



W.P.(MD)No.6680 of 2026

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 09.04.2026

CORAM:

THE HONOURABLE MR.JUSTICE MUMMINENI SUDHEER KUMAR

W.P.(MD)No.6680 of 2026

B.Illamaran

... Petitioner

Vs.

1.The Joint Registrar of Cooperative Societies,
Office of the Joint Registrar of Co-Operative Societies,
Ramnad.

2.The Joint Registrar of Cooperative Societies,
Paramakudi Region, Ramnad Division, Ramnad.

3.The Managing Director,
Q-1102 Kamuthi Co-Operative Urban Bank Ltd,
Kamuthi-623603.

... 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



W.P.(MD)No.6680 of 2026

WEB COPY

the rate of 12% Per Annum for belated payment of petitioner retirement benefits namely Earned Leave Salary, Provident Fund and Gratuity on the basis of the petitioner's representation dated 22.04.2024.

For Petitioner : Mr.C.Jeganathan

For Respondents : Mr.S.Shaji Bino

Special Government Pleader

ORDER

The petitioner has approached this Court seeking issuance of a Writ of Mandamus directing the respondents to pay interest at the rate of 12% per annum on the belated payment of the petitioner's retirement benefits namely Earned Leave Salary, Provident Fund and Gratuity, based on the petitioner's representation dated 22.04.2024.

2. The petitioner was working as an Assistant Manager in the third respondent Co-operative Bank. He was not allowed to retire from service as certain disciplinary proceedings and criminal proceedings were pending against



W.P.(MD)No.6680 of 2026

WEB COPY

him in connection with his employment in the third respondent Bank. Hence, the terminal benefits were not disbursed to the petitioner. Under those circumstances, the petitioner submitted representations dated 12.05.2020, 06.06.2020, 23.07.2020 and 27.08.2020 seeking release of his terminal benefits. Thereafter, he approached this Court by filing W.P(MD)No.8846 of 2021 seeking a direction for release Earned Leave Salary, Gratuity and Provident Fund. The said writ petition was disposed of by the co-ordinate Bench of this Court, on 25.06.2021, after having taken note of the pending criminal case and other disciplinary proceedings, directing the respondents to calculate and pay the amounts due to the petitioner within a period of four weeks from the date of receipt of copy of the said order.

3. Pursuant to the said order dated 25.06.2021, the respondents Bank paid the said amounts due towards leave salary, Special Provident Fund contribution with interest and staff gratuity amount to the tune of Rs.5,67,254/- on 20.02.2022, Rs.24,07,985.11/- on 11.07.2022, Rs.10,67,907/- on 16.08.2022 and Rs.3,53,813/- on 13.12.2022 respectively to the petitioner. Having received the



W.P.(MD)No.6680 of 2026

WEB COPY

said amounts by December 2022, the petitioner has now claimed interest on the ground that the said amounts were paid belatedly. Since no relief was granted, the present writ petition has been filed.

4. The third respondent filed a counter affidavit stating that the petitioner was subjected to surcharge proceedings under Section 87 of the Tamil Nadu Cooperative Societies Act, 1983 while he was in service and the said proceedings were ultimately dropped in the year 2016 after the petitioner and others repaid the amounts with interest. It is further stated that a criminal case that was registered against the petitioner in C.C.No.267 of 2017, on the file of the Judicial Magistrate No.I, Ramanathapuram was pending and therefore, the terminal benefits were not disbursed.

5. The counter affidavit also makes a reference to a charge memo dated 10.07.2017 but the said proceedings ended as early as on 23.08.2017 while the petitioner was in service. The counter affidavit also makes a reference to a punishment of levy of fine of Rs.2,000/- imposed against the petitioner through



W.P.(MD)No.6680 of 2026

WEB COPY

proceedings in RcNo.4/2021 MD 1 dated 25.11.2021. The pendency of the said disciplinary proceedings and criminal proceedings are cited as the reason for the delay in disbursement of terminal benefits. However, it is seen that all these aspects, except the disciplinary proceedings that ended on 25.11.2021, had already been considered by this Court in W.P(MD)No.8846 of 2021. This Court, in the said writ petition, had held that pendency of such proceedings cannot be a reason for withholding terminal benefits and had directed the respondents to pay the same by order dated 25.06.2021. Therefore, the third respondent cannot be allowed to rely on the very same reasons to justify the delay in disbursement.

