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Writ Petition Nos.4617 of 2019 and 30642 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

ORDERS RESERVED ON :06.01.2026

ORDERS PRONOUNCED ON :24.02.2026

CORAM

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

Writ Petition Nos.4617 of 2019 and 30642 of 2024

W.P.No.4617 of 2019:

The Kancheepuram Central Co-operative Bank Ltd.,
Represented by its Managing Director
No.15-G, Sheikpet North Street
Kancheepuram – 631 501.

... Petitioner

Vs.

1.Deputy Commissioner of Labour – II
(Appellate Authority under Payment of
Subsistence Allowance) Act, 1981.
D.M.S. Compound
Teynampet, Chennai – 600 006.

2.The Asst. Commissioner of Labour
(The Competent Authority under the Payment of
Subsistence Allowance Act, 1981)
Office of Dy.Commissioner of Labour
D.M.S. Compound
Teynampet, Chennai – 600 006.

3.G.Purushothaman (Deceased)
Manager (Under suspension)
Door No.4/86, 3rd Cross Street
A.G.S.Colony, Velacheri, Chennai – 600 042.



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4.Kanchanamala .P
W/o G.Purushothaman

5.P.Umamaheshwari
D/o G.Purushothaman

6.Suvetha .P
D/o G.Purushothaman
RR4 to 6 are all residing at
Door No.4/86, 3rd Cross Street
A.G.S.Colony, Velacheri, Chennai – 600 042.

(RR4 to 6 are substituted as legal heirs
of deceased R3, as per the order of this Court
dated 28.03.2025 in W.M.P.No.9949 of 2024
in W.P.No.4617 of 2019)

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorari, calling for the records of the first respondent dated 10.05.2017 made in PSA (Appeal) No.1/2016 confirming the order of the second respondent dated 19.10.2015 made in PSA No.20/2010 and quash the same and pass such further or other orders.

W.P.No.30642 of 2024:

The Management of the Kancheepuram
Central Co-operative Bank Ltd.,
Represented by its Manager
No.15-G, Sheikpet North Street
Kancheepuram – 631 501.

... Petitioner

Vs.



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1.The Joint Commissioner of Labour – 2
The Appellate Authority under Payment of
Subsistence Allowance Act, 1981
D.M.S. Compound
Teynampet, Chennai – 600 006.

2.The Assistant Commissioner of Labour
(The Authority under Payment of
Subsistence Allowance Act, 1981
D.M.S. Compound
Teynampet, Chennai – 600 006.

3.S.P.Kanchanamala
W/o G.Purushothaman (late)
Door No.4/86, 3rd Cross Street
A.G.S.Colony, Velacheri, Chennai – 600 042.

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorari, calling for the records of the first respondent culminating in impugned order dated 23.01.2023 made in PSA (Appeal) No.1/2022 and quash the same and pass such further or other orders.

In both the Writ Petitions:

For the petitioner : Ms.G.Thilagavathy
Senior Counsel
for Mr.R.Gopinath

For the respondents : Mr.S.Senthil Murugan
Special Government Pleader for RR1&2

Mr.R.Ganesh
Legal Aid Counsel for RR4 to 6
in W.P.No.4617 of 2019 and
for R3 in W.P.No.30642 of 2024



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COMMON ORDER

A.The Writ Petitions:

The Writ Petition No.4617 of 2019 is filed challenging the order of the original authority, viz., the Assistant Commissioner of Labour – the Competent Authority under the Payment of Subsistence Allowance Act, 1981 and the Deputy Commissioner of Labour – II - Appellate Authority under Payment of Subsistence Allowance Act, 1981, Chennai made in PSA No.20/2010 and PSA (Appeal) No.1/2016 dated 19.10.2015 and 10.05.2017 respectively.

The Writ Petition No.30642 of 2024 is filed challenging the order of the order of the 1st respondent, culminating in impugned order dated 23.01.2023 made in PSA (Appeal) No.1 of 2022 and quash the same.

B.Case of the Petitioner:

2. The brief facts leading to the filing of the Writ Petitions are that the petitioner viz., The Kancheepuram Central Co-operative Bank Ltd., is a Co-operative Society registered under the Tamil Nadu Co-operative Societies Act, 1983. The 3rd respondent in W.P.No.4617 of 2019 - *G.Purushothaman* (Workman) was its employee. Since he died pending the Writ Petition, the



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respondents 4 to 6 are now substituted and represented as his legal heirs.

