BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 09.01.2026

CORAM :

THE HON`BLE MR.JUSTICE B.PUGALENDHI

WP.(MD)No.589 of 2026

K.N.Sekar ... Petitioner

Vs.

1.Tamil Nadu State Transport Corporation
(Kumbakonam) Ltd
rep. by its Managing Director
Kumbakonam.

2.The General Manager
The Tamil Nadu State Transport Corporation
(Kumbakonam) Ltd
Trichy Region Trichy - 620 001.

3.The General Manager
The Tamil Nadu State Transport Corporation
(Kumbakonam) Ltd
Karur Region Karur -639 001. ... Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying for the issuance of Writ of Mandamus, to direct the respondents to pay the petitioner interest at the rate of 18% p.a. for the belated payment of retirement benefits including

Provident Fund and Earned Leave encashment amount along with interest within a time frame fixed by this Court.

For Petitioner : Mr.D.Siva Raman

For Respondents : Mr.S.C.Herold Singh
Standing Counsel

ORDER

Seeking interest for the belated payment of terminal and pension benefits, the petitioner has approached this Court.

2.The case of the petitioner is that he joined as a Junior Engineer in the respondent Transport Corporation on 24.10.1988 and retired from service as Assistant Manager on 31.05.2024. However, the retirement benefits were settled to him only on 02.12.2025. Since the benefits have been settled belatedly, the respondents are liable to pay interest for the belated payment. Therefore, the petitioner gave a representation dated 12.12.2025 to the respondents, however, the same did not evoke any response. Therefore, the petitioner has filed this writ petition for the above said relief.

3.Mr.S.C.Herold Singh, learned Standing Counsel takes notice on behalf of the respondents and submits that the terminal benefits have been settled to the petitioner, however, belatedly.

4.By consent of both the parties, the writ petition is taken up for final hearing at the admission stage itself.

5.This Court paid its anxious consideration to the rival submissions made and also perused the materials placed on record.

6.The employer is liable to settle the retirement benefits to its employees without any delay and in case, if it is settled belatedly, it has 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."

7.Following the same, in a similar issue, a Division Bench of this Court, in W.A.(MD)No.403 of 2010, etc. batch, vide common order dated 04.07.2014, has fixed the rate of interest at 6% per annum and held as under:-

"5. ..... even though there is no provision in the Tamil Nadu State Transport Corporation Employees Pension Fund for payment of interest, cannot stand in the light of the law laid down by the Supreme Court in S.K.Dua v. State of Haryana and another, reported in (2008) 3 SCC 44. As a

matter of fact, the Rules do not contemplate belated payment of retirement benefits. The Rules contemplate prompt payment. When the Rules contemplate prompt payment and not bleated payment, the Rules will not contain a provision for payment of interest. The Pension Fund which was created as a Trust by the Corporation was supposed to act in trust for the employees' benefit. If the Trust could not make payments within the time stipulated, then, irrespective of whether there is any provision for payment of interest or not, the Corporation is obliged to make payment."

8.Following the dictum laid down on this issue, the writ petition is disposed of with a direction to the respondent/Transport Corporation to pay interest for the belated payment of retirement benefits at the rate of 6% per annum 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.

09.01.2026

NCC : Yes/No
Index : Yes/No
Internet:Yes
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To

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(Kumbakonam) Ltd
rep. by its Managing Director
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2.The General Manager
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(Kumbakonam) Ltd
Trichy Region
Trichy - 620 001.

3.The General Manager
The Tamil Nadu State Transport Corporation
(Kumbakonam) Ltd
Karur Region
Karur -639 001.

4.The Administrator
The Tamil Nadu State Transport Corporation
Employees Pension Trust
No.2, Thiruvalluvar Illam,
SETC Head Office
Pallavan Salai,
Chennai - 600 002.

B.PUGALENDHI,J

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