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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 18.06.2025

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THE HON'BLE MR.JUSTICE R.VIJAYAKUMAR

W.P.(MD)No.29834 of 2024
and
W.M.P(MD)No.25148 of 2024

The Management/Managing Director,
R-1773, The Srirangam Co-operative Urban
Bank Limited,
43, South Chitra Street,
Srirangam, Trichy District.

...Petitioner

Vs

1.R.Venkataraman
2.V.Prasanna Venkatesh
3.V.Ragavendra Prasad

...Respondents

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, to issue a **Writ of Certiorari** calling for the records relating to the impugned order passed by the Labour Court, Trichirapalli, in Computation petition No.2 of 2022, dated 29.08.2024, and quash the same.

For Petitioner : Mr.C.Jeganathan

For Respondents : Mr.T.Ravichandran

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ORDER

The present writ petition has been filed by the Management of the Co-operative Urban Bank challenging an order passed by the Labour Court, Tiruchirapalli, in Computation Petition No.2 of 2022, dated 29.08.2024.

2.The first respondent wife was working as an Assistant in the petitioner Co-operative Bank. She was imposed with a punishment of reduction in basic pay structure from Rs.2,170/- to Rs.700/-, by way of an order dated 04.05.2006. On an appeal filed by her, the Management has modified the said punishment from reduction of basic pay structure to removal from service.

3.On an appeal, the Joint Registrar of Co-operative Societies, Tiruchirapalli, had rejected the revision petition filed by the deceased employee on 15.06.2009. The employee had passed away on 14.12.2009. The legal heirs of the employee had filed an appeal before the Secretary to the Government. The Secretary to the Government has passed an order reducing her basic pay structure from Rs.2,170/- to Rs.700/-.



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4. Not being satisfied with the said order, the legal heirs of the employee had filed W.P(MD)No.1560 of 2011, challenging the order of the Secretary to the Government. This Court by way of an order dated 06.09.2019, has set aside the order of the Management as well as the Government and remitted the matter back to the Secretary to the Government.

5. On 15.09.2020, the Additional Chief Secretary to the Government had passed G.O.(Ms).No.103, dated 15.09.2020, directing the petitioner Management to release all those terminal benefits of the deceased employee on the ground that she has been acquitted from the criminal case. The petitioner Bank had disbursed the entire service benefits to the legal heirs of the deceased employee to a tune of Rs.5,93,648/-.

6. The legal heirs of the employee have filed C.P.No.2 of 2022, before the Labour Court, Tiruchirapalli, seeking interest for the belated disbursement of the terminal benefits. The Computation Petition was allowed by the labour Court on 29.08.2024, directing the Management to pay a sum of Rs.11,27,649/- with 6% interest per annum within a period of two months. In case, if the amount is not paid within a period of two months, the respondents are entitled to subsequent



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interest at the rate of 6% per annum. Challenging the same, the present Writ Petition has been filed.

7. According to the learned Counsel appearing for the Writ Petitioner, the deceased employee was not exonerated from all the charges by the Additional Chief Secretary to the Government. Therefore, Section 45-A(1-A)(i)(c) of the Tamil Nadu Pension Rules, 1978, would be applicable. According to him, the entire terminal benefits have been released within a period of three months from the date on which the order was passed by the Government. In such circumstances, payment of interest would not arise. He has further pointed out that direction was issued by the Secretary to Government for releasing the terminal benefits on the sole ground that she has been acquitted from the criminal case. The order of punishment has not been set aside by the Government. In such circumstances, the employee cannot be considered to have been exonerated of the charges in the domestic enquiry.

8. Per contra, the learned Counsel appearing for the legal heirs of the deceased employee had contended that the Additional Chief Secretary to Government in his order dated 15.09.2020, has not given any findings with

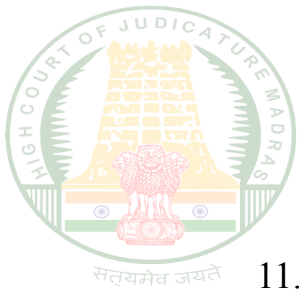


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regard to the delinquency of the deceased employee. No punishment has been imposed. A direction was issued to the Bank to release the terminal benefits. In such circumstances, the deceased employee should be considered to have been exonerated of all the charges and therefore, her entitlement to receive the terminal benefits arises from the date of her death and not within a period of three months from the date of passing of final orders by the disciplinary authority.

9.I have considered the submissions made on either side and perused the materials available on record.

10.The Management has passed an order removing the deceased employee from service on 15.12.2008. This order was modified by the Secretary to Government on 12.10.2010, reducing her basic pay structure from Rs.2,170/- to Rs.700/-. These two orders were set aside by this Court in W.P(MD)No.1560 of 2011, and the matter was remitted back to the Secretary to Government for passing fresh orders. After remand, the Secretary to the Government has passed an order directing releasing of the terminal benefits.



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11.A perusal of G.O.Ms.No.103, dated 15.09.2020, would clearly reveal that there is no finding that the charges as against the deceased employee had been proved. Not even minor punishment has been imposed. On the other hand, there is a specific direction to release the terminal benefits. In such circumstances, the only view that could be taken is that, the deceased employee has been exonerated of all the charges in the domestic enquiry. In such circumstances, Section 45-A(1-A)(i)(a) alone is applicable to the facts of this case.

12.The terminal benefits of the deceased employee having not been paid within a period of three months from the date of her death, it carries interest beyond a period of three months. The Labour Court has calculated the interest portion from December 2009, onwards. However, interest has to be paid only from April 2010, as per the provisions of the Tamil Nadu Pension Rules, 1978. In such circumstances, the order of the Labour Court is modified to the extent that 6% interest shall be payable from 01.04.2010, onwards instead of December 2009, onwards.



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13.The petitioner Management is directed to calculate the interest portion from 01.04.2010, and release the amount within a period of 12(Twelve) weeks from the date of receipt of a copy of this order.

14.With the above said modifications, this Writ Petition stands partly allowed. No costs. Consequently, connected Miscellaneous Petition is also closed.

18.06.2025

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

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R.VIJAYAKUMAR, J.

RJR

To

The Presiding Officer,
Labour Court, Trichirapalli.

W.P.(MD)No.29834 of 2024

18.06.2025