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2.1. It is the case of the petitioner that the said workman entered the services of the petitioner – Society as a Manager. While so, three charge memoranda were issued against the workman. On 29.07.2004, a charge was levelled against him that after advancing a loan, he has not taken steps to promptly recover the outstanding loan amount, even after default. On 16.08.2004, two charges were levelled that

(i) he failed to submit the monthly accounts of the branch, in which he was serving and

(ii) failed to reconcile the six accounts mentioned in the said charge No.2 and submit a report.

2.2. On 20.09.2004, three charges were levelled against him stating that

(i) with reference to the loan of one – *C.Govindarajan*, instead of getting collateral security worth, twice the loan amount of Rs.4,75,000/-, he had accepted collateral security of a property worth only of Rs.6,00,000/-, leading to the loan being outstanding;

(ii) The second charge is that with reference to the said property, after



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executing the mortgage deed, he failed to obtain the encumbrance certificate, ensuring whether the mortgage in the name of the bank is reflected in the encumbrance certificate or not; and

(iii) The third charge is that he failed to recover the said loan amount every month and resulting in the loss of business to the petitioner – Society.

2.3. When enquiry into these charge memoranda were pending, the workman was to superannuate from service on 01.12.2005, and therefore, he was placed under suspension on 30.11.2005, so as to continue the disciplinary enquiry. On 31.12.2007, the Deputy Registrar of Co-operative Societies submitted all three enquiry reports. It is seen that certain charges were held to be proved and certain charges were held to be not proved. Thereafter, in the year 2010, a second show cause notice was issued to the workman, calling for his further explanation.

2.4. It is at that juncture, 01.07.2010, the workman filed an application for payment of subsistence allowance, before the original authority – the 2nd respondent in W.P.No.4617 of 2019, under Section 3 of the Tamil Nadu Payment of Subsistence Allowance Act, 1981 (hereinafter in short 'the Act'), claiming



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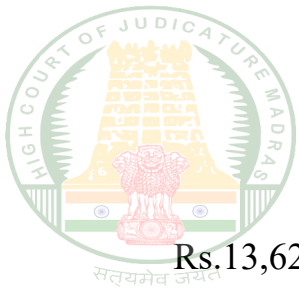
subsistence allowance to the tune of Rs.13,60,369/- from the date of suspension

till 30.06.2010. Even after the filing of the application, the disciplinary enquiry was never concluded and was kept pending by the petitioner – Society. Neither an order of punishment was passed nor the terminal benefits were paid to the deceased workman.

2.5. The application was resisted by the petitioner – Society, by filing a counter affidavit. In the counter affidavit, it was stated that the relief sought for by the workman was based on surmises and the petitioner is conscious of the fact that he has been placed on suspension on 30.11.2005 and thereafter, he had reached the age of superannuation on 01.12.2005. It is further held that the delinquencies involve serious charges and the charges were also held to be proved and therefore, the petition has to be dismissed.

2.6. Thereafter, the original authority passed the impugned order on 19.10.2015 holding that when the workman was placed under suspension on 30.11.2005 and for the period upto 30.06.2010, the workman is entitled for subsistence allowance i.e., @ 50% for the initial 90 days, 75 % for the next 90 days, 100% for the next 49 months and 3 days and in all calculated the sum at

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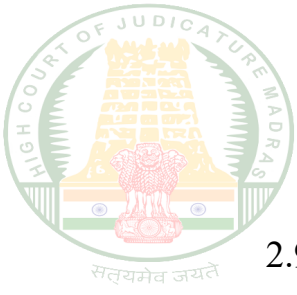
Rs.13,62,949/- and directed payment with 10% further interest. Aggrieved by the

same, an appeal was preferred before the 1st respondent.

2.7. Before the 1st respondent, it was contended that the by-laws of the petitioner – Society more specifically by-law No.22 (5) expressly holds that the employees who continued under suspension, after superannuation will not be entitled for subsistence allowance and it was further contended that the by-laws were also specifically upheld by a Judgment of this Court in W.P.No.34693 of 2005, etc, Batch.

2.8. The Appellate Authority once again considered and found that as per the records, delay in conducting the disciplinary enquiry was solely on the petitioner – Society and the workman being under suspension, no way responsible for the delay. The workman was placed under suspension for a period of three years and nothing was done during the said period and thereafter enquiry could not commence, even after two more years of delay. Since the workman was not permitted to retire and kept under suspension, it was held that the workman was entitled for subsistence allowance. Aggrieved by the same, W.P. No.4617 of 2019 is filed.

