



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16-07-2026

CORAM

THE HON'BLE MR.JUSTICE P. DHANABAL

SA No. 855 of 2015

Ranjit Kovilinkal S/o. Shri Ramakrishnan,
No.J-5 Lotus Colony, Nandanam, Chennai - 35.

..Appellant(s)

Vs

The Chief Executive Officer,
Hand in Hand Tamil Nadu,
A Public Charitable Trust,
Nasaratpet Village, Chinna Kancheepuram,
Opp To Pachaiyappas Mens College,
Kancheepuram - 631 503.

..Respondent(s)

Prayer: Second Appeal filed under Section 100 of Civil Procedure Code, as against the Judgment and Decree of the learned II Additional District and Sessions Judge, City Civil Court, Chennai in A.S.No.2 of 2012 dated 06.09.2014 confirming the Judgment and Decree of the learned I Assistant Judge, City Civil Court, Chennai in O.S.No.10747 of 2009 dated 30.06.2011.

For Appellant(s): Mr. M. Yokes for M/s.V.G.Suresh Kumar

For Respondent(s): M/s.Sudha Ramlalingam

JUDGMENT

This Second Appeal has been preferred as against the decree and judgment passed by the II Additional District and Sessions Judge, City Civil Court, Chennai in A.S.No.2 of 2012 dated 06.09.2014, wherein the appellant



herein has preferred an appeal as against the decree and judgment passed by the trial Court in O.S.No.10747 of 2009 on the file of the learned I Assistant Judge, City Civil Court, Chennai dated 30.06.2011.

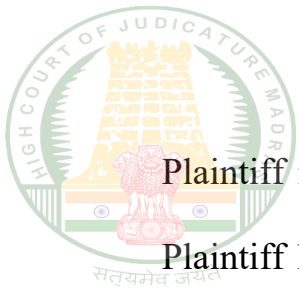
2. In fact, the appellant, who is the Plaintiff before the trial Court, has filed a Suit for recovery of money and the same was partly decreed and partly dismissed. As against the dismissal, the Plaintiff had preferred an appeal and the same was also dismissed. Aggrieved by the said decree and judgment, the present second appeal has been preferred by the appellant / Plaintiff.

3. The *case of the plaintiff* before the trial Court is that the defendant is the Chief Executive Officer of Hand in Hand Tamil Nadu, which is a Public Charitable Trust, constituted in Tamil Nadu in the year 2002 with an initial focus on elimination of child labour, development of education and empowerment of women and the Plaintiff was engaged as the Director of the Citizen Centre Enterprises effective from 11.08.2008. He was to be paid a sum of Rs.1,50,000/- every month towards salary and a sum of Rs.2,00,000/- as incentive per annum. The terms of appointment would also indicate that the appointment was effective for the period from 11.08.2008 to 31.03.2009. In fact, after the performance appraisal in February 2009, the Plaintiff was offered increase in salary at Rs.30 lakhs per annum as against the sum of Rs.20 lakhs



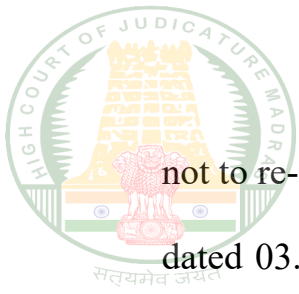
per annum, which he was drawing as salary at that point of time as per communication dated 18.03.2009 issued by the defendant. The Plaintiff was

also eligible to be considered for reappointment based on his performance. In pursuance to the same, he had joined the institution and was functioning as the Director of the Citizen Centre Enterprises and subsequently, he took additional charge of Medium Size Enterprises, wherein he had performed exceedingly well and his work was well received and appreciated by all, as per the February and March, 2009 flash report. His performance was blemishless and well received by all concerned, including the defendant. Though the appointment was to come to an end on 31.03.2009, in terms of Clause-1(b) of the appointment letter dated 11.08.2008 issued by the defendant, by reason of the performance of the Plaintiff, he was permitted to continue in the office even after 31.03.2009. However, under communication dated 03.05.2009, the Plaintiff was informed that the Board of Trustees had reviewed his performance and that the same did not meet their desired expectations and that the Board of Trustees had decided to terminate his engagement with immediate effect. He was also informed that he would be paid two months salary in lieu of notice period. Because of his continued good performance, the institution had chosen to engage him even beyond 31.03.2009 and he continued in office during the month of April 2009 would clearly show that his performance was satisfactory. However, the Plaintiff was paid only one month's salary and still he has not been paid salary for one month and also the incentive amount of Rs.2 lakhs. Therefore, the



