BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated : 08.01.2026

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THE HONOURABLE MR. JUSTICE B.PUGALENDHI

WP(MD)No.330 of 2026

R.Karpagavalli ... Petitioner

Vs

1. The Managing Director,
   Tamil Nadu State Transport
   Corporation (MDU) Ltd.,
   Bye-pass Road,
   Madurai – 625 016.

2. The General Manager,
   Tamil Nadu State Transport
   Corporation (MDU) Ltd.,
   Virudhunagar Region,
   Virudhunagar – 626 001.

3. The Administrator,
   Tamil Nadu State Transport Corporation
   Employee's Pension Trust,
   Thiruvalluvar Illam,
   Pallavan Salai,
   Chennai – 600 002. ... Respondents

Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus, directing the respodents to pay interest at the rate of 6% per annum to petitioner for the belated payment of petitioner's deceased husband's Gratuity, Provident Fund, Leave Salary and Pension commutation from the date of retirement to the date of actual payment within a time frame as may be fixed by this Court.

For Petitioner	:	M/s.D.Ramya
For R1 and R2	:	Mr.K.Ramaiah, Standing Counsel
For R3	:	Mr.S.C.Herold Singh, Standing Counsel

ORDER

The petitioner is the wife of one K.Ramar, who was the employee of the respondent Transport Corporation. He joined as a Driver in the respondent Transport Corporation on 20.12.1998 and after rendering 26 years of service, he retired from service as Special Grade Driver on 31.05.2024. Thereafter, he died on 03.07.2024 due to illness. However, the retirement benefits, namely, Provident Fund, Gratuity and Leave Salary due to the petitioner's husband were settled only on 04.12.2025. Seeking interest for the belated payment, the petitioner gave a representation to the respondents on 09.12.2025, however, it was not considered by the respondents. Therefore, the petitioner has filed this writ petition for the above said relief.

2. Mr.K.Ramaiah, learned Standing Counsel, takes notice on

behalf of the respondents 1 and 2 and submits that the retirement benefits of the deceased employee have been settled to his wife/the petitioner, however belatedly.

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

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

5. 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."

6. 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."

7. Following the dictum laid down on this issue, the writ petition is allowed with a direction to the respondents to pay interest for the belated payment of retirement benefits of the petitioner's deceased husband at the rate of 6% per annum within a period of six months from the date of receipt of a copy of this order. No costs.

08.01.2026

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Index : Yes / No.
Internet : Yes / No.
NCC : Yes / No.

B.PUGALENDHI, J.

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To

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