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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 28-10-2026

CORAM

THE HON'BLE MR. JUSTICE B.PUGALENDHI

WP(MD) No. 30592 of 2026

CNR:{HCMD011518462026}

N.Elangovan,
S/o.P.Namasivayam,
Mela Street,
Mullaikudi Post,
Boothalur Taluk,
Thanjavur District - 613 104

..Petitioner(s)

Vs

1. The Tamil Nadu State Transport Corporation
   (Kumbakonam) Ltd,
   Represented By Its Managing Director,
   Kumbakonam -612 001

2. The General Manager
   The Tamil Nadu State Transport Corporation
   (kumbakonam) Ltd,
   Kumbakonam Region,
   Kumbakonam - 612 001

..Respondent(s)

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying this court to issue a Writ of Mandamus directing the respondents to pay interest at the rate of 6 percent per annum on the delayed disbursement of the petitioners terminal benefits including Gratuity and Terminal Leave Salary for the period from the date of his retirement till the date of actual disbursement and consequently direct the respondent to settle the same to him within a time frame that may be fixed by this Court.

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For Petitioner(s) : Mr.A.Rahul
Advocate

For Respondent(s) : Mr.P.F.Ferlin Castro,
Standing Counsel

ORDER

This writ petition is filed for a Mandamus, directing the respondents to pay interest to the petitioner at the rate of 6% per annum for the belated payment of retirement benefits from the date of his retirement till the actual payment, within the time stipulated by this Court.

2.The case of the petitioner is that he was appointed as Conductor in the respondent Transport Corporation on 25.10.2006. After completion of 17 years of service, he voluntarily retired from service as Selection Grade Conductor on 31.01.2024. However, the retirement benefits were settled belatedly, ie. on 11.03.2026. Since the retirement benefits have been settled belatedly, the respondents are liable to pay interest for the belated payment. Therefore, the petitioner gave a representation dated 14.07.2026 to the respondents, however, the same did not evoke any response. Therefore, the petitioner has filed this writ petition.

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3.The learned counsel for the petitioner submits that in similar writ petitions, this Court has ordered for payment of interest at the rate of 6% p.a. for the belated payment of retirement benefits and therefore, the petitioner is also entitled for the same relief.

4.It is reported on behalf of the respondents that the retirement benefits have been settled to the petitioner on 11.03.2026.

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

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

7.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*

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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."

8.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

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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."

9. Following the dictum laid down on the issue, this writ petition is disposed of with a direction to the respondents to pay interest at the rate of 6% per annum on the eligible retirement benefits that were disbursed belatedly, from 01.02.2024 till the date of actual disbursement, within a period of six months from the date of receipt of a copy of this order. No costs.

28-10-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
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To

1. The Managing Director,
   Tamil Nadu State Transport Corporation (Kumbakonam) Ltd
   Kumbakonam -612 001

2. The General Manager
   The Tamil Nadu State Transport Corporation (kumbakonam) Ltd
   Kumbakonam Region
   Kumbakonam - 612 001

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