IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 11-07-2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

WP No. 11895 of 2024

Mr.Anchi Kan
S/o.(late) Karuppanan R
No. JOQ-03, New Town
Bhadravathi - 577301

Petitioner(s)

Vs

1. The Deputy Manager-(Personnel)
   Steel Authority of India Limited
   Salem Steel Plant
   Salem 636 013

2.The General Manager-
(Finance And Accounts)
Steel Authority of India Limited
Salem Steel Plant
Salem 636 013

3.The Executive Director
Steel Authority of India Limited
Salem Steel Plant
Salem 636 013

Respondent(s)

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 order of the 1st respondent bearing No. PL-3(M133) dated 03.02.2024 and quash the same and consequently direct the respondents to release the gratuity amount of a sum of Rs.20,00,000/- (Rupees Twenty Lakhs Only) along with interest at 18% per annum from 01.04.2023 till the date of disbursement, payable to the petitioner, to and in favour of the petitioner herein,

For Petitioner	Mr.R.Bharadwaja Ramasubramaniam for M/s Vivrti Law
For Respondents	Mr.N.Nithianandam

ORDER

This writ petition has been filed challenging the impugned proceedings of the first respondent dated 03.02.2024 and for a consequential direction to the respondents to release the gratuity amount of a sum of Rs.20,00,000/- with 18% interest per annum from 01.04.2023 till the date of disbursement.

2. When this writ petition came up for hearing on 19.06.2025, this Court passed the following order:-

"Heard the learned counsel appearing for the petitioner and the learned standing counsel appearing on behalf of the respondents.

2. The entire dispute involved in the present writ petition pertains to the retention and non-payment of a sum of Rs.20,00,000/- to the petitioner towards gratuity amount.

3. It is not in dispute that the petitioner superannuated in December, 2022. The petitioner seems to have made a representation to permit him to stay in the quarters for three years. This representation was not acted upon and decided and hence the petitioner continues to stay in the quarters till date.

4. The respondents were insisting for no due certificate in order to release the gratuity amount to the petitioner. The petitioner was not able to get the no due certificate, since he has not vacated the premises.

5. The petitioner loses his right to retain the quarters after his retirement. There is no legal right available to the petitioner to retain the quarters, since the employer-employee relationship snaps. However, the petitioner has managed to retain the quarters from December, 2022 onwards. It is made clear that the petitioner will vacate and handover the quarters on or before 31.08.2025. The monthly rent payable for the quarters from December, 2022 to August, 2025 shall be calculated and informed to this Court. This amount shall be paid by the

petitioner and on payment of the same, the no due certificate can be issued and the sum of Rs.20,00,000/- payable to the petitioner towards gratuity amount can be released. In the alternative, the amount payable by the petitioner can be deducted from the gratuity amount payable to the petitioner.

6. When the above was suggested by this Court, the learned counsel for petitioner and the learned standing counsel for respondents sought for some time to take instructions. Post this writ petition under the caption 'part heard case' on 27.06.2025."

3. The matter was listed for hearing on 27.06.2025 and the following order came to be passed by this Court:-

"When the matter was taken up for hearing today, the learned Standing Counsel appearing on behalf of the respondent produced the written instructions received from the 2nd respondent. The relevant portions are extracted hereunder:

It is to be mentioned that as per official records, before his promotion and transfer from VISL to SSP, Shri Anchi KAN was in occupation of company quarter at VISL, Badhravathi in the address: JOQ-3, New Colony, Badhravathi. SAIL has a common scheme called "Rules for retention of facilities on transfer" (Ref No: PER/PP/4003/19 dated 14.02.2019) (Annexure-V) applicable to all employees of SAIL on Inter and Intra-Plant/Unit transfer between different locations. One of the features of the scheme is that, on request by the employee, the company accommodation provided to the transferred employee at the previous place of posting can be retained by him/her on year-on-year basis for a maximum period of 5 years.

