



W.A(MD)No.213 of 2026

WEB CODE BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 06.04.2026

CORAM:

**THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR
and
THE HONOURABLE MR.JUSTICE M.JOTHIRAMAN**

**W.A(MD)No.213 of 2026
and
C.M.P(MD)No.2251 of 2026**

The Management,
By its General Manager,
Tamil Nadu State Transport Corporation
(Madurai) Limited,
Bye Pass Road,
Madurai – 625 016.

... Appellant/Petitioner

Vs.

1.The Controlling Authority,
(Under the Payment of Gratuity Act, 1972
Appellate Officer) Officer of the
Additional Commissioner of Labour,
Madurai.

2.P.Kaveri
3.P.Kannan
4.P.Ponmanimuthu

... Respondents/Respondents



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WEB COURT

PRAYER:- Writ Appeal filed under Clause 15 of Letters Patent Act, to set aside the order made in WP(MD)No.23840 of 2025 dated 23.01.2026 on the file of this Court.

For Appellant : Mr.S.Gladson Micheal Rajadurai

For Respondents : Mr.S.P.Maharajan (R1)
Special Government Pleader

: Ms.P.Kaveri (R2)
Party-in-Person

: No appearance (R3 & R4)

JUDGMENT

[Judgment of the Court was made by N.SATHISH KUMAR, J.]

Challenging the order of the learned Single Judge in W.P.(MD) No.23840 of 2025, dated 23.01.2026, whereby the writ petition was dismissed, the writ petitioner/Transport Corporation, as appellant, has preferred the present writ appeal.

2.The husband of the second respondent was employed in the canteen run by the appellant/Transport Corporation. He joined duty on 01.08.1988 and was made permanent in the year 1992. He died on



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13.08.2008. The appellant/Transport Corporation calculated gratuity for a period of 20 years from 01.08.1988 till August 2008 and disbursed the same to the second respondent.

3.However, as per Clause 26 of the 12(3) Settlement dated 06.02.2008, the second respondent approached the authority under the Payment of Gratuity Act for payment of gratuity for the period from 2008 till 28.02.2025, i.e., the date of superannuation of the deceased employee. The authority accepted the request of the second respondent and directed the appellant to pay the balance gratuity for the period from the date of death of the employee, i.e., 13.08.2008, till 28.02.2025, being the date of superannuation, for the purpose of computation of gratuity. The appeal preferred against the said order was also dismissed. Challenging the same, the writ petition came to be filed.



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4.The learned Single Judge, upon considering the facts and circumstances of the case, dismissed the writ petition and passed the following order:

“7. The only issue that arises for consideration is the interpretation of Clause 26 of the 12 (3) Settlement entered into between the Trade Union and the petitioner/Transport Corporation on 06.02.2008. A perusal of Clause 26 of the 12(3) Settlement reveals that in case of death of employees while in service, the entire service period shall be taken into consideration for the purpose of calculating gratuity. This Clause has been interpreted by this Court in W.P(MD) No.15181 of 2018, dated 20.11.2024. Paragraph No.5 of the said order is extracted as follows:

“5. Though the learned counsel for the petitioner made submissions referring to the Settlement made in the year 2010, no copy of the same has been produced before this Court. However, a copy of the 12(3) Settlement made in the year 2008 is available before this Court which states that in the event an employee dies during service period, then, his legal heirs are entitled to get gratuity for the period from the date of his appointment till the date of his superannuation. The first respondent took into consideration the above



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aspect and directed the petitioner Management to pay a sum of Rs.82,987/~ together with interest at the rate of 10% per annum. Under these circumstances, I do not find any substance in submissions of the learned counsel for the petitioner and I do not also find any error in the orders passed by the first respondent”.

8. Considering the fact that so far no appeal has been preferred by the petitioner Management in the said writ petition and the same Management has filed present writ petition and the interpretation relates to the same Clause, this Court is of the considered opinion that no grounds have been made out to interfere in the order passed by the first respondent herein, in the light of the judgment of this Court cited supra.

5.The learned counsel appearing for the appellant/Transport Corporation submitted that gratuity would be payable only up to the date of death of the employee, whereas the impugned order directs payment of gratuity up to the date of superannuation. According to the learned counsel, the same is contrary to the statute. Hence, he seeks to allow the writ appeal.



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6.It is relevant to note that Sections 4 and 5 of the Payment of Gratuity Act, 1972, make it clear that nothing contained in Section 4 shall affect the right of an employee to receive better terms of gratuity under any award, agreement or contract with the employer. Though Section 4 provides that gratuity shall be payable on the death of an employee, it also stipulates that completion of five years of continuous service is not necessary where termination of employment is due to death or disablement. Further, Section 5 does not in any manner restrict the employer from extending better terms of gratuity under any award, agreement or contract.

7.In the case on hand, it is not in dispute that a 12(3) Settlement has been entered into between the Management and the employees. Clause 26 of the said Settlement clearly provides that, in the event of death of an employee during service, gratuity shall be computed by taking into account the period up to the date of superannuation. Once such a settlement has been arrived at between the parties, namely, the employer and the employees, the



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appellant cannot now contend that gratuity is payable only up to the date of death of the employee. Therefore, we find no merit in the writ appeal.

8. Accordingly, this Writ Appeal is dismissed. No costs.

Consequently, connected Miscellaneous Petition is closed.

[N.S.K.,J.] [M.J.R.,J.]
06.04.2026

NCC : Yes / No

Index : Yes / No

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To

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