IN THE HIGH COURT OF JUDICATURE AT MADRAS

Orders Reserved on : 26.08.2025

Orders Pronounced on : **07.11.2025**

CORAM

THE HONOURABLE MR.JUSTICE P. DHANABAL

W.P.No.21719 of 2022
and
W.M.P.Nos.20723 of 2022 and 11178 of 2023

National Institute of Technical Teachers Training and
Research Chennai Society,
(Formerly Technical Teachers Training Institute),
Rep. by its Director,
Taramani Post,
Chennai – 600 113. ... Petitioner

Versus

M. Rajakumar ... Respondent

Prayer : Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a Writ of Certiorari, to call for the records relating to the order dated 08.07.2022 in C.P.No.145 of 2019 on the file of the I-Additional Labour Court, Chennai and quash the same.

For Petitioner : M/s. A.L. Ganthimathi, Senior Counsel,
for M/s. S. Meenakshi
For Respondent : Mr. S. T. Varadarajulu

ORDER

This Writ Petition has been preferred against the award dated 08.07.2022 passed by the I-Additional Labour Court, Chennai in C.P.No.145 of 2019 and to quash the same.

2. The short facts necessary for the disposal of this Writ Petition are as follows:

i) The respondent joined the services of the petitioner's institute as a *Technician Grade III* on 30.04.1986. He was subsequently promoted to various posts, and while serving as *Foreman* in the pay scale with a basic pay of Rs.11,240/-, he was placed under suspension, along with certain co-employees, and he enjoyed the promotion and seniority.

ii) The respondent remained under continuous suspension on 13.02.2002, 23.07.2002 and 12.11.2002, under Rule 10(5)(b) of the Central Civil Services (Classification, Control and Appeal) Rules 1965, (in short "*CCS (CCA) Rules, 1965*") pending disciplinary proceeding. A show-cause notice dated 25.02.2003 was issued proposing penalty. The said proceeding was challenged by the respondent in I.D. No.18 of 2004, which was dismissed by award dated 09.09.2004.

iii) The said award was assailed by the respondent in W.P.No.41539 of 2005, which was dismissed on 21.07.2008. Against which, the respondent preferred a Writ Appeal in W.A.No.724 of 2009, and the same was allowed on 17.08.2011 by setting aside the major penalty and directing the Labour Court to reconsider the penalty punishment under Section 11A of the Industrial Dispute Act, 1947 (in short "*I.D. Act*").

iv) Pursuant thereto, the Labour Court, by award dated 22.11.2011, awarded compensation of Rs.6,00,000/- (Rupees Six Lakhs only) in lieu of reinstatement and the same was challenged by the Management as well as the petitioner, through writ petitions in W.P.No.7927 of 2012 and 20422 of 2012 respectively. This Court by common order dated 19.09.2017, modified the award imposed the punishment of compulsory retirement, as with effect from the date of order passed by the Labour Court, and directing the Management to extend all benefits, except backwages through the order dated 22.11.2011 and to pass a consequential orders within three months.

v) In compliance, the Management also issued consequential orders under Rule 40 of the Central Civil Services (Pension) Rules, 1972, (in short "*CCS (Pension) Rules, 1972*"), through its order dated 23.03.2018, granting compulsory retirement with effect from 22.11.2011. However, the full retirement benefits and admissible interest were not disbursed to the respondent as per the entitlement of the period as required under Rule 23 of the CCS (Pension) Rules.

vi) According to the respondent, the full retirement benefits and interest have not been paid. The petitioner was in non-employment and he was not gainfully employed from 24.03.2003 to till date, and hence, he was entitled to get full backwages, suspension allowance, and all other attendant benefits from the date of retirement service to till the date, including the seniority promotion on par with his co-workers, and the period of suspension shall be treated as duty as natural corollary under Fundamental Rules 54-B (in short "*FR*") and Rule 24 of the CCS (Pension) Rules. The Management, however, issued a cheque for a sum of Rs.9,75,680/- and deducted a sum of Rs.8,84,561/- towards penal interest and penal rent, which were allegedly recovered illegally.

vii) Aggrieved thereby, the respondent filed a claim petition in C.P.No.145 of 2019 before the I-Additional Labour Court, Chennai, (herein after referred to as "*Labour Court*") and the Labour Court, by award dated 08.07.2022 computed a sum of Rs.7,34,561/-, without interest, within three months to the respondent, failing which the petitioner is liable to pay interest at the rate of 9% per annum.

viii) Aggrieved by the said order, the petitioner/Management has preferred this Writ Petition before this Court.