In this connection, vide Office Order No.PER-OD/32/2020 dated 06.11.2020 (Annexure-VI), Shri Anchi KAN was provided with retention of facilities in VISL from 06.11.2020 to 05.11.2021 by Assistant Manager (Personnel & CSR), VISL. Badhravathi in which he was allowed to occupy the company quarter in the address: JOQ-3, New Colony, Badhravathi from 06.11.2020 to 05.11.2021. Later, based on the retention application submitted by Shri Anchi KAN, dated 22.10.2021, Office order vide PEROD/72/2021 dated 30.10.2021 (Annexure-VII), by Assistant Manager (Personnel & CSR), VISL. Badhravathi, he was allowed to retain the above mentioned company quarter for second year, from 06.11.2021 to 05.11.2022.

Further, vide application dated 25.10.2022, Shri Anchi KAN has requested for retention of facilities for third year. Vide Office Order No PER-OD/2022/91 dated 04.11.2022 by Assistant Manager (Personnel & CSR), VISL Badhravathi, he was allowed to retain the above mentioned company quarter from 06.11.2022 to 31.12.2022

It is to be mentioned that as per revised Rules for retention of facilities on transfer (Ref No: PER/RULES/4003 dated 19.02.2022) (Annexure-VIII), clause 7.6 reads as under:-

"The retention of company accommodation/HRA facility will not be allowed beyond the maximum permissible period or date of superannuation of the employee, whichever is earlier." In compliance with the above clause, retention facility was allowed till the date of his superannuation i.e., 31.12.2022 As per company norms, after superannuation, to carry out the final settlement process, NDCs will be obtained from all concerned agencies. It is to be mentioned that as per revised

Rules for retention of facilities on transfer, Clause 11.4 reads as under.-

"Before final settlement of such employees "No demand certificate has to be obtained from the Plant/Unit where retention has been availed." GM (Town Admin), VISL, Badhravathi vide Ref No: TA/537/2022-23 dated 21.11 2022 has given a letter to Shri Anchi KAN marking a copy to CGM (P&A), SSP that:- "Your extension of retention facilities is till 31.12.2022. After this period, kindly handover the vacant possession of quarters immediately to Town authorities. On surrender of quarters only the clearance will be given from VISL Town department."

It's an exceptional case in Salem Steel Plant wherein a senior most executive is violating the company norms ie non-vacation of company accommodation on superannuation. Since he has not vacated the company accommodation in VISL on his superannuation from the company, as a security deposit, an amount of Rs 20,00,000/- (Rupees twenty lakhs only) is withheld from his leave encashment amount. The same will be released on vacation of his company accommodation at VISL after deduction of company dues, if any. The final settlement statement of Shri Anchi KAN is placed at Annexure IX. The claim of Shri Anchi KAN towards non-payment of gratuity is false in nature.

It is to be mentioned that letters from SSP to Shri Anchi KAN vide Ref No:- PL-3(M133) dated 03.02.2024 & 29.04.2024 (Annexure X & XI) stating that his NDCs were not provided from VISL as he had still retained the company accommodation. Moreover, he was requested to make necessary action from his end in order to facilitate VISL to issue NDC for clearance of his final dues from the company.

2.On going through the written instructions, it is seen that what has been retained by the respondents is a sum of Rs.20,00,000/- which is payable towards leave encashment amount. The learned Standing Counsel further submitted that whatever has been retained will be repaid back to the petitioner once he vacates and hands over the company quarters.

3.Per contra, the learned counsel appearing on behalf of the petitioner submitted that there are nearly 55 persons who are staying at Badhravathi even after their retirement and all their benefits have been settled and it is only the petitioner who is being targeted since he has filed the writ petition before this Court. The learned counsel for the petitioner further denied the stand taken by the respondents as if Rs.20,00,000/- has been retained towards leave encashment amount. The learned counsel to substantiate his submission, relied upon the provisional final settlement statement dated 31.12.2022, wherein the learned counsel pointed out that the sum of Rs.20,00,000/- is payable to the petitioner only towards gratuity.

4.In the considered view of this Court, the statement made across the bar on instructions given by the petitioner has to be verified by the learned Standing Counsel appearing on behalf of the respondents. The learned Standing Counsel shall take instructions as to whether persons are staying in the quarters at Badhravathi even after their retirement and whether they are allowed to retain property after paying all their terminal benefits. The learned Standing Counsel shall take written instructions in this regard.