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2.9. Once again in the year 2016, the workman had filed an application for

payment of subsistence allowance for the further period from 01.07.2010 to 31.07.2016 in PSA No.25 of 2017. However, the original authority held that when the by-laws dis-entitle the workman of any subsistence allowance, after the date of retirement, no claim can be made under Section 3 of the Tamil Nadu Payment of Subsistence Allowance Act, 1981. Aggrieved thereby, the wife of the workman has filed PSA No.1 of 2022 before the Appellate Authority and the Appellate Authority found that the findings of the original authority are unsustainable and allowed the appeal, by remanding the matter back to the original authority, for fresh consideration. Aggrieved by the said order, W.P.No.30642 of 2024 is filed.

C. Submissions of the Petitioner:

3. *Ms.G.Thilagavathy*, the learned Senior Counsel appearing on behalf of the petitioner – Society would submit that the conditions of service of the employees of the Co-operative Society is bound by the special by-laws framed by the Co-operative Society. Clause 19 (2) and 22 (5) of the special by-laws read as follows:-



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“19. KIND OF PENALTIES

2. The disciplinary proceedings instituted against an employee, which he was in service, shall be deemed to be proceedings under this Special bye law, even after his retirement, and be continued and concluded by the competent authority in the same manner as if the employee had continued in service. In the event of any such disciplinary proceedings having been initiated and if the bank has reason to believe that the disciplinary proceedings will result in the removal or dismissal of the employee from service, the bank shall place the employee under suspension. In such cases, the employee is not eligible for payment of subsistence allowance, the bank also, shall not make payment of the terminal benefits like gratuity, etc., payable to the employee until the disciplinary proceedings are finally concluded".

.....

.....

22. SUSPENSION

(5) The employee under suspension shall not be allowed to retire on attaining the age of superannuation. His suspension shall be deemed to have been extended till the disposal of the disciplinary proceedings against him. During the extended period, the service rights accrued to the employee shall cease on the date of superannuation and the employee shall not be entitled for subsistence allowance".

3.1. Therefore, when the special by-laws specifically dis-entitle the workman, after the date of attaining the age of superannuation, no such claim is maintainable. The learned Senior Counsel would submit that by the Judgment in W.P.No.34693 of 2005, etc., Batch, this Court had also upheld the validity of the by-laws. The same is binding on the workman. Therefore, no subsistence allowance need be paid to the deceased workman, after 01.12.2005.



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3.2. The second contention of the learned Senior Counsel is that, a reading of Section 3 (4) of the Act, it would be clear that the subsistence allowance shall be paid on the date or the dates on which the wages due to the employee, but for his suspension, would have become payable. Therefore, even under Section 3 of the Act, the subsistence allowance post date of superannuation is not payable.

3.3. The third contention of the learned Senior Counsel is that the workman was a Manager of the Co-operative Society and as such would not fall within the definition of the term 'employee' as defined under the Act, as the definition clearly excludes the persons who are employed primarily in a managerial capacity. Therefore, the learned Senior Counsel would submit that the Writ Petitions are liable to be allowed.

D. Submissions of the Respondents:

4. *Per contra*, the learned counsel appearing on behalf of the legal heirs of the workman would submit that so long as the employer – employee relationship exists, the workman is entitled for the payment of subsistence allowance. The same has rightly been calculated by the authorities. The learned counsel would



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rely upon the Judgment of this Court in W.P.No.22957 of 2012 (***B.V.Narendra***

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Kumar Vs. Joint Registrar of Co-operative Societies, Tiruvallur Region, Tiruvallur and Others) to contend that even as against the employee of the Co-operative Society, the subsistence allowance was ordered to be paid. The learned counsel would rely upon the Division Bench Judgment of this Court in W.A. (MD) No.386 of 2022 (***P.Subramani Vs. Registrar of Co-operative Societies, Kilpauk, Chennai and Others***) for the proposition that even the Co-operative Society's employee against whom the disciplinary enquiry was kept pending for beyond 180 days was held to be entitled for 100 % salary as the subsistence allowance.

