



W.P.(MD) No.16922 of 2026

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 19.06.2026

CORAM:

THE HONOURABLE MR.JUSTICE MUMMINENI SUDHEER KUMAR

W.P.(MD) No.16922 of 2026

D.Thomas Nelson

... Petitioner

-VS-

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

2.The General Manager
Tamil Nadu State Transport
Corporation (Kumbakonam) Limited
Tiruchy Region, Tiruchy-620 001

... Respondents

PRAYER: Petition filed under Article 226 of the Constitution of India, to issue a writ of mandamus directing the respondents to pay the interest at the rate of 18% per annum for the belated payment of voluntary retirement benefits, including, provident fund, earned leave encashment and VRS compensation amount along with interest within the time limit that may be fixed by this Court



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For Petitioner : Mr.D.Sivaraman

For Respondents : Mr.P.F.Ferlin Castro
Standing Counsel

ORDER

Mr.P.F.Ferlin Castro, learned Standing Counsel, takes notice for the respondent – Transport Corporation.

2. With the consent of both sides, this writ petition is disposed of at the admission stage.

3. Heard the learned counsel for the petitioner and the learned Standing Counsel appearing for the respondent – Transport Corporation.

4. This writ petition has been filed seeking issuance of a writ of mandamus directing the respondents to pay interest at the rate of 18% per annum on the belated payment of voluntary retirement benefits, including provident fund, earned leave encashment and also to pay voluntary retirement compensation, together with interest, within such time as may be fixed by this Court.



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5. The issue as to the entitlement of the petitioner to payment of interest on the belated payment of terminal benefits is no longer *res integra* and the same has already been decided by Division Bench of this Court in W.A.(MD) No.403 of 2010 and batch, dated 18.03.2014 [***The Managing Director, Tamil Nadu State Transport Corporation (Madurai) Limited, Bye-Pass Road, Madurai and another vs. A.Thambi Raj and others***] and in W.A.(MD) No.1419 of 2021 and batch, dated 26.07.2021 [***A. Tamilarasan vs. The Tamil Nadu State Transport Corporation (Kumbakonam) Ltd., represented by its Managing Director, Kumbakonam and another***].

6. Insofar as the non-payment of VRS compensation is concerned, the learned Standing Counsel appearing for the respondents has not disputed the entitlement of the petitioner. However, he has objected only to the claim of interest on the said VRS compensation.

7. VRS compensation is in the nature of a terminal benefit. Once the petitioner is found to be entitled for payment of interest on the delayed payment of retirement benefits, the petitioner would automatically be entitled for payment of interest in case the VRS compensation is paid belatedly. In



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such circumstances, the objection raised by the learned Standing Counsel with regard to the claim for interest cannot be sustained.

8. Further, this Court has already considered the entitlement of an employee to payment of interest on belatedly paid VRS compensation in W.P.(MD) No.13228 of 2026 **[S. Latha vs. The Managing Director, Tamil Nadu State Transport Corporation (MDU) Ltd., Bye Pass Road, Madurai – 625 016 and another]**, by an order dated 29.04.2026. Paragraph Nos. 5 to 7 of the said order are extracted hereunder:

“5. The case of the petitioner is that pursuant to a Scheme introduced by the respondent – Transport Corporation providing for voluntary retirement, the petitioner opted for voluntary retirement and she was allowed to retire from service on 31.05.2025, while her actual date of superannuation being 30.06.2028. However, according to the learned counsel for the petitioner, the petitioner is entitled for voluntary retirement compensation for 37 months being the leftover service period. But, the same has not been paid to the petitioner even after a lapse of about one year. Under those circumstances, the petitioner claims to have submitted a representation dated 13.03.2026 to the respondents requesting for release of the voluntary retirement compensation amount. But, the



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same has not been considered by the respondents. Hence, the petitioner is before this Court seeking a direction to the respondents for payment of voluntary retirement compensation together with interest at the rate of 6% per annum.

6. Mr.S.Ramachandra Pradeep, learned Standing Counsel, appearing for the respondent – Transport Corporation, fairly submitted that the eligible voluntary retirement compensation amount would be released to the petitioner expeditiously and the same could not be released due to various financial constraints being faced by the respondent – Transport Corporation.

7. In the said circumstances, without going into the merits of the matter, this writ petition is disposed of directing the respondents to release the eligible voluntary retirement compensation amount payable to the petitioner together with interest at the rate of 6% per annum from 01.06.2025 till the date on which the said amount is paid to her, as expeditiously as possible, at any rate, within a period of three months from the date of receipt of a copy of this order. No costs.”

9. In the light of the above order, the entitlement of the petitioner for payment of interest on the delayed payment of VRS compensation also cannot be denied.



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10. In such circumstances, this writ petition is allowed, directing the respondents to pay interest at the rate of 6% per annum on the belated payment of terminal benefits and also to pay the eligible amount of VRS compensation to the petitioner together with interest at the rate of 6% per annum, as expeditiously as possible, at any rate, within a period of five months from the date of receipt of a copy of this order. No costs.

19.06.2026

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

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MUMMINENI SUDHEER KUMAR, J.

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