3. The learned counsel for the petitioner would submit that the respondent joined the services of the petitioner's institution on 30.04.1986

as Technician Grade III, (Air Conditioning Mechanic). As per the terms of his appointment, his service conditions are governed by the Central Civil Services (Conduct) Rules, 1964, and allied rules applicable to Central Government employees. While so, the respondent was issued with charge for thrice during the course of his service for certain misconduct committed by him. Pursuant to the said charges, an enquiry was conducted, and after affording sufficient opportunity to the respondent, the Enquiry Officer submitted a report holding that all the charges were proved. Based on the said findings, the disciplinary authority imposed punishment of removal from service with effect from 25.02.2003.

3.1 As against the said order of removal from service, the respondent raised an Industrial Dispute in I.D.No.18 of 2004 before the Labour Court, which was dismissed on 09.09.2004. Against this, the respondent filed a Writ Petition No.41539 of 2005, which was dismissed on 21.07.2008. Thereafter, the respondent filed a Writ Appeal No.724 of 2009, and the said appeal was allowed by Judgement dated 17.08.2011 and set aside the major punishment of dismissal from service and remanded the matter to the Labour Court for reconsideration of the punishment regarding penalty in terms of Section 11A of the I.D. Act.

3.2 Pursuant to the said remand, the Labour Court, by award dated 22.11.2011, awarded a sum of Rs.6,00,000/- (Rupees Six Lakhs only) as compensation in lieu of reinstatement and the same was challenged by both the petitioner/Management and the respondent in W.P.Nos.7927 & 20422 of 2012 respectively. This Court by common order dated 19.09.2017, modified the award and substituted the punishment of compulsory retirement with effect from the date of passing of award of the Labour Court dated 22.11.2011, and the respondent is entitled to all consequential benefits notionally, except the backwages.

3.3 In compliance with the said direction, the petitioner issued an order dated 23.03.2018 under Rule 40 of the CCS (Pension) Rules, 1972, imposing compulsory retirement with effect from 23.11.2011, and sanctioned all retirement benefits as per the order of this Court. The notional pay of the respondent was arrived at Rs.18,60,241/-. After making deductions of Rs.6,84,561/- towards licence fee, and conveyance fee, the amount deposited before the Labour Court, the loan availed from the Co-operative Society, and Income tax payments by the respondent, the net payable amount was determined as Rs. 11,75,680/-. Out of this, a sum of Rs.2,00,000/- (Rupees Two Lakhs only) was withheld by the petitioner/Management until the respondent vacated the staff quarters, and a sum of Rs.9,75,680/- was paid to him.

3.4 After accepting the said amount, the respondent filed a Computation Petition under Section 33 C (2) of the Industrial Dispute Act,1947 in C.P.No.145 of 2019 before the I-Additional Labour Court, Chennai, to direct the management to pay the amount of Rs.8,84,561/- due to the applicant together with 18% interest on principal sum up to the date of payment and heavy costs. The Labour Court, by award dated 08.07.2022, allowed the petition and directed the petitioner to pay a sum of Rs.7,34,561/- without interest, within three months to the respondent, failing which the petitioner is liable to pay interest at the rate of 9% per annum. The Labour Court failed to appreciate that the amount already paid into the account of the respondent towards the income tax deduction. The recovery of income tax has been made by the petitioner only in respect of the amount which has already been paid into the account of the respondent towards income tax deductions and hence, the petitioner is entitled to recover the same from the retirement benefits.

