BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated : 12.01.2026

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THE HONOURABLE MR. JUSTICE B.PUGALENDHI

WP(MD)No.885 of 2026

A.Kalaiselvi ... Petitioner

Vs

The Management of
Tamilnadu State Transport Corporation
(Madurai) Ltd.,
Madurai Region,
Rep. by its Managing Director,
Madurai. ... Respondent

Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus, directing the respondent to pay the petitioner interest at the rate of 6% per annum in paying the amounts paid towards the terminal benefits payable for the services of her deceased husband/employee (Late) A.Ayyangalai, Staff No.CR10886, namely, EPF Employee's Contribution and Gratuity for the period of delay from 11.07.2023 to 24.08.2025 and Encashment of leave payable for the period of delay from 11.07.2023 to 10.09.2025 within a time frame as may be fixed by this Court and without affecting his right to claim balance amounts towards those benefits.

For Petitioner : Mr.S.Arunachalam

For Respondent : Mr.K.Ramaiah,
Standing Counsel

ORDER

The petitioner is the wife of one A.Ayyangalai, who was the employee of the respondent Transport Corporation. He joined as a Conductor in the respondent Transport Corporation on 13.09.1998 and he died on 10.07.2023 while in service. The retirement benefits, namely, EPF Employee's Contribution, Gratuity and Encashment of Leave due to the petitioner's husband were settled to the petitioner belatedly. Seeking interest for the belated payment, the petitioner gave a representation to the respondent on 05.12.2025, however, it was not considered by the respondent. 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 respondent submits that the terminal 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 respondent/Transport Corporation 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.

12.01.2026

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

B.PUGALENDHI, J.

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To

1. The Managing Director,
   Tamilnadu State Transport Corporation
   (Madurai) Ltd.,
   Madurai Region,
   Madurai.

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