



W.P(MD)No.17194 of 2025

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 11.08.2025

CORAM

THE HONOURABLE MR.JUSTICE R.VIJAYAKUMAR

W.P(MD)No.17194 of 2025

and

W.M.P(MD)No.13064 of 2025

The Managing Director,
Southern Railway Employees Cooperative
Credit Society,
Trichy-20,
Represented by S.Ramalingam.

... Petitioner

Vs.

R.Saravanan

... Respondent

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorari, calling for the records relating to the impugned award issued by the Joint Commissioner of Labour, Trichy in P.S.A No.4 of 2022, dated 06.11.2023 and quash the same and pass such further or other orders as this Court.

For Petitioner : Mr.G.Karnan

For R-1 : Mr.R.Saravanan
Party in Person



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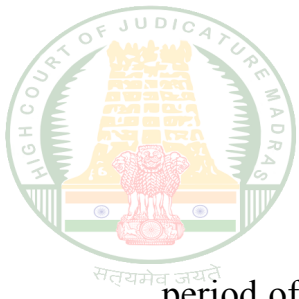
For R-2 & R-3 : Mr.S.Manohar

ORDER

The present writ petition has been filed by the Management of Southern Railway Employees Cooperative Credit Society challenging the order passed by the authority under the Tamil Nadu Payment of Subsistence Allowance Act, 1981 in P.S.A.No.4 of 2022, dated 06.11.2023.

2. The respondent herein was working as an Account Assistant in the Southern Railway Employees Cooperative Credit Society and he was placed under suspension with effect from 02.09.2020. After domestic enquiry, he was dismissed from service on 16.06.2021. Throughout the suspension period, the workman was paid 50% of the basic wages as subsistence allowance. These facts are not in dispute.

3. The workman had approached the authority under the Payment of Subsistence Allowance Act claiming that, after a period of 90 days, he should have been paid 75% of the basic pay as subsistence allowance and after a



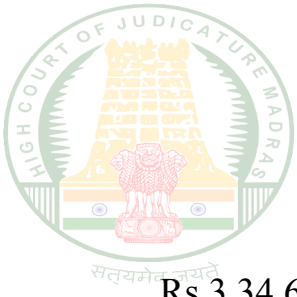
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period of 180 days, he should have been paid 100% of basic pay as subsistence allowance. A perusal of the application filed by the workman reveals that, the petitioner is entitled to receive a sum of Rs.4,22,168/- as a total claim under the head of subsistence allowance. However, the Management has released only a sum of Rs.2,76,482/-. Therefore, the petition under the Payment of Subsistence Allowance Act has been filed seeking a direction to the Management to disburse the balance amount of Rs.1,45,686/-.

4. The Management has filed a counter before the authority contending that, Payment of Subsistence Allowance Act is not applicable to them and the authority will not have any jurisdiction to entertain such a claim petition. However, this ground was rejected by the authority citing a judgment of this Court in W.P.No.15406 of 2000.

5. The workman has made a claim for disbursement of Rs.1,45,686/- on the premise that, he is entitled to receive subsistence allowance on the basic pay. However, the authority has proceeded to calculate the subsistence allowance on the basis of the gross salary. Therefore, when the claim has been made for Rs.1,45,686/-, an order has been passed for disbursement of



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Rs.3,34,676/-. The learned Counsel appearing for the Management submitted that, when the claim itself is for Rs.1,45,686/- (based on basic pay), the authority ought not to have taken into consideration the gross salary which includes the allowances.

6. However, the workman, who appeared party in person, relied upon Section 3 of the Payment of Subsistence Allowance Act and contend that, as per Section 2(h) of the said Act, definition of wages should be construed, as per the definition of wages, under the Industrial Disputes Act, 1947 which includes the allowances also.

7. A perusal of the Special bye-laws of the Southern Railway Employees Cooperative Credit Society reveals that, as per Clause 4, an employee would be entitled to receive the subsistence allowance at the rate of 50% of the basic pay during the period of suspension.

8. The issue now that arises for consideration is whether the workman would be entitled to receive the subsistence allowance as per Section 3 of the



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Payment of Subsistence Allowance Act or as per the bye-laws which govern the workman.

9. A perusal of the bye-laws reveal that, they have been brought into force as per Section 49(2)(e) of Multi State Cooperative Societies Act, 2002 and the same has also been approved. In such circumstances, the workman would be governed by the Special bye-laws of the Cooperative Society which are brought into force pursuant to the powers conferred upon the board under Section 49(2)(e) of the Multi State Cooperative Societies Act. In such circumstances, though the workman is entitled to approach the authorities under the Payment of Subsistence Allowance Act, 1981, the payment of subsistence allowance would depend upon the Clauses found in the Special bye-laws of the concerned Society.

10. In view of the above said deliberations, the authority would not be right in ordering subsistence allowance based upon the gross pay scale. Therefore, the impugned order is set aside and the workman would be entitled to receive a sum of Rs.1,45,686/- instead of Rs.3,34,676/-. The order impugned in the writ petition is partly set aside and the writ petition stands partly allowed



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to the extent as stated above. There shall be no order as to costs. Consequently,
connected Miscellaneous Petition stands closed.

11.08.2025

NCC : Yes / No
Index : Yes / No
Internet : Yes
BTR

To

The Joint Commissioner of Labour,
Trichy.



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R.VIJAYAKUMAR, J.

BTR

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