actual payment, within a period of one month from the date of receipt of a copy of this order. No costs.

12.06.2025

Index : Yes / No
Neutral Citation : Yes / No
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P.T. ASHA, J,

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