

W.P.(MD)No.20890 of 2018

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED: 17.09.2025

CORAM:

THE HONOURABLE MR.JUSTICE B.PUGALENDHI

W.P.(MD)No.20890 of 2018
and
WMP(MD)No.18669 of 2018

The Management,
T-1675, Melathiruppanthuruthy Primary
Agricultural Co-op. Credit Society Ltd.,
Melathiruppanthuruthy,
Thiruvayaru Taluk,
Thanjavur District.

... Petitioner

versus

1. D.Raajendrakumar (died)
2. The Appellate Authority under the
Payment of Gratuity Act, 1972,
Joint Commissioner of Labour,
No.8, Kajamian Street,
Kaja Nagar,
Tiruchirappalli – 20.
3. The Controlling Authority under the
Payment of Gratuity Act, 1972,
Assistant Commissioner of Labour,
No.8, Kajamian Street,
Kaja Nagar,
Tiruchirappalli – 20.

4. Baby Chitra
(R4 is impleaded vide order dated 10.12.2024
in WMP(MD)No.20413 of 2024)

... Respondents



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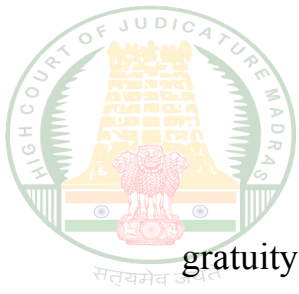
WEB COPY Writ Petition filed under Article 226 of the Constitution of India, praying for the issuance of a Writ of Certiorari, to call for the records from the file of the 2nd respondent in P.G.A.No.100/2016 dated 23.12.2017 and to quash the same.

For Petitioner : Mr.G.Arunachalam
For R2 and R3 : Mr.C.Venkatesh Kumar,
Special Government Pleader
For R4 : Mr.A.Srinivasan,
Legal Aid Counsel

ORDER

The Management of the T-1675, Melathiruppanthuruthy Primary Agricultural Co-op. Credit Society Ltd. has filed this writ petition as against the order passed by the Appellate Authority under the Payment of Gratuity Act, in P.G.A.No.100 of 2016 dated 23.12.2017.

2. The first respondent, who was working as a Secretary in the petitioner Society, resigned his job in the year 2014 and his resignation letter was accepted by the petitioner Society and he was allowed to retire from service. The first respondent filed an application before the Controlling Authority, namely, the 3rd respondent herein, in P.G.No.336 of 2016, seeking



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gratuity from the petitioner Management. The 3rd respondent found that the first respondent is eligible for gratuity to the tune of Rs.1,08,779/- and a sum of Rs.82,000/- has been received by the first respondent from LIC. The 3rd respondent also found that there was a due for the damages of furniture from the first respondent to the tune of Rs.23,400/-. By deducting the said amount, the 3rd respondent, by order dated 24.10.2016, directed the petitioner Society to pay a sum of Rs.2,898/- to the first respondent. Aggrieved over the same, the first respondent has preferred an appeal before the second respondent/Appellate Authority in P.G.A.No.100 of 2016. The Appellate Authority found that there is a mode of payment for the salary and other benefits to the employees, however, there is no proof for the payment of Rs.82,481/- towards the gratuity. The Appellate Authority also found that after permitting the first respondent to retire from service, the petitioner Society cannot claim any amount towards the furniture deficit amount. Therefore, the Appellate Authority, by his order dated 23.12.2017, directed the petitioner management to pay a sum of Rs.1,08,902/- to the first respondent towards gratuity with 10% interest. As against the order of the Appellate Authority dated 23.12.2017, this writ petition has been filed by the Petitioner Society.



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3. Pending this writ petition, the first respondent died. Therefore, the wife of the first respondent has been substituted as 4th respondent in this writ petition. When this writ petition was taken up for hearing, there was no representation for the 4th respondent. Therefore, this Court, by its earlier order dated 04.09.2025, has appointed Mr.A.Srinivasan, learned counsel, as Legal Aid Counsel to assist the Court on behalf of the first respondent.

