



W.A.(MD)Nos.1809, 2034, 2035 & 2037 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 26.08.2025

CORAM:

THE HONOURABLE **MR.JUSTICE S.M.SUBRAMANIAM**

AND

THE HONOURABLE **MR.JUSTICE G.ARUL MURUGAN**

W.A.(MD)Nos.1809, 2034, 2035 & 2037 of 2025

and

C.M.P.(MD)Nos.10240, 11718, 11719 & 11722 of 2025

The Management,
Kumbakonam Central Cooperative Bank Limited,
Rep., by its Managing Director / Joint Registrar,
Kumbakonam, Thanjavur District.

... Appellant
in all appeals

-Vs-

1.M.Kaliyaperumal

2.The Assistant Commissioner of Labour (Gratuity),
Controlling Authority under
Payment of Gratuity Act, 1972,
O/o. Deputy Commissioner of Labour,
Tiruchirappalli-20.

3.The President,
Aarupathi Primary Agricultural
Cooperative Credit Society,
Aarupathi, Mayiladuthurai Taluk,
Nagappattinam District.

... Respondents
in W.A.(MD)No.1809 of 2025



W.A.(MD)Nos.1809, 2034, 2035 & 2037 of 2025

1.R.Sankaran

2.The Assistant Commissioner of Labour (Gratuity),
Controlling Authority under
Payment of Gratuity Act, 1972,
O/o. Deputy Commissioner of Labour,
Tiruchirappalli-20.

3.The President,
Sengarangudi Pudur Primary Agricultural
Cooperative Credit Society,
Sengarangudi, Thiruvudaimaruthur Taluk,
Thanjavur District.

... Respondents
in W.A.(MD)No.2034 of 2025

1.A.Liyagath Ali

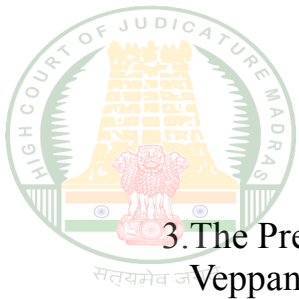
2.The Assistant Commissioner of Labour (Gratuity),
Controlling Authority under
Payment of Gratuity Act, 1972,
O/o. Deputy Commissioner of Labour,
Tiruchirappalli-20.

3.The President,
Arunthavapuram Primary Agricultural
Cooperative Credit Society,
Arunthavapuram, Papanasam Taluk,
Thanjavur District.

... Respondents
in W.A.(MD)No.2035 of 2025

1.R.Kannan

2.The Assistant Commissioner of Labour (Gratuity),
Controlling Authority under
Payment of Gratuity Act, 1972,
O/o. Deputy Commissioner of Labour,
Tiruchirappalli-20.



W.A.(MD)Nos.1809, 2034, 2035 & 2037 of 2025

3. The President,
Veppancheri Primary Agricultural
Cooperative Credit Society,
Veppancheri, Thiruthuraipoondi Taluk,
Thiruvarur District.

... Respondents
in W.A.(MD)No.2037 of 2025

COMMON PRAYER: Appeals filed under Clause 15 of Letters Patent, praying this Court to set aside the order dated 02.04.2025 made in W.P.(MD)Nos.23012 of 2017, 2971 of 2018, 23007 of 2017 & 23011 of 2017 on the file of this Court.

For Appellant : Mr.D.Shanmugaraja Sethupathi
For R1 & R3 : No Appearance
For R2 : Mr.V.OM.Prakash,
Government Advocate
(in all appeals)

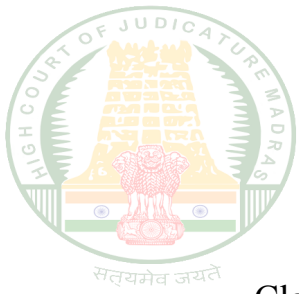
COMMON JUDGMENT

[Judgment of the Court was delivered by **S.M.SUBRAMANIAM, J.**]

These intra-Court appeals have been instituted challenging the order of the Writ Court dated 02.04.2025 made in W.P.(MD)Nos.23012 of 2017, 2971 of 2018, 23007 of 2017 & 23011 of 2017.