4.1. The learned counsel would also rely upon the Judgment of the Hon'ble Division Bench in W.A.No.3895 of 2019 (***The Additional Registrar of Co-operative Societies, Sales, Planning and Development, Kilpauk, Chennai and Others Vs. K.Ulaganathan***) to contend that when the enquiry was pending, it is incumbent upon the respondents to pay the subsistence allowance.

5. I have considered the rival submissions made on either side and perused the material records of the case.



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E. Consideration and Questions:

6. Upon consideration thereof, the following questions arise for consideration,

1) Whether the mandate for payment of subsistence allowance under the Act, to the employees who are kept under suspension will be applicable for the employees of the Co-operative Societies on account of its own by-laws ?

2) Whether the mandate for payment of subsistence allowance under Section 3 has to be restricted only upto the date of superannuation in view of Section 3 (4) of the Act ?

3) Whether the workman in the instant case is entitled to invoke the provisions of the Act, in as much as he is the Manager ?

4) To what relief, the parties are entitled to ?

F. Question No.1:

7. It can be seen that there is no provision excluding the applicability of the Labour Welfare Legislation to the Co-operative Societies Act, especially when the Labour Welfare Legislations are Central Legislation, unless the applicability is expressly excluded by the State Act, viz., the Co-operative



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Societies Act that too with the assent of the President, the applicability cannot be

excluded. Useful reference in this regard can be made to the Judgment of the Hon'ble Supreme Court of India in ***K.A. Annamma Vs. Cochin Coop. Hospital Society Ltd.***¹, . Therefore, if provisions such as Section 3 of the Act or the Industrial Establishments (Standing Orders) Act, 1946 are applicable, merely because the Society is governed by by-laws, it cannot be contended that such by-laws would override the provisions of the Act, particularly when they are contrary to the provisions of labour welfare legislation. The by-laws of the Co-operative societies is held not be a subordinate legislation but at best only be a contract between the society and its employees, and therefore cannot override a legislative provision.

G. Question No.2:

8. In this regard, though observations were made with reference to the government servants, the following paragraphs in the Judgment of the Hon'ble Supreme Court of India in ***M.Paul Anthony Vs.Bharat Gold Mines Limited and Another***² has to be adverted to,

1 (2018) 2 SCC 729

2 (1999) 3 SCC 679



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“27. The order of suspension does not put an end to an employee's service and he continues to be a member of the service though he is not permitted to work and is paid only subsistence allowance which is less than his salary. (See: State of M.P. v. State of Maharashtra [(1977) 2 SCC 288 : (1977) 2 SCR 555 : AIR 1977 SC 1466] .)

28. Service rules also usually provide for payment of salary at a reduced rate during the period of suspension. (See: Fundamental Rule 53.) This constitutes the “subsistence allowance”. If there is no provision in the rules applicable to a particular class of service for payment of salary at a reduced rate, the employer would be liable to pay full salary even during the period of suspension.

29. Exercise of right to suspend an employee may be justified on the facts of a particular case. Instances, however, are not rare where officers have been found to be afflicted by a “suspension syndrome” and the employees have been found to be placed under suspension just for nothing. It is their irritability rather than the employee's trivial lapse which has often resulted in suspension. Suspension notwithstanding, non-payment of subsistence allowance is an inhuman act which has an unpropitious effect on the life of an employee. When the employee is placed under suspension, he is demobilised and the salary is also paid to him at a reduced rate under the nickname of “subsistence allowance”, so that the employee may sustain himself. This Court, in O.P. Gupta v. Union of India [(1987) 4 SCC 328 : 1987 SCC (L&S) 400 : (1987) 5 ATC 14] made the following observations with regard to subsistence allowance: (SCC p. 340, para 15)

“An order of suspension of a government servant does not put an end to his service under the Government. He continues to be a member of the service in spite of the order of suspension. The real effect of suspension as explained by this Court in Khem Chand v. Union of India [AIR 1958 SC 300 : (1959) 1 LLJ 167] is that he continues to be a member of the government service but is not permitted to work and further during the period of suspension he is paid only some allowance — generally called subsistence allowance — which is normally less than the salary instead of the pay and allowances he



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would have been entitled to if he had not been suspended. There is no doubt that an order of suspension, unless the departmental enquiry is concluded within a reasonable time, affects a government servant injuriously. The very expression 'subsistence allowance' has an undeniable penal significance. The dictionary meaning of the word 'subsist' as given in Shorter Oxford English Dictionary, Vol. II at p. 2171 is 'to remain alive as on food; to continue to exist'. 'Subsistence' means — means of supporting life, especially a minimum livelihood.'