3.5 Further, he would submit that the Labour Court failed to consider that the respondent had already been sanctioned a conveyance advance for the purchase of two-wheeler, which was recovered from his retirement benefits as per rules. Similarly, the Labour Court ought to have seen that the license fee has been deducted towards the rental compensation for occupation of staff quarters, in line with the instructions issued by the Ministry of Central Government. The damages were calculated in view of the unauthorized occupation period after the respondent's retirement.

3.6 It is further submitted that the Labour Court failed to consider that the respondent had obtained a loan from the Co-operative Society and even after applying for the loan, the respondent had entered into an agreement with the Disbursing Officer that he has agreed to recover his dues from his gratuity or other retirement benefits. Accordingly, the petitioner recovered the due amounts from his terminal benefits. Without considering these said aspects, the Labour Court has erroneously allowed the computation petition and without deducting statutory recoveries, passed the order, which is contrary to law. Hence, the order passed by the Labour Court is liable to be set aside.

4. The learned counsel appearing for the respondent would submit that the respondent joined the services of the petitioner's institution on 30.04.1986 and continued in service till the date of 22.11.2011. During the course of his employment, disciplinary proceedings were initiated without any basis, and imposed the punishment of removal from service, which the respondent had challenged through the statutory and judicial process. Finally, this Court order dated 19.09.2017 modified the award passed by the Labour Court as against the respondent as compulsory retirement is with effect from the date of the order passed by the Labour

Court, i.e., 22.11.2011. Thereafter, the petitioner/Management issued consequential orders dated 23.03.2018, giving effect to the compulsory retirement of the respondent retrospectively effect from 22.11.2011. However, despite the said order, the petitioner/Management failed to pay the full retirement benefits and admissible interest as required under Section 23 of CCS (Pension) Rules, 1972 and FR 54-B. The respondent is entitled to receive full backwages, suspension allowances and all other attendant benefits from the date of his removal from service to till date. On contrary to the said entitlement, the petitioner/Management issued a cheque only for a sum of Rs.9,75,680/- and in which, unauthorizedly deducted a sum of Rs.8,84,561/-, besides withholding a sum of Rs.2 Lakhs towards penal rent and penal interest. Hence, the respondent approached the I-Additional Labour Court, Chennai, by filing a claim petition in C.P.No.145 of 2019, seeking computation of the balance amount payable. After hearing both parties and on due consideration of the records, the Labour Court correctly allowed the petition and directed the petitioner/Management to pay a sum of Rs.7,34,561/- to the respondent.

5. This Court heard both sides and perused the material available on records.

6. According to the writ petitioner, the respondent was compulsorily retired from service w.e.f. 22.11.2011, pursuant to the orders of this Court passed in W.P.Nos.7927 & 20422 of 2012 dated 19.09.2017. In compliance with the said direction, the petitioner calculated the respondent's retirements, which were worked out to a total sum of Rs.18,60,241/- (Rupees Eighteeen Lakhs Sixty Thousand Two Hundred and Forty One only). Out of the said amount, a sum of Rs.6,84,561/- was recovered towards license fee, conveyance advance, the amount deposited before the Labour Court, loan availed from the Co-operative Society and income tax dues. After effecting these recoveries, the net amount arrived at Rs.11,75,680/- (Rupees Eleven Lakhs Seventy Five Thousand Six Hundred and Eighty only). Out of the said net amount, further a sum Rs.2,00,000/- (Rupees Two Lakhs only) was withheld by the petitioner till the date of respondent vacated his staff quarters, and the balance sum of Rs.9,75,680/- (Rupees Nine Lakhs Seventy Five Thousand Six Hundred

and Eighty only) was paid to the respondent. Though the respondent admitting the receipt of the said sum of Rs.9,75,680/-, subsequently, he filed a Computation Petition in C.P.No.145 of 2019 before the I-Additional Labour Court, Chennai, seeking further computation and payment of unlawfully deducted amounts, which is now under challenge in this writ petition.