2.The issue raised in these Writ Appeals has already been decided by this Court, vide order dated 21.08.2025 made in W.A.(MD)Nos.1909 of 2025 etc., batch, which is extracted hereunder:-

Page 3 of 9



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W.A.(MD)Nos.1809, 2034, 2035 & 2037 of 2025

“The intra-court appeals on hand have been instituted under Clause 15 of the Letters Patent to assail the writ orders.

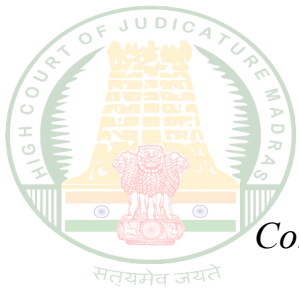
2. Notice served to the employee, but none appeared.

3. The Management/Kumbakonam Central Co-operative Bank Limited is the writ petitioner as well as the appellant.

4. The employees were initially recruited by an adhoc committee and deputed to various Primary Co-operative Societies. These employees continued in the Primary Co-operative Societies and were drawing salaries. These employees having been recruited by the adhoc committee, approached the Government seeking absorption in the Central Co-operative Bank, since they were initially recruited by the adhoc committee.

5. The appointments were not made in accordance with the recruitment rules as applicable to the Central Co-operative Bank in the present case. However, the Government considered the case of these employees recruited by adhoc committee and took a decision to absorb them in the appellant/Central Co-operative Bank as fresh appointees. Consequently, all those employees became the employees of the Central Co-operative Bank, completed their services, reached the age of superannuation and were allowed to retire from services.

6. After a lapse of about 10 to 15 years and after receiving all the terminal benefits, they approached the Controlling authority under the Payment of Gratuity Act, 1972 (hereinafter referred to as “the Act, 1972) seeking benefit of gratuity for the services rendered in the Primary Co-operative Societies. The

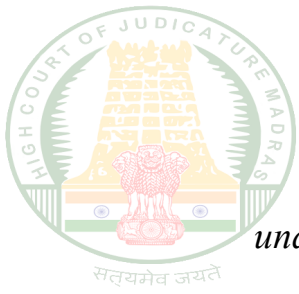


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Controlling Authority allowed the claims and ordered payment of gratuity for the services rendered by these employees in the Primary Co-operative Societies prior to their appointment in the Central Co-operative Bank.

7.The Management filed Writ Petitions. The writ Court mainly rejected the petitions on the ground that the Act, 1972 provides for an appellate remedy and therefore, the Management had to exhaust the statutory remedy before approaching the High Court.

8.Challenging the writ Court orders, the learned counsel for the appellant would submit that the Controlling Authority had no jurisdiction to entertain the applications under the Act, 1972, since the Central Co-operative Bank is exempted from its provisions. That apart, the Government Order of absorption issued in G.O.Ms. 331, Co-operation, Food and Consumer Protection Department dated 05.12.1988, stipulated conditions and one of the conditions is that these adhoc employees of Primary Agricultural Credit Societies were to be absorbed as fresh appointees in the Central Co-operative Bank. Further, it was also made clear that they are entitled for all the benefits including pay, other allowances, Gratuity, Provident fund, etc., from the date of joining duty in the services of the Central Co-operative Bank. These conditions stipulated by the Government for absorption in Central Co-operative Bank was incorporated in the bye-laws by way of an amendment. The adhoc employees had given undertakings that they will abide by the conditions imposed by the Government in G.O.Ms.331, Co-operation, Food and Consumer Protection Department dated 05.12.1988. Even after their

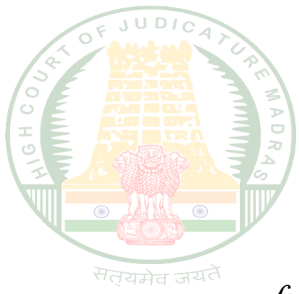


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undertakings, they have chosen to approach the competent authority under the Act, 1972 after a lapse of 10 to 15 years from the date of their respective retirement from services.