Plaintiff is entitled to receive a sum of Rs.3.5 lakhs from the defendant. The Plaintiff had issued a notice dated 10.08.2009 and the defendant also issued a reply notice with false allegations on 24.08.2009. Therefore, the Plaintiff filed the present Suit for declaration that the termination of service is improper and illegal and also for damages at Rs.50,000/- and for recovery of money to the tune of Rs.3.5 lakhs.

4. The *case of the defendant* before the trial Court is that the Plaintiff was appointed as Director, Citizen Centre Enterprises on 11.08.2008 for a period of 7 months, which would automatically terminate on 31.03.2009. The terms of appointment indicated that the based on performance, Plaintiff would be considered for re-appointment upon termination of the original contract, without any promise as to the same. The remuneration was fixed at Rs.1,50,000/- per month. The Plaintiff could also be paid Rs.2 lakhs as performance incentive upon satisfactory completion of service of one year. The said performance incentive could be paid only if the Plaintiff's services were renewed and he was employed in the organization for a period of one year. The Plaintiff was not a team player and was found to be un-co-operative with his colleagues and the organization. Since the Plaintiff's performance was under review by the Board of Trustees, his services were retained for a period of one month and he was paid the same remuneration as per the contract. The Board of Trustees decided



not to re-appoint the Plaintiff and the same was communicated to him by a letter dated 03.05.2009. The defendant is liable to observe two month notice period or to give two months' salary in lieu thereof, only if the contract is sought to be terminated. There is no dispute that the contract of employment signed by the Plaintiff had come to an end. Therefore, the defendant is not liable to give further notice or to pay any money towards notice period. A sum of Rs.1.5 lakhs paid to the Plaintiff was gratuitous in nature and does not stem from any liability under law or contract. The plaintiff was offered a temporary, 7 month contract, with an option to re-appoint him. When the contract came to an end, the Board of Trustees evaluated the performance of the Plaintiff, found it deficient and decided not to re-appoint him. Therefore, the Plaintiff is not entitled to any relief and the second appeal is liable to be dismissed.

5. Based on the above said pleadings and after hearing both sides, the trial Court framed the ***following issues:***

- 1. Whether the Plaintiff is entitled to get declaration as prayed for?*
- 2. Whether the Plaintiff is entitled to get damages as prayed for?*
- 3. Whether the Plaintiff is entitled to get salary as prayed for?*
- 4. Whether the Plaintiff was not terminated and worked till the end of the contract as alleged by the defendant?*
- 5. To what other reliefs, the Plaintiff is entitled to?*



6. Before the trial Court, on the side of Plaintiff, PW1 was examined and marked Ex.A.1 to Ex.A.12. On the side of the defendant, DW1 was examined and E.B.1 to Ex.B.5 were marked. After hearing both sides and perusing the documents, the trial Court partly decreed the Suit in respect of one month salary and dismissed the Suit for the reliefs in respect of declaration, damages and incentive amount of Rs.2 lakhs. Aggrieved by the said decree and judgment, the Plaintiff has preferred an appeal in A.S. No.2 of 2012 on the file of the learned II Additional District and Sessions Judge, City Civil Court, Chennai on various grounds.

6.1. The First Appellate Court framed the following *points for determination*:

1. Whether the appellant / Plaintiff is entitled to declaration that the termination of service by the defendant is improper and illegal?

2. Whether the Plaintiff is entitled to Rs.50,000/- as damages on account of improper termination?

3. Whether the Plaintiff is entitled to a sum of Rs.3,50,000/- towards salary and incentive due?

4. Whether the judgmente and decree of the trial Court is not in accordance with law?

5. To what reliefs?



7. The First Appellate Court after hearing both sides and perusing the records, rendered findings that the trial Court came to a correct conclusion and no any illegality or infirmity is found in the findings of the trial Court and confirmed the decree and judgment passed by the trial Court and dismissed the appeal. Aggrieved by the said decree and judgment passed by the First Appellate Court, the present second appeal has been filed by the appellant / Plaintiff.