(emphasis supplied)

30. If, therefore, even that amount is not paid, then the very object of paying the reduced salary to the employee during the period of suspension would be frustrated. The act of non-payment of subsistence allowance can be likened to slow-poisoning as the employee, if not permitted to sustain himself on account of non-payment of subsistence allowance, would gradually starve himself to death.

31. On joining government service, a person does not mortgage or barter away his basic rights as a human being, including his fundamental rights, in favour of the Government. The Government, only because it has the power to appoint does not become the master of the body and soul of the employee. The Government by providing job opportunities to its citizens only fulfils its obligations under the Constitution, including the Directive Principles of State Policy. The employee, on taking up an employment only agrees to subject himself to the regulatory measures concerning his service. His association with the Government or any other employer, like instrumentalities of the Government or statutory or autonomous corporations, etc., is regulated by the terms of contract of service or service rules made by the Central or the State Government under the proviso to Article 309 of the Constitution or other statutory rules including certified standing orders. The fundamental rights, including the right to life under Article 21 of the Constitution or the basic human rights are not surrendered by the employee. The provision for payment of subsistence allowance made in the service rules only ensures non-violation of the right to life of the employee. That was the reason why this Court in State of



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Maharashtra v. Chandrabhan Tale [(1983) 3 SCC 387 : 1983 SCC (L&S) 391 : 1983 SCC (Cri) 667 : (1983) 3 SCR 337 : AIR 1983 SC 803] struck down a service rule which provided for payment of a nominal amount of rupee one as subsistence allowance to an employee placed under suspension. This decision was followed in Fakirbhai Fulabhai Solanki v. Presiding Officer [(1986) 3 SCC 131 : 1986 SCC (L&S) 411 : (1986) 2 SCR 1059 : AIR 1986 SC 1168] and it was held in that case that if an employee could not attend the departmental proceedings on account of financial stringencies caused by non-payment of subsistence allowance, and thereby could not undertake a journey away from his home to attend the departmental proceedings, the order of punishment, including the whole proceedings would stand vitiated. For this purpose, reliance was also placed on an earlier decision in Ghanshyam Das Shrivastava v. State of M.P. [(1973) 1 SCC 656 : 1973 SCC (L&S) 289 : AIR 1973 SC 1183]”

8.1. The principles mentioned above that once the employee is continued to be placed under suspension, the employer – employee relationship subsists and the subsistence allowance is the barest minimum that is required for the sustenance of the employee and forms part of the human rights, and the continuation of the enquiry without paying the subsistence allowance will not even be a fair opportunity, are all applicable in all equal force even to the employees of the private sectors or the co-operative sector.

8.2. In this background, if Section 3 of the Act, has to be read and the entire Section 3 is extracted hereunder for ready reference,



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“3. Payment of subsistence allowance-(1) An employee who is placed under suspension shall, during the period of such suspension, be entitled to receive payment from the employer as subsistence allowance, an amount equal to fifty percentum of the wages which the employee was drawing immediately before suspension, for the first ninety days reckoned from the date of such suspension:

Provided that where the period of suspension exceeds ninety days but does not exceed one-hundred and eighty days, the employee shall be entitled to receive, after the said period of ninety days, a subsistence allowance equal to seventy-five percentum of the wages which the employee was drawing immediately before his suspension:

Provided also that where the enquiry or criminal proceeding is prolonged beyond the period of ninety days for reasons directly attributable to the employee, the subsistence allowance shall, for the period exceeding ninety days, be reduced to fifty percentum of the wages, which the employee was drawing immediately before his suspension.

(2) An employee shall not be entitled to receive any subsistence allowance if he accepts any other employment during the period of his suspension in any establishment other than the establishment where he had been working immediately before his suspension.

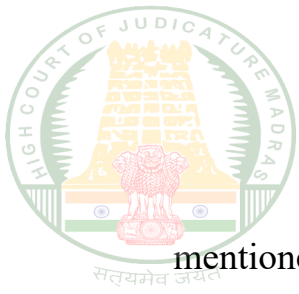
(3) An employee shall not, in any event, be liable to refund or forfeit any part of the subsistence allowance admissible to him under sub-section (1) :

Provided that where the employee is exonerated of the charge based on which his suspension was ordered, the subsistence allowance paid to him for any period shall be adjusted against the full wages admissible to him for the period of suspension.

