



W.P.No.20117 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 19.11.2025

CORAM:

THE HONOURABLE MRS. JUSTICE N.MALA

W.P.No.20117 of 2025

and

W.M.P.No.22695 of 2025

S.Selvadurai

...Petitioner

-Vs-

- 1.The Deputy Chief Labour Commissioner (Central),
Appellate Authority Under the Payment of Gratuity Act,
No.26, Haddows Road,
5th Floor, Shastri Bhawan,
Chennai – 600 006.
 - 2.The Assistant Labour Commissioner (Central)-I Chennai and
Controlling Authority under the Payment of Gratuity Act,
No.26, Haddows Road,
5th Floor, Shastri Bhawan,
Chennai – 600 006.
 - 3.The Management,
National Council for Co-operative Training,
Jawaharlal Nehru National Co-operative Complex,
No.3, Siri Institutional Area
August Kranti Marg
Houz Khas, New Delhi 110 016.
 - 4.The Director,
Institute of Co-operative Management,
Chinna Udaipu,
Postal Training Center Post, Perungudi,
Madurai 625 022.
- ...Respondents



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Prayer: Writ Petition filed under Article 226 of the Constitution of India, praying for the issuance of a direction in the nature of Writ of Certiorarified Mandamus and calling for records for the concerned records from the first respondent, quash the order of the first respondent in G.A.No.402 of 2023 dated 27.02.2025 as illegal, arbitrary and contrary to law and consequently direct the respondent No.2 and 3 to pay Rs.1,53,932/- as Gratuity along with 10% simple interest per annum from the date when the Gratuity became payable till the date of actual payment and further 10% simple interest per annum for Rs.2,96,221/- from the due date till the date of actual payment (02.02.2005) to the petitioner within the time frame stipulated by this Court.

For Petitioner : Mr.Balan Haridas
For R1 & R2 : Mrs.M.Jayanthi,
Additional Government Pleader
For R3 & R4 : Mr.B.A.Muruganantham

ORDER

This writ petition is filed challenging the order of the first respondent in G.A.No.402 of 2023 dated 27.02.2025 as illegal, arbitrary and contrary to law and consequently directing the respondents 2 and 3 to pay a sum of Rs.1,53,932/- as gratuity along with 10% simple interest per annum from the date when the gratuity became payable till the date of actual payment, and further 10% simple interest per annum on Rs.2,96,221/- from the due date till 02.02.2005.



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2. The petitioner retired from the services of the third respondent as a Lecturer. According to him, he was entitled to gratuity amount of Rs.2,96,221/-. However, the third and fourth respondents calculated the gratuity at Rs.2,66,225/-, deducted Rs.1,035/- towards HRA and other allowances, and paid Rs.32,298/- only towards interest for belated payment. Aggrieved by the above deductions and short payment, the petitioner filed an application under Section 7 of the Payment of Gratuity Act seeking payment of the balance gratuity amount along with interest.

3. The second respondent/Controlling Authority allowed the petitioner's application and directed the third respondent to pay a sum of Rs.1,53,902/- along with 10% interest per annum from the due date till the date of actual payment, and further 10% simple interest per annum from the due date till 02.02.2005, within 30 days. Aggrieved by the said order, the third and fourth respondents filed an appeal before the first respondent. The first respondent, by order dated 27.02.2025, allowed the appeal and set aside the order of the Controlling Authority. Challenging the same, the petitioner has filed the present writ petition.

4. Learned counsel for the petitioner submitted that the order of the first respondent does not disclose any valid or proper reasoning for



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overturning the well-reasoned order of the Controlling Authority. The learned counsel submitted that the appellate authority failed to note that the Controlling Authority applied the provisions of the Payment of Gratuity Act, 1972 correctly, considered all relevant factors, and rightly held that the deductions made by the respondents were impermissible. The counsel therefore prayed that the impugned order be set aside.

5. Learned counsel for the respondents 3 and 4 submitted that under the impugned order, the appellate authority rightly ruled that the third respondent Institute was governed by the Central Civil Service (Pension) Rules, 1972 ('CCS Pension Rules') and that the petitioner was paid gratuity amount as per the said rules and therefore the provisions of Payment of Gratuity Act, 1972 were not attracted to the petitioner's case. It was further contended that out of the payable amount of Rs.2,56,725/-, Rs.1,13,436/- was deducted as per Rules 72, and 73(3) of the CCS Pension Rules, towards market rent, inadmissible reimbursement of medical claims, inadmissible HRA, recovery of TA Bills and recovery of interest on unspent transfer of T.A. Advance and that the remaining amount of Rs.1,42,289/- was paid to the petitioner. It was submitted that without properly appreciating the said facts and legal provisions, the second respondent had passed an order in GA.No.23/2022, and hence the first respondent set aside the said order by the



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impugned order dated 27.02.2025. The learned counsel submitted that the writ petition lacked merit and deserved to be dismissed.

6. Heard the rival submissions of the learned counsels and perused the materials placed on record.

7. The petitioner sought payment of balance gratuity amount along with interest, challenging the deductions effected by the respondents. The respondents contended that, being an autonomous Institution, certain deductions were permissible. The third respondent further defended the continuous deductions under HRA, travel allowances and medical expenditure. The controlling authority examined these issues in detail and held that the petitioner was entitled to balance gratuity with interest. The first respondent, in the appeal held as follows:

The material placed before the Authority, written and oral arguments, it is clear that the Respondent has been paid gratuity amount under CCS (Pension) Rules, 1972, Therefore, the provisions of Payment of Gratuity Act, 1972 is not applicable, The Respondent has to seek relief regarding the deduction made by the Appellant before the appropriate forum.



Thus, after analysing the views putforth by both sides and also after carefully examining the above facts, I pass the following Order:-

ORDER

The Order of the Controlling Authority and Assistant Labour Commissioner (Central) 1, Chennai in Gratuity Application No. 23/2022 is setaside and the Appeal is allowed.

The Controlling Authority is ordered to initiate further action in accordance with the provisions of the Payment of Gratuity Act, 1972.

8. From the above, it is clear that the first respondent, despite recording the submissions, assigned no reasons for setting aside the order of the Controlling Authority. The impugned order merely modifies the calculations without addressing the specific findings and legal reasonings relied upon by the Controlling Authority. Such an approach is unsustainable.

9. Therefore, the contention of the learned counsel for the petitioner that the impugned order suffers from non-application of mind is justified. Accordingly, the order dated 27.02.2025 passed by the first respondent is set aside. The matter is remanded to the first respondent for fresh consideration.



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10. The first respondent is directed to hear the parties afresh, provide them an opportunity of personal hearing, and pass appropriate orders on merits and in accordance with law within a period of six weeks from the date of receipt of a copy of this order.

11. With the above direction, the writ petition stands disposed of. No costs. Consequently, the connected miscellaneous petition is closed.

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Index : Yes/No

Speaking/Non-Speaking Order



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N.MALA, J.

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