

W.P(MD).No.5762 of 2025

WEB COPY

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

ORDER RESERVED ON :19.06.2025

ORDER PRONOUNCED ON : 27.06.2025

**CORAM:
THE HONOURABLE MR.JUSTICE R.VIJAYAKUMAR**

**W.P.(MD).No.5762 of 2025
and WMP(MD).Nos.4210 & 4212 of 2025**

V.Ganesan

....Petitioner

Vs

1.The District Collector
Madurai District, Collector Office Building
Madurai 625 020

2.The Additional Commissioner of Labour
(Appellate Authority under
Payment of Gratuity Act)
Ellis Nagar, Madurai.

3.The Deputy Commissioner of Labour
(Controlling Authority under Payment of Gratuity Act)
Bharathi Ula Street, K.Pudur, Madurai 625 002.

4.M/s.Madura Sugar Mills
Unit Tamil Nadu Sugar Corporation Ltd.,
Pandiarajapuram 625 209
Vadipatti Taluk, Madurai District
Represented by its Chief Executive (in-charge)

....Respondents

Prayer : This Petition filed under Article 226 of the Constitution of India, to issue a Writ of Certiorari, to call for the records of the second respondent culminating in order dated 22.01.2025 passed by the second respondent in old



W.P(MD).No.5762 of 2025

number P.A.(A)I.A.67, 69 to 206 of 2019 and new number P.G.A.IA.13 of 2024 in P.G.A.IA.11 of 2024, quash the same.

For Petitioner : Mr.T.Ravichandran
For Respondents : Mr.G.V.Vairam Santhosh
Additional Government Pleader for R1 to R3
: Mr.N.R.Sai Gautham
For Mr.S.Eshwar for R4

ORDER

This writ petition has been filed by a workman challenging the order passed by the second respondent wherein an order has been passed reopening an appeal which was dismissed for not depositing the gratuity amount for filing an appeal.

2.The fourth respondent management had suffered an award at the hands of the third respondent in P.G.14 of 2013 on 27.03.2019. Without availing the appeal remedy, this order was put to challenge in WP(MD).No. 16163 of 2019. This Court was pleased to dismiss the writ petition granting liberty to the Management to file an appeal before the competent authority within a period of two weeks. The Management had challenged the said order in W.A.(MD).No.965 of 2019. The Hon'ble Division Bench was pleased to dismiss the appeal on 24.09.2019, granting liberty to the Management to file an appeal on or before 16.12.2019. It was further observed that if the appeal is filed before the said date, it shall not be rejected on the ground of



W.P(MD).No.5762 of 2025

limitation.

WEB COPY

3.The Management had preferred an appeal within the time prescribed by the Hon'ble Division Bench before the second respondent. However, along with the appeal, Interlocutory Applications were filed seeking exemption from depositing the gratuity amount as contemplated under second proviso to Section 7(7) of the Payment of Gratuity Act. These applications were dismissed by the Appellate Authority on 19.01.2021 and consequently rejected the appeal. These orders were put to challenge before the Hon'ble Supreme Court in SLP.Nos.18116 to 18254 of 2021. The Hon'ble Supreme Court was pleased to dismiss the Special Leave Application on 22.11.2021.

4.The workman had filed W.P.(MD).No.445 of 2023 seeking a mandamus directing the District Collector to initiate recovery proceedings as against the Management for recovery of the gratuity amount. This writ petition was disposed of with a direction to the District Collector to implement the certificate issued by the Controlling Authority within a period of 12 weeks. Alleging non-compliance of the order of this Court, contempt petition in Cont.P.(MD).No.1633 of 2023 was filed. Pending contempt proceedings, the District Collector had directed the Management to deposit a sum of Rs.2,55,15,750/- before the Deputy Commissioner of Labour, Madurai.



W.P(MD).No.5762 of 2025

WEB COPY

5.The Management which is a Unit of the statutory body, namely Tamil Nadu Sugar Corporation Limited had deposited the balance amount of Rs.2,55,15,750/- before the Controlling Authority on 30.09.2024 by way of demand draft. Since the entire amount awarded by the Controlling Authority has now been deposited, the Management had filed PGA(IA).No.13 of 2024 in PGA.(IA).No.11 of 2024 seeking to reopen the appeal and hear the same on merits. These applications came to be allowed by the Appellate Authority. Challenging the same, the present writ petition has been filed.

6.According to the learned counsel for the petitioner/workman, the Hon'ble Division Bench had permitted the Management to prefer an appeal on or before 16.12.2019. Though the appeal was preferred within the said time, the mandatory pre-deposit was not made. The Management has sought for exemption which is not permissible under law. Therefore, the exemption petition was dismissed and consequently, the appeal was also rejected. This order was confirmed by the Hon'ble Supreme Court. In such circumstances, the Management cannot be permitted to reopen the appeal on the ground that they have deposited the award amount. The award amount has not been deposited within the period prescribed under the Act. An appeal which was dismissed for non-compliance of the statutory provisions cannot be reopened by the same authority. In fact, the deposit was not made by the Management voluntarily, but due to the contempt proceedings initiated by the workman.



