

**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

DATED: 12-02-2026

CORAM

THE HONOURABLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.No.3764 of 2026

&

W.M.P.No.4191 OF 2026

State Bank Of India
Local Head Office PPG Department,
No. 16, College Lane, Nungambakkam,
Chennai-600 006. ... Petitioner

Vs.

1. The Deputy Chief Labour Commissioner (Central),
Appellate Authority under the Payment of Gratuity Act,
No.26, Haddows Road, Sastri Bhavan, Chennai- 600 006.

2.The Assistant Labour Commissioner (Central II),
Controlling Authority under the Payment of Gratuity Act, 1972,
No.26, Haddows Road, Sastri Bhavan,
Chennai - 600 006.

3.R. Srinivasan
No.3G, Block E, Yuga Kalpataru,
Apartments, Padikuppam,
Chennai-600 006. ... Respondents

Prayer: Writ Petition has been filed under Article 226 of Constitution of India, to issue a Writ of Certiorari, calling for the records of the Respondent with respect to the order dated 18.03.2025 passed in G.A.No.32 of 2024 by the 1st respondent and quash the same and pass.

For Petitioner: Mr.Nithyaesh Natraj



ORDER

This Writ Petition is filed for a Writ of Certiorari calling for the records on the file of the respondents relating to the impugned order dated 18.03.2025 passed in G.A.No.32 of 2024 and to quash the same.

2. The impugned order was passed by the Appellate Authority under the Payment of Gratuity Act, 1972 in G.A.No.32 of 2024, thereby confirming the order passed by the Original Authority. The Original Authority, by an order dated 30.08.2024, determined that a sum of Rs.2,22,713/- be paid as gratuity in respect of the 3rd respondent.

3. Upon hearing Mr.Nithyaesh Natraj, Learned Counsel appearing on behalf of the petitioner and perusing the affidavit filed in support of the writ petition and the material records of the case, the grievance of the petitioner bank is that Section 4(1) of the Payment of Gratuity Act, 1972, mandates that an employee should have put in a minimum of five years continuous service to be eligible for payment of gratuity. Admittedly, in the instant case, the length of service of the 3rd respondent is only 4 years, 10 months and 7 days. Therefore, the authorities erred in ordering gratuity.



4. The Learned Counsel would rely upon the judgment of the Hon'ble Supreme Court of India in ***British Paints (India) Ltd. Vs. Workmen*** reported in 1965 SCC Online SC 126, thereby the Hon'ble Supreme Court of India has held that it is mandatory that the conditions under the Act to be complied with so as to be eligible for gratuity. The Punjab and Haryana High Court in ***Darshan Engineering Works Amritsar Vs. The Controlling Authority under Payment of Gratuity Act*** reported in (1984) 1 LLN 773 had also taken a similar view in Civil Writ Petition No.1102 of 1980, thereby it has held that the five-year Rule is inviolable. Therefore, the Authority without even a detailed reasoning in that regard erred in granting gratuity.

5. The Learned Counsel for the petitioner would further submit that the Authorities though were led to pass the order on account of the judgment of this Court in ***Dhanalakshmi Mills Ltd., Vs. Presiding Officer and Another*** reported in (2021) SCC OnLine Mad 2685, it can be seen that the definition under 4(2) of the Act cannot be extrapolated to the instant situation, as the same relates to temporary workmen. Only in the context of the temporary workmen to claim one year of service, it is laid down that 240 days of continuous service will be one year work. In the instance case, where the employee falls short of the mandatory five years, that Rule cannot be followed, as it is opposed to the context.



6. I have considered the said submissions made on behalf of the petitioner and perused the material records of the case. As on date, the ruling that is made in ***Dhanalakshmi Mills' case (cited supra)*** is a binding precedent on this Court as also the Authorities. In this case, it can be seen that the employee has 4 years, 10 months and 7 days of service in that 10 months and 7 days of the 5th year is not in dispute that the employee has put in 240 days of service. That being the position, I do not see any reason to doubt the law laid down by this Court in ***Dhanalakshmi Mills' case (cited supra)*** and therefore, I am unable to accept the submissions of the Learned Counsel for the petitioner. It is true the Hon'ble Supreme Court had only mandated that the condition laid down under the Act to be fulfilled. In the present case, the condition is the five years of service and by the interpretation as per the earlier ruling of this Court, it is only held that the employee has five years of service. Therefore, the gratuity is not ordered in violation of the mandate of the Act.

7. Accordingly, I do not see any ground to interfere in the impugned orders. Finding no merit in the writ petition, the same stands dismissed. There shall be no order as to costs. Consequently, connected Miscellaneous Petition is closed.

12-02-2026

bsm

Neutral Citation: Yes



To,

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D.BHARATHA CHAKRAVARTHY, J.
bsm

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