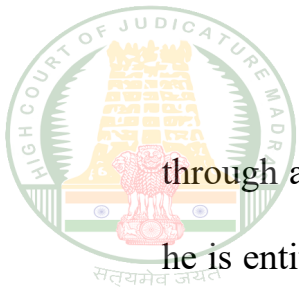
8. This Court, at the time of admitting the appeal, formulated the following *Substantial Questions of Law*:

(i) Whether the Courts below are correct in rejecting the claim of the appellant for incentive to the tune of Rs.2 lakhs in lieu of evidence, more particularly, Exs. A1 & A2.

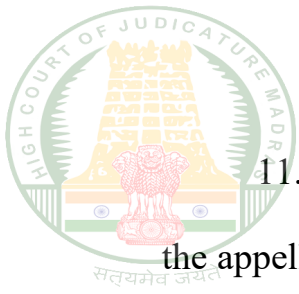
(ii) Whether the Courts below had erred in not appreciating the oral and documentary evidences adduced and were proper in deciding that the appellant is not entitled to the incentive?

9. For the sake of convenience and brevity, the parties herein are referred as plaintiff and defendants, as referred before the trial Court.

10. The learned counsel appearing for the appellant would submit that the appellant was appointed as Director of Citizen Centre Enterprises, Chennai



through an appointment letter dated 11.08.2008. As per the appointment letter, he is entitled to get a sum of Rs.1.5 lakhs per month as salary and Rs.2 lakhs as incentive per annum. The initial appointment was for 7 months and thereafter, the Plaintiff can be re-appointed based on the review by the Board of Trustees. Even after the contract period, the Plaintiff was engaged for another one month based on his performance. While so, without any valid reasons, the defendant terminated the employment of the appellant and as per the appointment order, two months notice to be issued and in lieu of the same, 2 months' salary has to be paid to the appellant / Plaintiff and also the defendant failed to pay incentive. Therefore, the Plaintiff filed a Suit for declaration declaring that the termination of service is illegal and the Plaintiff is entitled to 2 months' notice and to get salary in lieu of notice period and he is entitled to get incentive of Rs.2 lakhs. However, the Courts below failed to consider the case in a proper perspective manner and only awarded a sum of Rs.1.5 lakhs as one month salary for the notice period and failed to pay incentive of Rs.2 lakhs. Therefore, the Courts below were not correct in rejecting the claim of the Plaintiff in view of the incentive, particularly, in Ex.A.1, they stated about the incentive of Rs.2 lakhs. The Courts below erred in not appreciating the evidence adduced by the appellant properly and in deciding that the appellant is not entitled to the incentive. Therefore, the decree and judgment passed by the Courts below are liable to be set aside by allowing the second appeal.



11. The learned counsel appearing for the defendant would submit that the appellant was appointed as Director, Citizen Centre Enterprises, Chennai for a period of 7 months and after 7 months, there was a delay in convening the meeting of Board of Trustees and thereby one month salary was extended. The assignment was only for 7 months. Since the actual period was over, the Plaintiff is not entitled to notice and he is not entitled to two months' salary in lieu of notice. As the contract period is only for 7 months, the Plaintiff is not entitled to get incentive of Rs.2 lakhs. In fact, the incentive is meant for annual incentive and the employee, who has completed one year with good performance, is only entitled to incentive. Since the performance of the Plaintiff was not upto the mark, he was terminated within 9 months and therefore, the Plaintiff is not entitled to any relief. Though the Plaintiff is not entitled to 2 months' notice, one month salary was paid as gratuitous in nature. Therefore, the Plaintiff is not entitled to any relief. However, the Courts below have awarded Rs.1.5 lakhs as one month salary and came to the conclusion that the Plaintiff is entitled to two months' salary as notice period and since already one month salary was paid, directed the defendant to pay the remaining one month salary. However, the defendant did not prefer any appeal, per contra, the Appellant has preferred the appeal. Therefore, there are no merits in this appeal and there are no substantial questions of law involved in this appeal and therefore, the second appeal is liable to be dismissed.