7. According to the respondent, the above said deductions effected by the petitioner from his retirement benefits are illegal and unauthorized, and those amounts have been wrongfully withheld without any justifiable reason. More particularly, he pointed out that the sum of Rs.2 Lakhs withheld towards penal interest and penal rent is without any basis, and such recovery is contrary to Rule 73 CCS (Pension) Rules, 1972. Further, it is contended that as per the order of this Court, the petitioner/Management was bound to disburse all the retirement benefits to the respondent in full, but, in disregard of the said order of this Court, the petitioner/Management had unlawfully deducted substantial amounts from the respondent's terminal benefits, thereby violating the directions

issued by this Court.

8. Upon perusal of the records, it is seen that the petitioner has worked out the respondent's total entitlement of Rs.18,60,241/-, and the respondent has not disputed the said quantum. According to the petitioner, the deductions were made under various heads, namely, License Fee - Rs.1,54,811/-, Conveyance Fee - Rs.18,420/-, amount deposited before the Labour Court - Rs.1,50,000/-, Co-operative Society dues - Rs.2,37,062/- and Rs.13,463/- and Income Tax payment – Rs.1,10,805/-, totalling to Rs.6,84,561/-. Further, a sum of Rs.2,00,000/- was withheld towards rent till the respondent vacated the staff quarters.

9. On scrutinizing the order passed by the Labour Court as well as the order of this Court, it is noted that insofar as the license fee is concerned, the petitioner has worked out the staff quarters' license fee and water charges for the period from 25.02.2003 to 28.02.2018. The period between the date of removal from service i.e., on 25.02.2003 and his compulsory retirement on 22.11.2011 has been treated as qualifying

service for retirement benefits. Therefore, the same rate of license fee applicable while he was in service, subject to revision under Government norms, has been levied.

10. This Court, in Writ Petitions Nos.7927 & 20422 of 2012 by order dated 19.09.2017, directed that the respondent's removal be treated as compulsory retirement with effect from 22.11.2011. Since the writ petitions were ordered on 19.09.2017, the respondent is entitled to exemption from payment of licence fee for the period of pendency of the writ petition, but not from the date of compulsory retirement. This Court in the writ petition directed the petitioner "to treat the respondent as compulsorily retirement with effect from 22.11.2011 and to extend all consequential retirement benefits". Since the legal proceedings were pending till the date of serving the order to the respondent, the petitioner can not recover any penal charges for the intervening period.

11. Further, as far as the conveyance fee is concerned, the respondent is liable to pay the said conveyance charges, and he has not

denied such liability. Hence, the petitioner/Management's deduction under the head stands justified.

12. As far as the Co-operative Society amount is concerned, the writ petitioner has not filed any document to show the quantum of deduction. Therefore, the writ petitioner is not entitled to retain that amount.

13. In respect of the income tax amount, it is for the respondent to file the income tax returns and if any tax liability is found due, the concerned authorities may take appropriate action in accordance with law.

14. Therefore, the petitioner is only entitled to recover the conveyance fee of Rs.18,420/- and the amount of Rs.1,50,000/- already deposited before the Labour Court.

15. Accordingly, this Court finds that the Labour Court has passed a reasoned order. Since the respondent has admitted his liability

towards conveyance charges, except for the said amount, the remaining sum shall be disbursed to the respondent. Hence, the order of the Labour Court is modified, and the petitioner, after deducting the sum of Rs.1,50,000/- (Labour Court deposit), and Rs.18,420/- (Conveyance fee), shall pay the balance sum of Rs.7,16,141/- to the respondent, along with the interest at the rate of 9% per annum.

16. It is made clear that the if any dues liable are payable by the respondent to the Co-operative Society, the concerned authorities are at liberty to take appropriate steps to recover the same in accordance with law.

17. With the above said modifications, the Writ Petition is partly allowed. No costs. Consequently, connected miscellaneous petitions are also closed.

07.11.2025

Speaking/Non-Speaking Order : Yes/ No
Neutral Case Citation : Yes/ No
Index : Yes/ No
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P. DHANABAL, J

klt

Pre-Delivery Order in

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