W.P(MD).No.5762 of 2025

Therefore, the said deposit cannot be construed to be a mandatory pre-deposit as contemplated under the second proviso to Section 7(7) of the Appellate Authority. In such circumstances, the Appellate Authority was not right in restoring the appeal for being heard on merits.

7.Per contra, the fourth respondent Management submitted that the fourth respondent is a Unit of Tamil Nadu Sugar Corporation Limited and administered by a Corporation owned by Government of Tamil Nadu. Due to paucity of funds, when the appeal was presented within the time prescribed by the Hon'ble Division Bench, the conditional pre-deposit could not be made. After funds were released by the Government, the conditional deposit was made and therefore, there is no legal impediment for restoring the appeal for being heard on merits. He had further submitted that the appeal was not dismissed on merits. The appeal was rejected only on the ground of non-compliance of conditional pre-deposit. Therefore, when the deposit was made, the authority is empowered to restore the appeal. Hence, he prayed for confirming the order passed by the Appellate Authority.

8.Heard both sides and perused the material records.

9.The issue now that arises for consideration is that whether the appeal that was rejected by the Appellate Authority, for non-compliance of conditional pre-deposit, can be restored on such deposit being made on a later date?.



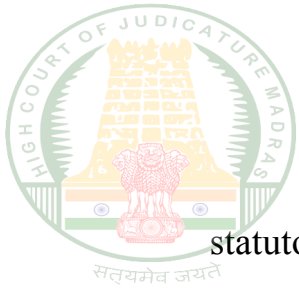
W.P(MD).No.5762 of 2025

WEB COPY

10.A perusal of the order passed by the second respondent on 19.01.2021 reveals that the Appellate Authority had rejected the request of the Management seeking exemption from making conditional pre-deposit. As a consequence, the appeal has been rejected as not maintainable. The legislative intent behind the second proviso to Section 7(7) of the Payment of Gratuity Act is that before an appeal is entertained by the Appellate Authority, it is to ensure that the employer fulfils his statutory obligation and to prevent the filing of frivolous appeal. In case, if the workman succeeds, he need not run from pillar to post to enjoy the fruits of the award. The Controlling Authority would be in a position to disburse the amount to the concerned workman. Therefore, it is clear that the conditional pre-deposit is intended only to secure the rights of the employee and it is not meant to prevent the employer from getting his appeal adjudicated on merits. In case, if the employer deposits the gratuity amount, thereafter he cannot be prevented from prosecuting his appeal on merits.

11.Considering the fact that the fourth respondent Management is being administered by a statutory body and the entire award amount has already been deposited before the Controlling Authority, the rights of the workmen are not likely to be prejudiced, if the appeal is heard on merits.

12.The appeal preferred by the Management was rejected by the Appellate Authority on 19.01.2021 only on the ground of non-compliance of



W.P(MD).No.5762 of 2025

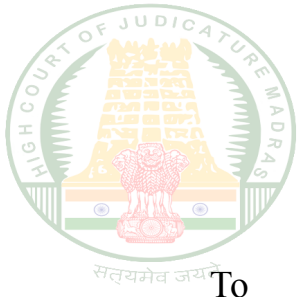
statutory provisions of pre-deposit and not on merits. In such circumstances, the appeal could very well be reopened and heard on merits, in view of compliance of the statutory provisions.

13.In view of the above said deliberations, this Court does not find any reason to interfere with the order of the second respondent and the writ petition stands dismissed. No costs. Consequently, connected miscellaneous petitions are closed.

14.The second respondent is directed to dispose of the appeal on or before 31.10.2025.

27.06.2025.

Internet : Yes/No
Index : Yes/No
NCC : Yes/No
msa



W.P(MD).No.5762 of 2025

To
WEB COPY

- 1.The District Collector
Madurai District, Collector Office Building
Madurai 625 020
- 2.The Additional Commissioner of Labour
(Appellate Authority under
Payment of Gratuity Act)
Ellis Nagar, Madurai.
- 3.The Deputy Commissioner of Labour
(Controlling Authority under Payment of Gratuity Act)
Bharathi Ula Street, K.Pudur, Madurai 625 002.



WEB COPY



W.P.(MD).No.5762 of 2025

R.VIJAYAKUMAR, J.

msa

Pre-delivery order made in

W.P.(MD).No.5762 of 2025
and WMP(MD).Nos.4210 &
4212 of 2025

27.06.2025