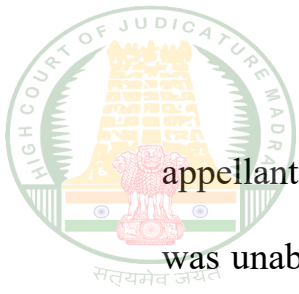
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12. This Court heard both sides and perused the materials available on record.

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13. In this case, there is no dispute that the Plaintiff was appointed as 'Director' of the Citizen Centre Enterprises by the defendant and as per the appointment letter, his period of employment was from 11.08.2008 to 31.03.2009 and the date of employment was effective from 11.08.2008 and the same shall be terminated by the closing hours of March 31, 2009 and the said appointment shall automatically terminate on the end date and the appellant shall be considered for re-appointment based on his performance. It is also an admitted fact that the appellant is eligible to receive gross amount of Rs.1,50,000/- per month. Thereafter, the appellant was terminated as per the order dated 03.05.2009. Though the period of contract was ended on 31.03.2009, he was permitted to work till 03.05.2009. According to the appellant / Plaintiff, since his performance was very good, he was retained for further period, thereby, he is entitled to incentive and he cannot be terminated. Further, two months' notice is required, but in spite of salary in lieu of two months' notice period, the defendant has paid only one month salary to the tune of Rs.1.5 lakhs. The defendant also admitted that the initial appointment of the appellant / Plaintiff was only for 7 months and according to the defendant, the contract period was from 11.08.2008 to 31.03.2009 and the said appointment shall automatically terminate at the end date and the re-appointment of the



appellant shall be considered based on his performance. The Board of Trustees was unable to convene meeting, thereby there was a delay in conducting Board meetings and therefore, the period of employment was extended for another one month. Further in the Board meeting, the Board of Trustees decided not to re-appoint the appellant / Plaintiff as his performance did not meet the desired expectation and thereby, they terminated the appellant / Plaintiff on 03.05.2009.

14. The offer letter dated 04.08.2008 has been marked as Ex.A.1 and the appointment letter dated 11.08.2008 has been marked as Ex.A.2. As per Ex.A.1, the monthly salary was fixed at Rs.1,50,000/- and incentive for a sum of Rs.2 lakhs per annum. As per Ex.A2, the appointment letter dated 11.08.2008, the salary of the appellant has been fixed at Rs.1.5 lakhs per month and the appointment was effected from 11.08.2008 and the same shall be terminated by the closing hours of 31.03.2008. His appointment shall automatically be terminated at the end date and he shall be considered for re-appointment based on his performance. Now the Plaintiff claimed that once the contract period is extended, he is entitled to the permanent appointment and his termination is illegal and two months' notice has to be issued, but no notice was issued to him. Therefore, he has to be paid two months salary. However, he was paid only one month salary. Further, he is entitled to get incentive of Rs.2 lakhs. The defendant denied the said contention of the appellant. According to



the defendant, the appointment of the appellant shall automatically terminate on 31.03.2009. However, to appraise the performance of the appellant, there was a delay in conducting Board meeting and thereby, they were not able to issue termination order even after the period of termination. After the Board meeting, immediately they issued the termination order dated 03.05.2009. Therefore, they need not to give two months notice as the contract period was already over and thereby, the defendant is not liable to pay 2 months salary. As far as incentive is concerned, it was only an annual incentive and a person, who has been appointed permanently and who is working for more than a year, is only entitled to get incentive.

15. To substantiate the case of the appellant, he examined PW1 and marked Exs.A.1 to A12. On the side of the defendant, DW1 was examined and Ex.B.1 to Ex.B.5 were marked. The trial Court after hearing both sides and perusing the records, framed proper issues and dismissed the Suit in respect of the reliefs such as declaration, damages and incentive on the ground that the Plaintiff was appointed only for a particular period and after the end of the contract period, he was terminated, which is in accordance with law and since the incentive is for one year and as the appellant has not completed one year and he has been appointed for a limited period and further within 9 months, he was terminated, he is not entitled to get incentive. The First Appellate Court has also rendered the same findings and confirmed the judgment of the trial Court.



