BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated : 09.02.2026

CORAM

THE HONOURABLE MR. JUSTICE B.PUGALENDHI

WP(MD)No.3501 of 2026

P.Kannan ... Petitioner

Vs

The Management of
Tamilnadu State Transport Corporation
(Kumbakonam) Ltd.,
Karur Region,
Rep. by its General Manager,
Karur. ... 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 18% per annum, for the period of delay from 01.07.2024 to 01.12.2025, in paying the amounts paid towards his terminal benefits, namely, EPF Employee's Contribution, Gratuity and Encashment of leave 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.SC.Herold Singh
Standing Counsel

ORDER

The petitioner was appointed as a Tradesman in the Transport Corporation on 08.11.1989 and after rendering 35 years of service, he retired from service on 30.06.2024. However, the retirement benefits, namely, EPF Employee's Contribution, Gratuity and Encashment of leave, due to the petitioner were settled belatedly. Seeking interest for the belated payment of retirement benefits, the petitioner gave a representation to the respondent on 15.12.2025, however, it was not considered by the respondent. Therefore, the petitioner has filed this writ petition for the above said relief.

2. Mr.SC.Herold Singh, learned Standing Counsel, who takes notice on behalf of the respondent, submits that the retirement benefits, have been settled to 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 to pay interest, for the belated payment of retirement benefits of the petitioner, at the rate of 6% p.a., within a period of six months from the date of receipt of a copy of this order. No costs.

09.02.2026

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

B.PUGALENDHI, J.

ogy

To

The General Manager,
Tamilnadu State Transport Corporation
(Kumbakonam) Ltd.,
Karur Region,
Karur.

WP(MD) No.3501 of 2026

09.02.2026