



W.P(MD)No.3629 of 2026

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 10.02.2026

CORAM:

THE HONOURABLE MR.JUSTICE B.PUGALENDHI

W.P(MD)No.3629 of 2026

P.John Selvaraj

... Petitioner

Vs

1.The Managing Director,
Tamilnadu State Transport Corporation (MDU) Ltd,
Bye-Pass Road,
Madurai - 625 016.

2.The Financial Advisor,
Tamilnadu State Transport Corporation (MDU) Ltd.,
Bye-Pass Road,
Madurai - 625 016.

...Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a WRIT OF MANDAMUS, direct the respondents to disburse the interest at the rate of 6 percent as per court direction for belated payment of terminal benefits of Gratuity, Provident Fund and Leave Salary for its total amount comes to Rs. 50,11,589 for a period of more than 17 months from 01.07.2024 to 02.12.2025 to the petitioner.



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For Petitioner : Mr.Thirugnana Sambandan K,
For Respondents : Mr.K.Ramaiah
Standing Counsel

ORDER

This writ petition is filed for a Mandamus, directing the respondent to pay interest to the petitioner at the rate of 6% per annum, in paying the terminal benefits for the period of delay from the date of retirement to the date of actual disbursement, within the time stipulated by this Court.

2. The case of the petitioner is that he joined as a Clerk in the respondent Transport Corporation on 31.12.1987 and his service was regularized as Clerk with effect from 01.01.1989. He retired from service as Superintendent on 30.06.2024. However, the retirement benefits, namely, Provident Fund, Gratuity and encashment of leave were settled to him only on 02.12.2025. Since the benefits have been settled belatedly, the respondent is liable to pay interest for the belated payment. Therefore, the petitioner gave a



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representation dated 05.12.2025 to the respondent, however, the same did not evoke any response. Therefore, the petitioner has filed this writ petition for the above said relief.

3.Mr.K.Ramaiah, learned Standing Counsel takes notice for the respondents and submits that the terminal benefits have been settled to this 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.***

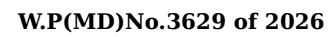


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per annum and held as under:-

“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 belated 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



No costs.

10.02.2026

NCC: Yes/No
Index: Yes/No
Internet: Yes
vrn



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B.PUGALENDHI, J.

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Order made in
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