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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 02-11-2026

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THE HON'BLE MR. JUSTICE B.PUGALENDHI

WP(MD) No. 31160 of 2026

CNR:{HCMD011542552026}

Arivalagan.R
S/o.Ramachandran,
Foreman (Retd) Staff No. 1654/86TH2053,
15/1, Saibaba Nagar 1st Street,
Kolanthanur, Gandhigramam,
Thanthoni P O, Pasupathipalayam,
Karur District 639 004

..Petitioner(s)

Vs

1. The Tamil Nadu State Transport Corporation
   (Kumbakonam) Limited
   Rep.by Its Managing Director,
   Kumbakonam

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

..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 the interest at the rate of 18 percent per annum for the belated payment of retirement benefits including Provident Fund and Earned Leave encashment along with interest within the time limit that may be fixed by this Court.

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For Petitioner(s) : Mr.D.Sivaraman,
Advocate

For Respondent(s) : Mr.S.C.Herold Singh,
Standing Counsel

ORDER

This writ petition is filed for a Mandamus, directing the respondents to pay interest to the petitioner at the rate of 18% 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 Junior Tradesman in the respondent Transport Corporation on 11.07.1986. After completion of 38 years of service, he retired from service as Foreman on 31.07.2024. However, the retirement benefits were settled belatedly, ie. on 02.12.2025. Since the retirement benefits have been settled belatedly, the respondents are liable to pay interest for the belated payment. Therefore, the petitioner gave representations dated 02.09.2024 and 23.03.2026 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 02.12.2025.

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 01.08.2024 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.

02-11-2026

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

1. The Managing Director,
   The Tamil Nadu State Transport Corporation
   (Kumbakonam) Limited
   Kumbakonam

2. The General Manager
   The Tamil Nadu State Transport Corporation
   (kumbakonam) Limited
   Tirchy Region
   Tirchy-620 001

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