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W.P.No.27730 of 2019



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 25.10.2025

CORAM:

THE HONOURABLE MR. JUSTICE T.VINOD KUMAR

W.P.No.27730 of 2019

J.Venugopal

... Petitioner

vs

1. The Commissioner,
Chennai City Municipal Corporation,
Ripon Building, Chennai – 600 003.

2. The Superintending Engineer,
Works Department,
Chennai City Municipal Corporation,
Ripon Building, Chennai – 600 003.

3. The Secretary to Government,
Municipal Administration and Water
Supply Department,
Secretariat, Chennai – 600 009.

... Respondents

Prayer: Writ Petition is filed under Article 226 of Constitution of India, to issue Writ of Certiorari Mandamus, to call for the records relating to the impugned order of the first respondent issued WD Na.Ka.No.A4/2394/2017 dated 05.09.2019 and quash the same and consequently, direct the first respondent to sanction the interest for the belated payment of General Provident Fund, Special Provident Fund and Encashment of Earned



Leave/Private Affairs from 01.07.2014 to 05.12.2018 the date of settlement, in the light of the orders already passed by the Hon'ble Supreme Court in the case of S.K.Dua Vs. State of Haryana (2008 (3) SCC 44) within a reasonable period as may be fixed by this Court and to pass orders.

For Petitioner : Mr.T.Ranganathan

For Respondents : Mr.S.Gopinathan
Standing Counsel for R1 & R2
: Mrs.V.Yamunadevi
Special Government Pleader for R3

ORDER

Heard the learned counsel for the petitioner and the learned Standing Counsel for the first and second respondents and the learned Special Government Pleader for the third respondent and perused the records.

2. The case of the petitioner in brief is that the first respondent by impugned order *vide* Na.Ka.No.A4/2394/2017 dated 05.09.2019 had rejected the claim of the petitioner for payment of interest on the delayed payment of encashment of Earned Leave in a sum of Rs.7,90,240/- and in a sum of Rs.2,96,340/- towards UEL on private affairs.



3. It is the further case of the petitioner that Earned Leave is a part of service conditions and is an entitlement of an employee and the respondent without any justifiable reason, had denied the petitioner's encashment during the period from 01.07.2014 to 05.12.2018.

4. Thus, the petitioner contended that the respondents are liable to pay interest on the aforesaid amount for the period of 01.07.2014 to 05.12.2018.

5. *Per contra*, the learned Standing Counsel appearing for the first and second respondents submitted that the respondents have rejected the claim for payment of interest on encashment of Earned Leave and UEL on private affairs as there is no provision for payment of interest.

6. I have taken note of respective submissions.

7. At the outset, it is to be noted that the gratuity, PF, encashment on Earned Leave all are service benefits to which an employee entitled to. The Hon'ble Supreme Court in ***Dr.Uma Agarwal Vs. State of U.P (CDJ 1999 SC 182)*** had held that payment of pension and other remuneration benefits, is not a bounty but is the right of a retired employee.



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8. Since, the employee on his retirement, is entitled to be paid pension and also his retirement benefits, any delay in payment of such amounts due to an employee, the Authority concerned, responsible for making the aforesaid payment is liable to pay interest, on such delayed payment.

9. The Hon'ble Supreme Court in ***S.K.Dua Vs. State of Haryana [(2008) 3 SCC 44]*** had expressed a *prima facie* view that an employee can claim interest for non-payment of retirement benefits.

10. Since, in the facts of the present case, the respondents did not dispute or deny the entitlement of the petitioner for encashment of Earned Leave and also UEL on private affairs for 240 days and 90 days, respectively. The respondents ought to have allowed the encashment on the date of petitioner attaining the age of superannuation from the service.

11. The fact that the respondents did not allow the encashment of aforesaid entitlement during the service period from 01.07.2014 to 05.12.2018, this Court is of the view that the respondents are liable to pay interest on the aforementioned amount to the petitioner.



12. Considering the fact that the respondents have paid the amounts due to the petitioner in a sum of Rs.10,86,580/- on 05.12.2018, this Court is of the view that the respondents are to be directed to pay interest on the aforesaid amount for period commencing from 01.07.2014 to 05.12.2018 at the rate of 8% per annum. The respondents shall make the aforesaid payment of interest within a period of eight weeks from the date of receipt of a copy of this order. It is made clear that in the event, the respondents fail to make the payment of interest as directed by this Court within the aforesaid period, the rate of interest shall stand increased 12% for the first next month and thereafter 18% p.a.

Accordingly, this Writ Petition is disposed of in terms of the above directions. No costs.

25.10.2025

Speaking order / Non-speaking order

Index : Yes / No

Neutral Citation : Yes / No

dh



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T. VINOD KUMAR, J.

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