(4) The subsistence allowance under sub-section (1) shall be paid by the employer to the employee on the date or dates on which the wages due to the employee, but for his suspension, would have become payable.”

Thus, it can be seen that Section 3 (1) makes it mandatory for payment of subsistence allowance during the period of suspension and the rates are given with reference to the number of days mentioned therein. The dis-entitlement is

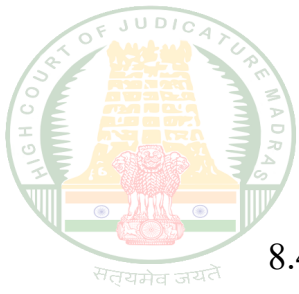
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mentioned under Section 3 (2) that if the employee accepts any other employment during the period of suspension, then he will not be entitled to receive any subsistence allowance. Sub section (3) provides that it is not liable to be refunded or forfeited. However, the proviso to Section 3 (3) states that the subsistence allowance paid shall be adjustable on the wages payable to the workman if ultimately the workman is exonerated of the charges.

8.3. In this case, the workman is deemed to be exonerated of the charges, since until his date of death in the year 2021, no final orders on the disciplinary enquiry has been passed. However, even then no additional wages remains to be payable. It is in this connection, Section 3 (4) also holds that the subsistence allowance is liable to be paid on the dates on which the workman would have been otherwise receiving the wages if not for his suspension. Therefore, a combined reading of the proviso to Section 3 (3) and 3 (4), it would be clear that the same is not permissible after the date of superannuation, unlike the case of the government servants, where the rules specifically provide for payment of subsistence allowance, even after attaining the age of superannuation, so long as they are in service.



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8.4. In this regard, in W.P.(MD) No.19460 of 2016 etc, (*The Management*

/ President – P1326, Thiruvaiyaru Primary Agricultural Co-operative Credit Society Limited Vs. Assistant Commissioner of Labour and Another) this Court had already taken such a view. Further, Section 5 of the Act saves the right of the workman, if there is a more favourable provision to him. In this regard, Section 10 A of the Industrial Establishment (Standing Orders) Act, 1946 provides for subsistence allowance for the workman who are placed under suspension. In the standing orders, no provisions similar to Section 3 (3) or Section 3 (4) of the Act is not there. The term ‘industrial or other establishment’ is defined under the Act to mean the same as Payment of Wages Act, 1936. Section 2 (e) of the said act defines ‘Industrial establishment’ and a reading thereof, it cannot be said that the petitioner which is a Society will come within the said definition. Therefore, in the instant case, except under Section 3 of the Act, relief could not be granted under any other provision, as there are no service rules entitling the workman to receive subsistence allowance after the date of superannuation.

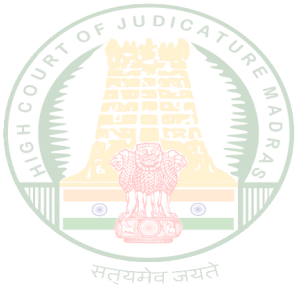
H. Question No.3:

9. Firstly, it can be seen that merely because, the workman is termed as ‘Manager’ that by itself would not dis-entitle the person. It is for the



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Management to plead and prove that his activities primarily is on the managerial and administrative side. As far as the first order directing the payment of subsistence allowance, it can be seen that such a plea was not taken before the authorities and has been taken before this Court, for the first time. However, with reference to the second order, the matter is remanded back to the original authority and therefore, it is possible for the Management to take such a plea on a wholesome consideration of the case. It is very clear that the workman was the Manager of the Kancheepuram Central Co-operative Bank Ltd, in its various branches. It is common knowledge that the Branch Manager is the head of the branch, who grants leave and manages the affairs of the entire branch and he has powers even to initiate disciplinary action etc. Apart from ultimately sanctioning the loans, the duties are primarily in managerial and administrative in nature. The same can also be taken into account. Therefore, in the special facts and circumstances of the case, even though it is taken belatedly in the second round of litigation, when the claim of the Management goes to the root of the matter as to the entitlement of a person, the same can also be considered by this Court. Accordingly, on consideration, since the workman is admittedly a Manager, he does not come within the term 'employee' under the Act and therefore, his petition before the authorities was not maintainable.