6. The liability of the respondents to disburse the terminal benefits was crystallised on 25.06.2021, when this Court passed the order in W.P(MD)No. 8846 of 2021. However, the respondents have not chosen to disburse the terminal benefits within the time stipulated by this Court and paid the amounts belatedly in instalments. As already noted above, the leave salary was paid on 20.02.2022 and Special Provident Fund contribution with interest was paid on 11.07.2022 and staff gratuity was paid on 16.08.2022 and 13.12.2022. Thus,



W.P.(MD)No.6680 of 2026

WEB COPY

there is substantial delay of 8 months to 18 months in payment of the terminal benefits despite the order passed by this Court on 25.06.2021. Therefore, under those circumstances, the respondents can't justify the said delay in payment of the terminal benefits to the petitioner.

7. The learned Division Bench of this Court had an occasion to consider the aspect of award of interest and in the event of delay in disbursement of the terminal benefits in the case of ***Government of Tamil Nadu vs. M.Deivasigamani*** reported in ***(2009) 3 MLJ 1***, wherein it was held as under:-

“6. The contention of the appellant that as per the Government norms, interest can be paid only on Death-cum-Retirement Gratuity, in case of delay and the same cannot be awarded to any other retiral benefits, is not tenable, in view of the decision of the Supreme Court in S.K.Due v. State of Haryana (2008) 3 SCC 44. In the reported case, the appellant therein was served with three charge sheets/show cause notices in June 1998, few days before his retirement. However, he retired on 30.6.1998 on reaching the age of superannuation. He was paid provisional



W.P.(MD)No.6680 of 2026

WEB COPY

pension, but other retiral benefits were not given to him, which included commuted value of pension, leave encashment, gratuity, etc. They were withheld till the finalisation of disciplinary proceedings. While answering the issue as to whether the appellant therein was entitled to interest on delayed payment of retiral benefits, in the absence of any statutory rules administrative instructions or guidelines, the Supreme Court, at Paragraph 14 of the judgment, 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 the 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



W.P.(MD)No.6680 of 2026

WEB COPY

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 limine even without issuing notice to the respondents.”

7. In view of the judgment of the Supreme Court, it is now well settled that an employee is entitled to interest on belated payment of pension and other retiral benefits, even in the absence of statutory rules/administrative instructions or guidelines and he can make his claim for interest, under Part III of the Constitution, relying on Articles 14, 19 and 21 of the Constitution.”

8. In the light of the above, the liability of the respondent Bank to pay interest on the belated payment of terminal benefits cannot be denied.

9. Though the petitioner has claimed interest from the date of his superannuation, this Court is not inclined to consider the same. It is to be noted that the petitioner was convicted in C.C.No.267 of 2017 by the learned Judicial



W.P.(MD)No.6680 of 2026

WEB COPY

Magistrate No.I, Ramanathapuram, but he was extended the benefit under the provisions of Probation of Offenders Act. Hence, the right of the petitioner claiming interest cannot be denied.

10. In the light of the above, the respondents are directed to pay interest on the belated payment of terminal benefits namely, leave salary, SPF and others benefits at the rate of 6% per annum from 25.06.2021 till the date of actual payment. The third respondent is directed to calculate the said amounts and pay the same as expeditiously as possible, at any rate, within a period of two months from the date of receipt of a copy of this order.

11. With the above observations and directions, this writ petition is disposed of. No costs.

09.04.2026

Neutral Citation: Yes / No
Index : Yes / No
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Page 9 of 11



W.P.(MD)No.6680 of 2026

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