9.This Court has to consider the jurisdiction point raised by the appellant and the applicability of the Act, 1972 to the employees of the Central Co-operative Bank. Section 79 of the Tamil Nadu Cooperative Societies Act, 1983 states about “Gratuity Fund”. Sub-Section 1 to Section 79 of the Act, 1983 stipulates that a registered society, not being an establishment to which the Payment of Gratuity Act, 1972 (Central Act 39 of 1972) applies, may provide in its by-laws for payment of gratuity to the employees at such rates and on such conditions as may be specified in the by-laws and such society may establish a Gratuity Fund or make other arrangements for the purpose”.

10.The Central Co-operative Bank is a registered Co-operative Society under the Tamil Nadu Cooperative Societies Act, 1983, which is a special enactment. The Special Act will prevail over the general law. Therefore, in the present case, the Tamil Nadu Co-operative Societies Act, 1983 would be applicable for maintenance and payment of gratuity to the employees and thus the provisions of the Act, 1972, which is a general law, cannot have any application as far as the Central Co-operative Bank is concerned. It is also made clear that the Central Co-operative Bank is maintaining a gratuity fund and a scheme its bye-laws, in association with the Life Insurance Corporation of India. The said gratuity scheme is more beneficial than that of the benefits accorded under the Act, 1972.



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11.If at all the employees are eligible to avail the benefit of gratuity for their services rendered in the Primary Agricultural Co-operative Societies, their claims should have been made against the management of such societies and certainly not against the Central Co-operative Bank since their absorption in the Central Co-operative Bank was subject to the conditions stipulated in G.O.Ms. 331, Co-operation, Food and Consumer Protection Department dated 05.12.1988. These conditions were accepted by the employees and they have given undertakings. Hence, the petitions filed under the Act, 1972 before the authority, after a lapse of 10 to 15 years from the date of retirement, are not maintainable and without jurisdiction.

12.In the present case, the provisions of the Act, 1972 are not applicable to the Central Co-operative Bank. Therefore, this Court is not inclined to relegate the Management to approach the appellate authority. Once the Act itself is inapplicable, relegating a party will become a futile exercise.

13. That apart, gratuity has already been settled in favour of the employees under the Gratuity scheme of the Cooperative Central Bank, which is administered in association with the Life Insurance Corporation of India.

14.That being so, this Court is of the considered opinion that the employees not only accepted the conditions imposed by the Government at the time of their absorption in the Central Co-operative Bank, but also received gratuity under the scheme applicable to the Central Co-operative Bank on their respective



W.A.(MD)Nos.1809, 2034, 2035 & 2037 of 2025

retirement. Thus, the claims made by the employees are not only stale but also the petitions filed before the competent authority under the Act, 1972, are not maintainable. Consequently, the writ Court orders relegating the Management appellant to approach the appellate authority is unnecessary.

15.For all these reasons, the writ Court orders impugned as well as well as the orders of the controlling authority/first respondent under the Act, 1972 are set aside. The Writ Appeals are allowed. There shall be no order as to costs. Consequently, connected Miscellaneous Petitions are closed.”

3.In view of the above decision, these Writ Appeals are also allowed on the same lines. No costs. Consequently, connected miscellaneous petitions are closed.

[S.M.S, J.] & [G.A.M., J.]
26.08.2025

NCC : Yes / No
Index : Yes / No

Yuva

To

The Assistant Commissioner of Labour (Gratuity),
Controlling Authority under
Payment of Gratuity Act, 1972,
O/o. Deputy Commissioner of Labour,
Tiruchirappalli-20.



WEB COPY



W.A.(MD)Nos.1809, 2034, 2035 & 2037 of 2025

S.M.SUBRAMANIAM, J.

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26.08.2025