



WEB COPY



W.P.No.4468 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 09.12.2025

CORAM

THE HONOURABLE Ms. JUSTICE P.T. ASHA

W.P.No.4468 of 2022

and

WMP.Nos.4593 & 4594 of 2022

S.Devaraj

... Petitioner

Vs.

1. Tamil Nadu Civil Supplies Corporation Ltd.,
rep.by its Managing Director,
No.12, Thambusamy Road,
Kilpauk, Chennai - 600 010.

2. The General Manager, (Administration),
Tamil Nadu Civil Supplies Corporation Ltd
No.12, Thambusamy Road,
Kilpauk, Chennai - 600 010.

3.The Regional Manager,
Tamil Nadu Civil Supplies Corporation Ltd.
Thiruvannamalai Region,
Thiruvannamalai District.

...Respondents

Prayer:- Writ petition filed under Article 226 of the Constitution of India praying for issuance of a writ of Certiorarified Mandamus, calling for the records relating to the Impugned Order passed by the 2nd respondent in Proc.No.AGR2/18336/2021 dt. 16.07.2021 and quash the same in so far as in ordering for recovery of Rs.6,93,235/- from the petitioner's gratuity amount and for non-payment of interest on the Gratuity and consequently direct the respondents to pay the interest at the rate of 10% per annum on the total gratuity of Rs.9,98,753/- w.e.f. 01.06.2016 till the date of payment.



W.P.No.4468 of 2022

For Petitioner : Mr.K.Premkumar

For Respondents : M/s.S.Anitha, Spl.GP for R.1 & R.2

: Mr.C.Selvaraj for R.3.

ORDER

The Writ Petition is filed for the following reliefs:-

“calling for the records relating to the Impugned Order passed by the 2nd respondent in Proc.No.AGR2/18336/2021 dated 16.07.2021 and quash the same in so far as in ordering for recovery of Rs.6,93,235/- from the petitioner’s gratuity amount and for non-payment of interest on the Gratuity and consequently direct the respondents to pay the interest at the rate of 10% per annum on the total gratuity of Rs.9,98,753/- w.e.f. 01.06.2016 till the date of payment.”

2. The petitioner had initially appointed as a casual labourer on 28.02.1976 in the respondent corporation and after rendering service of 39 years and 3 months he was allowed to retire from service on 31.05.2015 as a Boiler Operator without prejudice to the disciplinary proceedings and alleged short out turn recovery. Though the petitioner was retired on 31.05.2015, the gratuity amount due to him was not paid within the stipulated time. Therefore, the petitioner had filed an application in PG.No.29/2016 under Section 4 of the Payment of Gratuity Act to the pay the gratuity amount before the Controlling Authority/Deputy Commissioner

2/7



W.P.No.4468 of 2022

of Labour at Vellore. In the said application, the respondent management had filed a counter contending that an amount of Rs.6,09,305/- was payable by the petitioner towards Storage loss which was said to have been occurred when the petitioner was in service and an Industrial Dispute in ID.No.11 of 2004 on the file of the Industrial Tribunal at Chennai was pending regarding the said occurrence. After conducting an enquiry, the Controlling Authority had dismissed the Gratuity Application filed by the petitioner on 02.08.2016. Challenging the same, the petitioner had preferred an appeal under Section 7(7) of the ID Act before the Appellate Authority in PGA.No.117/2016. The said appeal was allowed on 21.08.2018. Challenging this order, the respondent corporation had filed WP.No.22716 of 2019. This Writ Petition was dismissed on 16.07.2020. Therefore, the order passed by the Appellate Authority under the Payment of Gratuity Act in PGA.No.117 of 2016 dated 21.08.2018 had attained finality. Thereafter, the petitioner had sent two letters to the respondent management requesting them to pay the gratuity along with interest as per the order passed in PGA.No.117 of 2016

3. On 16.07.2021, the 2nd respondent had passed the impugned order sanctioning payment of Rs.9,98,753/- towards Gratuity without interest and also directed the 3rd respondent to recover a sum of Rs.6,93,235/-. Challenging, the same, the petitioner is before this Court.



WEB COPY

4. The 3rd respondent had filed a counter, inter alia, denying the claim of the petitioner and contending that the Appellate Authority, in PGA No.117 of 2016, had set aside the order passed by the Controlling Authority in PG.No.29/2016, only on a technical ground, observing that the Controlling Authority had not perused the pleadings of both sides before passing the order rejecting the petitioner's claim. That apart, the Appellate Authority had not passed any order specifically directing payment of interest for the alleged delay in settling the gratuity amount. Therefore, the 3rd respondent has sought for the dismissal of the Writ Petition.

5. Heard the learned counsel on either side and perused the records.

6. By filing I.D. No.11 of 2004, the Union had espoused the case of all the employees, including the petitioner by challenging several recovery orders issued by the respondent Corporation to the workers. By an order dated 09.01.2018, the Industrial Tribunal, Chennai had allowed the Industrial Dispute by observing as follows:-

“No enquiry was conducted as to both the quantum of short out turn and the cost for the same and straight away recovery orders are issued on the basis of unilateral assessment and based on state average. The Board adopting



W.P.No.4468 of 2022

WEB COPY

the 2nd committee's unscientific report is incorrect and irrational and arbitrary and violation of Art. 14 of the Constitution of India. The management impugned order of recoveries are in violative principles of natural justice as per the Tamil Nadu Civil Supplies Corporation Service Rules Book.. The points are answered accordingly.”

7. The order passed in ID.No.11 of 2004 dated 09.01.2018, setting aside several recovery orders issued by the respondent management, was not further challenged by the respondent management. Further, the claim of the petitioner has been allowed by the Appellate Authority in PGA.No.117/2016 on 21.08.2018 and the writ petition in WP.No.22716 of 2019 preferred by the respondent management challenging the said order was dismissed on 16.07.2020. Therefore, the order passed by the Appellate Authority under the Payment of Gratuity Act in PGA.No.117 of 2016 dated 21.08.2018, directing the respondent management to pay the petitioner's gratuity, has attained finality.

8. In view of the above, the impugned order passed by the 2nd respondent dated 16.07.2021 cannot be sustained and is liable to be set aside. Accordingly, the impugned order is set aside, insofar as it relates to the recovery of a sum of Rs.6,93,235/- from the petitioner's Gratuity and

5/7



W.P.No.4468 of 2022

the non-payment of interest on the Gratuity. The respondents are directed to pay the interest at the rate of 10% per annum on the total Gratuity amount of Rs.9,98,753/- w.e.f. 01.06.2016 till the date of actual payment.

9. Accordingly, the Writ Petition is allowed. No costs. Consequently, connected miscellaneous petitions are closed.

09.12.2025

(shr)

Index : Yes/No

Speaking Order: Yes/No

Neutral Citation : Yes/No

To

1. Tamil Nadu Civil Supplies Corporation Ltd.,
rep.by its Managing Director,
No.12, Thambusamy Road,
Kilpauk, Chennai - 600 010.

2. The General Manager, (Administration),
Tamil Nadu Civil Supplies Corporation Ltd
No.12, Thambusamy Road,
Kilpauk, Chennai - 600 010.

3.The Regional Manager,
Tamil Nadu Civil Supplies Corporation Ltd.
Thiruvannamalai Region,
Thiruvannamalai District.



WEB COPY



W.P.No.4468 of 2022

P.T. ASHA. J.,

(shr)

W.P.No.4468 of 2022

09.12.2025