5.Post this writ petition under the same caption on 04.07.2025 at 2.15 p.m."

4. The writ petition was once again listed for hearing on 04.07.2025 and this Court passed the following order:-

> "Pursuant to the earlier order passed by this Court on 27.06.2025, the matter is taken up for hearing today. An additional typedset of documents was filed on the side of the petitioner. Similarly, additional typedset of papers was filed on the side of the respondents also. On going through the same, it is seen that there was a Scheme for retention of the company quarters by the VISP employees at Badhravathi after they retire from service. Even as per this Scheme, the total period of retention is only one year and the circular dated 15.12.2018 provides for the terms and conditions. On going through the additional typedset of documents filed on the side of the petitioner, it is seen that on 28.01.2020, a proposal was sent by the General Manager for extension of the licence for a further period of 11 months with increase in licence fee. It was only a proposal for approval forwarded by the General Manager.
>
> 2. The learned counsel for petitioner submitted that the petitioner is continuing to retain the quarters only under the above said Scheme.
>
> 3. Per contra, the learned counsel for respondents submitted

that the Scheme will apply only to those employees working at VISP, Badhravathi and it will not apply to those employees who worked under the respondents.

4. In order to find a solution, there shall be a direction to the Standing Counsel for respondents to calculate the amount that is payable by the petitioner for retaining the quarters after retirement, till 31.08.2025. Once this amount is determined, this Court will ascertain as to whether it can be adjusted from the amount payable to the petitioner and a solution can be arrived at.

5. The learned counsel for petitioner submitted that he has already instructed his client that the retention of the quarters by the petitioner will be subject to the final orders of this Court.

6. Post this contempt petition under the same caption on 11.07.2025 at 2.15 P.M."

5. When the writ petition was taken up for hearing today, the learned Standing Counsel appearing on behalf of the respondents produced the memo of calculation and the same is extracted hereunder:-

Particulars Jan 2023 to Aug 2025 (32 months)	Rate/Month	GST @ 18%	Amount
Overstay Rent	Rs.5,500		Rs.1,76,000
Water Charges	Rs.194		Rs.6,208
Garbage Charges	Rs.55	Rs.9.9	Rs.2,077
Service Charges	Rs.70	Rs.12.6	Rs.2,643
Total			Rs.1,86,928

6. The learned counsel for petitioner submitted that the petitioner had already paid by way of demand drafts in favour of SAIL-VISL, Bhadravathi a sum of Rs.1,41,585/- and the same has not been given credit. The learned counsel further submitted that nothing can be deducted from the gratuity amount that is payable to the petitioner and therefore the proposal of the respondents to deduct a sum of Rs.1,86,928/- from the total amount of Rs.20,00,000/- that is payable to the petitioner is unsustainable and illegal.

7. In the considered view of this Court, even during the previous hearings, this Court expressed its mind that at some point of time the problem has to be resolved. The respondents have taken a stand that the scheme that is being relied upon by the petitioner to stay at Bhadravathi beyond retirement, will not apply

to the petitioner, since he belongs to the respondent organisation. That apart, there is an objection on the side of the respondents for the petitioner overstaying in the property. Hence, this Court does not want to go into the dispute regarding the quantum of money that is payable by the petitioner. Normally, no amount can be deducted from the gratuity amount that is payable to the employee. In any case, this Court holds that the petitioner is liable to pay a sum of Rs.1,86,928/- as claimed by the respondents and the same can be deducted and the balance can be paid to the petitioner, instead of directing the petitioner to first pay this amount and thereafter to receive the gratuity. A practical approach has to be followed in this case.

8. In the light of the above discussion, there shall be a direction to the respondents to deduct a sum of Rs.1,86,928/- from the total amount of Rs.20,00,000/- that is payable to the petitioner and the balance amount shall be paid to the petitioner, by 31.08.2025. It is made clear that the petitioner will also vacate and handover possession of the property by 31.08.2025. It will be more proper if both the compliances take place at the same time.

9. This writ petition is disposed of in the above terms. No costs.

11-07-2025

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

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N.ANAND VENKATESH J.

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