



W.P.No.27252 of 2012

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 01.09.2023

CORAM:

THE HONOURABLE MR. JUSTICE **G.K.ILANTHIRAIYAN**

W.P.No.27252 of 2012 and
MP.No.1 of 2012 and WMP.No.31247 of 2016

1.S.Neelavathi
2.Subramani

... Petitioners

Vs.

1.The Registrar of Cooperative Societies,
Office of Registrar,
Kilpauk, Chennai-10

2.The Special Officer,
The Gudiyattam Co-op, Urban Bank Ltd.,
No.C.812, Gudiyattam Taluk,
Vellore District

3.The Manager,
Life Insurance Corporation of India,
Vellore Division

(R3 suo motu impleaded as per order dated
02.03.2015 in WP.Nos.27252 to 27256 of 2012) ... Respondents

PRAYER:

Writ Petition is filed under Article 226 of Constitution of India
praying to issue a Writ of Mandamus directing the second respondent to



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pay the amount of Rs.1,68,690/- towards general insurance with interest and with compensation of Rs.2,00,000/- for the mental agony, physical strain and suffering of the petitioner.

For Petitioners : No appearance

For Respondents

For R2 : Mr.A.Rajaperumal
for Mr.L.P.Shanmugasundaram

For R1 : Mr.L.S.M.Hasan Fizal,
Additional Government Pleader

For R3 : No appearance

ORDER

This writ petition has been filed for direction to the second respondent to pay a sum of Rs.1,68,690/- towards general insurance with interest and with compensation of Rs.2,00,000/-.

2. The first petitioner's husband had joined as Clerk in the second respondent. Thereafter, he was promoted to the post of Assistant Manager and he attained superannuation on 30.06.2008. The second respondent bank is entitled to pay the gratuities to the first petitioner's



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husband on retirement from service as per Rule 15(9)(E) of the retiring gratuities rules enabling the second respondent bank to pay the gratuities of 15 months salary of the employee to the first petitioner's husband. The first petitioner's husband was paid a sum of Rs.3,50,000/- towards gratuities. The first respondent issued circular in RC.No.4755/73E dated 22.10.1973 directing all the Cooperative Banks, Cooperative Institution and Cooperative Societies to adopt group insurance scheme of the Life Insurance Corporation known as “Group Gratuities Life Assurance Scheme”. Accordingly, the second respondent had taken policy for its employees and paid premium to the Life Insurance Corporation of India. On the said scheme, the LIC of India had sent a cheque for the sum of Rs.5,18,690/- payable to the first petitioner's husband. However, the second respondent had paid only a sum of Rs.3,50,000/- and the remaining amount was not paid to him. Therefore, the first petitioner's husband made representation claiming balance amount and also compensation.

3. On perusal of counter filed by the second respondent



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revealed that whatever the gratuity amount payable by the second respondent has been paid to the first petitioner's husband which the first petitioner's husband was entitled to. The said amount is fixed as per Gratuity Act, 1972. The second respondent entered into 'Group Gratuities Life Assurance Scheme' and started paying premium through LIC of India after starting a trust i.e. 'EMP GRTY Trust'. All the employees of the second respondent bank were adopted by the LIC insofar as the gratuities are concerned under the said scheme. Therefore, whatever the matured amount under the policy, the retired employee is entitled to only for maximum sum of Rs.3,50,000/-. Therefore, balance amount has been credited to the account of 'EMP GRTY Trust'. In fact, the employees did not contribute any amount to the premium of LIC policy. The sole purpose of paying premium of LIC is to pay the correct amount of Gratuity in time and to pay Gratuity promptly in case of death of the employee. Therefore, whatever the gratuity entitled by the employee, was already paid to all the retired employees.

4. Hence, the claim made by the petitioner cannot be



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considered. As such, the writ petition is devoid of merits and liable to be dismissed. Accordingly, this writ petition is dismissed. Consequently, connected miscellaneous petitions are closed. There shall be no order as to costs.

01.09.2023

Internet: Yes

Index: Yes/No

Speaking/Non-speaking order
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G.K.ILANTHIRAIYAN, J.

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To

- 1.The Registrar of Cooperative Societies,
Office of Registrar,
Kilpauk, Chennai-10
- 2.The Special Officer,
The Gudiyattam Co-op, Urban Bank Ltd.,
No.C.812, Gudiyattam Taluk,
Vellore District
- 3.The Manager,
Life Insurance Corporation of India,
Vellore Division
4. The Government Advocate,
High Court, Madras.

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