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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

Date of Decision : 19-02-2025

1. CWP-19289-2015 (O&M)

**ADDITIONAL DEPUTY COMMISSIONER AGENCY MINI
SECRETARIAT HOSHIARPUR PUNJAB**

.....Petitioner(s)

VERSUS

**THE CONTROLLING AUTHORITY UNDER THE PAYMENT OF
GRATUITY ACT CUM LABOUR COMMISSIONER & ORS**

.....Respondent(s)

2. CWP-19469-2015 (O&M)

**ADDITIONAL DEPUTY COMMISSIONER AGENCY MINI
SECRETARIAT HOSHIARPUR PUNJAB**

.....Petitioner(s)

VERSUS

**THE CONTROLLING AUTHORITY UNDER THE PAYMENT OF
GRATUITY ACT CUM LABOUR COMMISSIONER & ORS**

.....Respondent(s)

3. CWP-415-2024(O&M)

**ADDITIONAL DEPUTY COMMISSIONER DEVELOPMENT-CUM-
PROJECT DIRECTOR**

.....Petitioner(s)

VERSUS

THE APPELLATE AUTHORITY & ORS

.....Respondent(s)

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

**Present: Mr. Naveen K. Mehra, Advocate for
Mr. Rajesh K. Dadwal, Advocate
for the petitioner in CWP Nos. 19289 and 19469 of 2015.**

Mr. D.K Saldi, Advocate
For the petitioner in CWP No.415 of 2024.

Mr. Mohit Kapoor, Sr. DAG Punjab.

Ms. Neha Jain, Advocate
for the respondent No.3
in CWP Nos.19289 and 19469 of 2015.

HARSIMRAN SINGH SETHI, J. (Oral)

1. Present bunch of three writ petitions involve common question of law in the context of common set of facts and thus they are being decided by a common order.

2. In the present bunch of petitions, the challenge is to the order dated 25.06.2019 (Annexure P-1) passed by the authorities concerned under the Payment of Gratuity Act, 1972 in favour of the respondent-workmen.

3. Learned counsel appearing on behalf of the petitioner(s) submits that the only objection being raised is that as the DRDA is a society hence, the same cannot be treated as an establishment to fall under the purview of the Payment of Gratuity Act, 1972 so as to decide the claim of the respondent-workmen as has been decided by authorities concerned the impugned orders dated 31.05.2013 (Annexure P-4) and 02.03.2015 (Annexure P-7) in CWP Nos.19289 and 19469 of 2015 respectively and impugned order dated 25.06.2019 (Annexure P-1) in CWP No.415 of 2024.

4. Learned counsel appearing on behalf of the respondent-workmen submits that there is no exemption granted to the petitioner(s) in District Rural Development Agency (DRDA) for the application of the Payment of Gratuity Act, 1972 as per Section 5 of the 1972 Act, hence, the

authorities under the Payment of Gratuity Act, 1972 has rightly directed the petitioner for the payment of gratuity to the respondent-workmen upon their retirement.

5. I have heard learned counsel for the parties and have gone through the records of the present case with their able assistance.

6. The only argument which has been raised by counsel for the petitioner is that the payment of gratuity is not applicable upon the District Rural Development Agency, which has employed the respondent-workmen. Section 1 of the Payment of Gratuity Act, 1972 is reproduced hereinbefore for the ready reference:-

“Section 1

(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, or, any day of the preceding twelve months, as the Central Government may, by notification, specify in this behalf.

(3A) A shop or establishment to which this Act has become applicable shall continue to be governed by this Act

notwithstanding that the number of persons employed therein at any time after it has become so applicable falls below ten.]

(4) It shall come into force on such date as the Central Government may, by notification, appoint.”

7. A bare perusal of Section 1(3)(c) clearly holds that any establishments where 10 or more employees are working, the same is covered under the Payment of Gratuity Act, 1972.

8. Learned counsel for the petitioner(s) have not been able to dispute the fact that with the District Rural Development Agency, there are more than 10 employees working.

9. That being so, the Court is of the opinion that the District Rural Development Agency is governed by the Payment of Gratuity Act, 1972 unless granted exemption under Section 5 of the 1972 Act.

10. Learned counsel for the petitioner(s) concedes that there is no exemption granted under Section 5 of the 1972 Act to the District Rural Development Agency.

11. Keeping in view the abovesaid fact, the District Rural Development Agency, which has more than 10 employees on their role, are amenable to the provisions of the Payment of Gratuity Act, 1972.

12. No other argument is raised.

13. Keeping in view the above, the grant of benefit by the authorities concerned under the Payment of Gratuity Act, 1972 in favour of the respondents cannot be said to be arbitrary and illegal, without any jurisdiction.

14. No ground is made out for any interference by this Court in the facts and circumstances of the present case.
15. Present bunch of petitions stands dismissed.
16. Pending application, if any, also stands disposed of.

19-02-2025

Sapna Goyal

(HARSIMRAN SINGH SETHI)
JUDGE

NOTE: Whether speaking: YES
Whether reportable: NO