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I. Question No.4:

10. In this case, the legal heirs of the workman cannot be left high and dry, in view of the following facts:

10.1. the charges were mentioned supra.

10.2. The charge memorandum was issued in the year 2004. The workman had attained the age of superannuation with effect from 30.11.2005.

10.3. Of the three charge memoranda, in respect of the second charge memorandum dated 16.08.2004, ultimately the proceedings were dropped by the management on 30.05.2020 and punishments for the other two charge memoranda dated 29.07.2004 and 20.09.2004 were imposed on 28.05.2020 and 31.08.2020 respectively. It is stated that on filing the revision petition, the punishments were set aside vide G.O.Ms. No. 87, Co-operation, Food and Consumer Protection (CC2) Department, dated 11.07.2023.

10.4. Ultimately only on 17.11.2020, a sum of Rs.3,50,000/- and on 31.12.2020 a sum of Rs. 1,62,690/- and on 24.11.2023 a sum Rs.38,423/- was settled on the employee. After attaining the age of superannuation, it can be seen that only for the reasons that recovery proceedings against the loans were pending, the disciplinary proceedings were unconscionably kept pending by the



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management. The employee ultimately died on 01.06.2021. The employee was

casually placed under suspension from the year 2005 and he is neither entitled for subsistence allowance nor was given his retiral benefits. Any employee works during the prime of his life and is entitled to live on his retirement benefits after attaining the superannuation. The value of the amounts have completely gone. While any employee retiring in the year 2020 or 2021 will get atleast 4 times the amount that is released to the petitioner at the amounts prevailing in the year 2005. Therefore, this is a special case that the amounts shall carry interest at the rate of 12% per annum. The interest rate is so fixed as no separate compensation for the apathy shown on the party of the management. In view thereof, the respondents, being the legal heirs of the workman will be entitled to interest at the rate of 12% as follows:

- (a) on Rs.3,50,000/- from 01.12.2005 to 17.11.2020 being Rs.6,28,341 /-
- (b) On Rs.1,62,690/- from 01.12.2005 to 31.12.2020 being Rs.2,94,447/-
- (c) on Rs. 38,423/- from 01.12.2005 to 24.11.2023 being Rs.82,900/-

10.5. The above said total sum of Rs.10,05,688/- is liable to be paid within a period of eight weeks from the date of the receipt of the web copy of the order, failing which it shall carry further interest at the rate of 12% per annum from today till the date of disbursement.



Writ Petition Nos.4617 of 2019 and 30642 of 2024

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J. The Result:

11. In the result, the Writ Petitions are disposed of on the following terms,

11.1. The impugned orders dated 10.05.2017 made in PSA (Appeal) No.1/2016 and dated 23.01.2023 made in PSA (Appeal) No.1/2022 shall stand set aside;

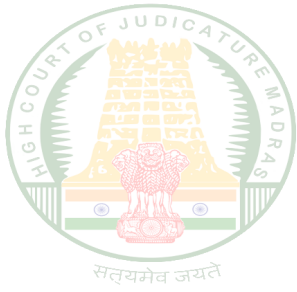
11.2. The petitioner shall pay a total sum of Rs.10,05,688/- to the respondents 4 to 6 in W.P.No.4617 of 2019, within a period of eight weeks from the date of receipt of the website uploaded copy of this order, failing which the amount shall carry further interest at the rate of 12% per annum from today;

11.3. No costs. Consequently, the connected miscellaneous petition is closed.

24.02.2026

Jer

Neutral citation : Yes



Writ Petition Nos.4617 of 2019 and 30642 of 2024

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To

- 1.The Joint Commissioner of Labour – 2
The Appellate Authority under Payment of
Subsistence Allowance Act, 1981
D.M.S. Compound
Teynampet, Chennai – 600 006.
2. The Deputy Commissioner of Labour – II
(Appellate Authority under Payment of
Subsistence Allowance)
D.M.S. Compound
Teynampet, Chennai – 600 006.
- 3.The Asst. Commissioner of Labour
(The Competent Authority under the Payment of
Subsistence Allowance Act, 1981)
Office of Dy.Commissioner of Labour
D.M.S. Compound
Teynampet, Chennai – 600 006.



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Writ Petition Nos.4617 of 2019 and 30642 of 2024

D.BHARATHA CHAKRAVARTHY, J.,
Jer

Pre-Delivery Order made in
Writ Petition Nos.4617 of 2019 and 30642 of 2024

24.02.2026