16. This Court also perused the records. On a careful perusal of the records, it is observed that as per the appointment letter, the appellant was appointed for a period from 11.08.2008 to 31.03.2009 and the salary was fixed to him to the tune of Rs.1,50,000/- per month. In the appointment letter, there is no mention about the incentive. In the offer letter, there is a mention about the incentive by hand-written words. However, in the appointment letter, there is no mention about the incentive and the incentive is for a person, who completed one year. Since the appellant has not completed one year, he has been appointed for a particular period 11.08.2008 to 31.03.2009 and he was terminated within one one year, he is not entitled to incentive.

17. As far as the termination is concerned, the appellant / Plaintiff has accepted the appointment letter for a period from 11.08.2008 to 31.03.2009 and also accepted that only based on his performance, his re-appointment shall be considered by the defendant. In the Board of meeting, as the performance of the appellant was decided as not upto the desired expectations, he was terminated after the appointment period, thereby, the appellant is not entitled to the relief of declaration declaring that the termination is illegal. As far as two months' notice is concerned, as per the appointment letter Ex.A.2, the appellant was appointed for a period from 11.08.2008 to 31.03.2009 and the said appointment shall be automatically terminated by the closing hours of the end date. However,



there was a clause over the re-appointment, which is based on the performance of the appellant. But there was a delay in convening the Board meeting and when the Board meeting was conducted, the Board of Trustees appraised the performance of the appellant and decided not to re-appoint the appellant. The learned counsel appearing for the appellant has submitted that the defendant without conducting any disciplinary proceedings, terminated the service of the appellant and for misconduct, without conducting any domestic enquiry, the appellant cannot be removed from service. At this juncture, it is an admitted fact that the appellant has been appointed for a limited period and his re-appointment shall be considered only based on his performance. In the Board meeting, since the performance of the appellant was decided as not satisfactory and the contract period was also over, the appellant was terminated from service. Once the period was over, no notice is required. However, a sum of Rs.1,50,000/- was paid to the appellant as gratuitous amount and the Courts below have held that notice is necessary and thereby, awarded Rs.1.5 lakhs as salary for the remaining one month, as already one month salary amount was paid to the appellant. The defendant did not prefer any appeal by challenging the said order. Therefore, this Court need not interfere with the said order.

18. As far as the *1st substantial questions of law that Whether the Courts below are correct in rejecting the claim of the appellant for incentive*



to the tune of Rs.2 lakhs in lieu of evidence, more particularly, Exs. A1 & A2.

is concerned, the Courts below, based on the evidence and the appointment letter Ex.A.2, have rejected the claim of the appellant towards incentive as there is no reference in the appointment letter about the incentive and the incentive has to be given only after completion of one year, whereas the appellant / Plaintiff has been worked only for 9 months. The Plaintiff cannot claim right beyond the scope of appointment letter. Therefore, the Courts below have correctly rejected the claim of the Plaintiff in respect of incentive. Thus the *1st substantial question of law* is answered.

19. As far as the *2nd substantial question of law that Whether the Courts below had erred in not appreciating the oral and documentary evidences adduced and were proper in deciding that the appellant is not entitled to the incentive?* is concerned, the Courts below have appreciated the oral and documentary evidences and correctly decided that the appellant / Plaintiff is not entitled to incentive as the incentive is eligible only after completion of one year and the Plaintiff has not completed one year and he was terminated within 9 months. Therefore, the Courts below are not erred in appreciating the oral and documentary evidences adduced on either side and were proper in deciding that the appellant is not entitled to incentive. Thus, the *2nd substantial question of law* is answered.



20. In view of the above said discussions and answers to the substantial questions of law, the second appeal has no merits and deserves to be dismissed.

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21. Accordingly, the *second appeal stands dismissed*. There shall be no order as to costs.

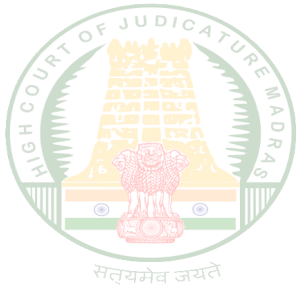
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Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

MJS

To

1. The II Additional District and Sessions Judge, City Civil Court, Chennai.
2. The I Assistant Judge, City Civil Court, Chennai.



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P.DHANABAL, J.

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