



WP.(MD)Nos.23406 to 23408 of 2023

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 27.10.2025

CORAM :

THE HON`BLE MR.JUSTICE B.PUGALENDHI

WP.(MD)Nos.23406 to 23408 of 2023

and.

WMP.(MD)Nos.19616, 19622, 19617 of 2023

The Vadugampadi Panchayat,
Rep.by its President,
Kugiliyamparai Panchayat Union,
Dindigul District

... Petitioner in all WPs.

Vs.

1.The Block Development Officer,
Kugiliyamparai Panchayat Union,
Kugiliyamparai Post,
Vedasandur Taluk,
Dindigul District.

2.The Deputy Commissioner of Labour (i/c)
Dindigul District.

... 1st & 2nd Respondents in all WPs.

3.M.Palaniappan

... 3rd Respondent in WP.(MD)No.23406 of 2023

4.V.Arumugam

... 3rd Respondent in WP.(MD)No.23407 of 2023



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5.V.Manjanaicker

... 3rd Respondent in WP.(MD)No.23408 of 2023

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Common Prayer : Writ Petitions filed under Article 226 of the Constitution of India, praying for the issuance of Writ of Certiorari, to call for the records relating to the impugned order passed by the Deputy Commissioner of Labour, Dindigul in P.G.Nos.16 to 18 of 2018 dated 02.01.2020 and quash the same as illegal.

For Petitioner : Mr.S.Vellaichamy
(in all WPs.)

For R1 & R2 : Mr.C.Venkatesh Kumar,
(in all WPs.) Special Government Pleader.

For R3 : Mr.D.Venkatesh
(in all WPs.)

COMMON ORDER

These writ petitions have been filed as against the order passed by the Deputy Commissioner of Labour, Dindigul in P.G.Nos.16 to 18 of 2018 dated 02.01.2020.



2.The private respondents in all writ petitions, who were working as Over Head Tank Operators in Kugiliyamparai Panchayat, have filed the above claim petitions before the authority under the Payment of Gratuity Act [hereinafter referred as 'the Act'] claiming gratuity as per Section 4 of the Act and the same was allowed, on 02.01.2020, against which, the panchayat has preferred these writ petitions. In fact, the Panchayat is having statutory appeal as provided under Section 7(7) of the Act. However, without invoking the appeal remedy, these writ petitions have been filed.

3.The main contention of the petitioner is that the private respondents were part time employees and they are not entitled for payment of gratuity. Other ground is that panchayat is a statutory body, which is not covered under the Act.

4.The learned counsel appearing for the private respondents by relying on the judgment of this Court in WP.(MD)Nos.1564 to



1567 of 2015 dated 06.02.2018 submits that this issue has already been decided by following the decision of this Court reported in 2004-III-LLJ (Commissioner, Sathyamangalam Municipality Vs. Deputy Commission of Labour, Salem and others) and relevant paragraph is extracted hereunder:-

2.The petitioner is the Village Panchayat President. The third respondent herein was the Panchayat employee. The third respondent after reaching the age of superannuation and retirement moved the Controlling Authority for settlement of his Gratuity dues. The Controlling Authority passed an order in his favour. The same was questioned before this Court, on the ground that the employee of Village Panchayat is not entitled to invoke the provisions of Payment of Gratuity Act, 1972. The issue is no longer res integra. This Court in the decision reported in 2004-III-LLJ (Commissioner, Sathyamangalam Municipality Vs. Deputy Commission of Labour, Salem and others) held that the Local Authority also an establishment liable under the Act to Pay gratuity. Therefore, the ground of jurisdiction is not available to the petitioner. On merits also, there is nothing to interfere. The



Controlling Authority has taken the last drawn wages of the employee's account and computed the gratuity dues on that basis.

5.The learned counsel for the private respondents has also relied upon another judgment of the Hon'ble Supreme Court reported in (2019) 6 SCC 103 (Nagar Ayukt Nagar Nigam, Kanpur Vs. Mujib Ullah Khan) wherein it was held that local bodies are covered under the Act, in terms of Section 1(3)(c) of the Act and the relevant paragraphs are extracted hereunder :-

"7.On the other hand, learned counsel for the respondent pointed out that the Central Government has published a notification in terms of Section 1(3)(c) of the Act on 08.01.1982 to extend the applicability of the Act to the Municipalities. Thus, the Act is applicable to the Municipalities. The relevant provisions of the Act read as under:

"1. Short title, extent, application and commencement.-

(1) This Act may be called the Payment of Gratuity Act, 1972.

(2) It extends to the whole of India:



Provided that in so far as it relates to plantations or ports, it shall not extend to the State of Jammu and Kashmir.

(3) It shall apply to-

(a) every factory, mine, oilfield, plantation, port and railway company;

(b) every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months;

(c) such other establishments or class of establishments, in which ten or more employees are employed, or were employed, on any day of the preceding twelve months, as the Central Government may, by notification, specify in this behalf."

8.A perusal of the above provisions would show that the Act is applicable to (1) every factory, mine, oilfield, plantation, port and railway company; (2) every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, the said provision has two conditions, viz. (i) a shop or establishments within the meaning of a State law and (ii)



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in which ten or more persons are employed; and (3) the establishments or class of establishments which Central Government may notify.

9.The appellant is not covered by clauses (a) and (b) of Section 1(3) of the Act. Clause (a) is not applicable on the face of the provisions, but even clause (b) is not applicable in view of Section 3 (c) of the 1962 Act as such Act is not applicable to the offices of the Government or local authorities. The Local Authorities means a municipal committee, district board etc or entrusted with the control or management of a municipal or local fund in terms of Section 3(31) of the General Clauses Act, 1897.

10.In terms of the above said Section 1(3)(c) of the Act, the Central Government has published a notification on 08.01.1982 and specified Local Bodies in which ten or more persons are employed, or were employed, on any day of the preceding twelve months as a class of establishment to which this Act shall apply. The said notification dated 08.01.1982 reads as under:-

“ New Delhi, 8-1-1982

NOTIFICATION

S.O. No. 239....-In exercise of the powers conferred by clause (c) of sub-section (3) of section 1 of the Payment of Gratuity Act, 1972 (39 of 1972), the Central Government hereby specified 'local bodies' in which ten or more persons are employed, or were employed, on any day



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preceding twelve months, as a class of establishments to which the said Act shall apply with effect from the date of publication of this notification in the Official Gazette.

sd/.

(R. K. A. Subrahmanya)

Additional Secretary

(F. No. S-70020/16/77-FPG)"

11.We find that the notification dated 08.01.1982 was not referred to before the High Court. Such notification makes it abundantly clear that the Act is applicable to the local bodies i.e., the Municipalities. Section 14 of the Act has given an overriding effect over any other inconsistent provision in any other enactment. The said provision reads as under:

"14.Act to override other enactments, etc. – The provisions of this Act or any rule made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Act or in any instrument or contract having effect by virtue of any enactment other than this Act."

12. In view of Section 14 of the Act, the provision in the State Act contemplating payment of Gratuity will be inapplicable in respect of the employees of the local bodies."

6.This Court has considered the submissions made on either side and perused the available materials.



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7. In view of the decisions relied on by the learned counsel for the private respondents, this Court is not inclined to accept the contention of the petitioner. Accordingly, these writ petitions are dismissed. No costs. Consequently, connected miscellaneous petitions are closed.

27.10.2025

NCC : Yes/No

Index : Yes/No

Internet: Yes

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To

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2. The Deputy Commissioner of Labour (i/c)
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