4. The learned counsel for the petitioner Management, by referring to the typed set of papers, submits that the gratuity amount has been deposited in the LIC pension group scheme and the LIC Insurance Corporation has paid a sum of Rs.82,481/- towards gratuity due to the first respondent to the petitioner Management on 12.02.2015 and the first respondent has also withdrawn the said amount on 12.02.2015 and 12.06.2015. The learned counsel, by relying on the provision under Section 4A of the Payment of Gratuity Act, submits that compulsory insurance has been mandated under Section 4A of the Payment of Gratuity Act that they have to obtain an insurance from the Life Insurance Corporation of India for payment towards the gratuity under the Payment of Gratuity Act. Therefore, as per Section 4A of the Act, the gratuity amount has been deposited in the Life Insurance



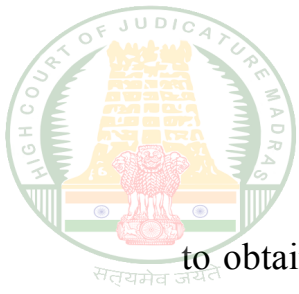
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Corporation of India and the same has been disbursed to the first respondent in the year 2015 and the same has also been withdrawn by the first respondent. The learned counsel further submits that there were some damages on the furniture and therefore, the first respondent, as a Secretary of the Society, is liable for the damages occurred during his tenure. Therefore, according to the learned counsel, the order passed by the Appellate Authority is not proper.

5. Mr.A.Srinivasan, learned counsel, who was appointed as Legal Aid Counsel for the 4th respondent, submits that once the first respondent was allowed to retire from service, the petitioner Management cannot claim any amount, either for the damages on the furniture or whatsoever it may be, from the gratuity amount due to the first respondent. The learned counsel, after perusing the document relied on by the petitioner, admitted that a sum of Rs.82,000/- has been credited from the LIC Pension and Group Schemes in Master Policy No.GGPE/353000.

6. This Court considered the rival submissions made.

7. Section 4A of the Payment of Gratuity Act mandates the employer

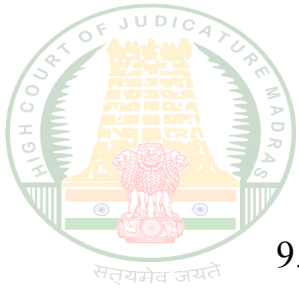


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to obtain an insurance from the Life Insurance Corporation of India for his liability for payment towards the gratuity under the Payment of Gratuity Act.

The Life Insurance Corporation has also paid the contribution towards the gratuity amount of the first respondent and also credited the same to the petitioner Society on 13.01.2015 and it has been credited in the account of the first respondent Account No.525. The withdrawal slip of the first respondent withdrawing the amount of Rs.82,000/- is also placed before this Court. Therefore, the Appellate Authority is not justified in directing the Management to pay a sum of Rs.82,481/- which has already been paid towards the gratuity to the first respondent. However, the petitioner Management is not correct in deducting a sum of Rs.23,400/- towards the damages of the furniture, when the first respondent was allowed to retire from service.

8. Accordingly, this writ petition is partly allowed with a direction to the petitioner Management to pay a sum of Rs.23,400/- (Rupees twenty three thousand and four hundred only) together with interest at the rate of 6% p.a., to the 4th respondent, who is the wife of the first respondent, within a period of eight weeks from the date of receipt of a copy of this order.



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9. The High Court Legal Services Committee shall pay a sum of Rs.10,000/- (Rupees ten thousand only) to the learned counsel Mr.A.Srinivasan, who was appointed as Legal Aid Counsel. No costs. Consequently, connected miscellaneous petition is closed.

17.09.2025

NCC : Yes/No
Index : Yes/No
Internet : Yes/No
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Assistant Commissioner of Labour,
No.8, Kajamian Street,
Kaja Nagar,
Tiruchirappalli – 20.
3. The Chairperson,
High Court Legal Services Committee,
Madurai Bench of Madras High Court,
Madurai.



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B.PUGALENDHI, J.

ogy

4. Mrs.Baby Chitra,
W/o.Late Rajendrakumar,
764, Sri Krishna Nivas,
Bharathiyar Street,
Nanjikottai Road,
Thanjavur District.

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