BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED :**09.06.2026**

CORAM:

THE HONOURABLE MR JUSTICE MUMMINENI SUDHEER KUMAR

W.P(MD)No. 11103 of 2026
and
W.M.P.(MD) No.8619 of 2026

G.Murugaian ... Petitioner

Vs

1. The Management of Tamil Nadu State Transport Corporation (Kumbakonam) Limited,
Rep. by
its Managing Director,
Kumbakonam.

2. The General Manager,
Tamil Nadu State Transport Corporation (Kumbakonam) Limited,
Kumbakonam Region,
Kumbakonam. ... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of declaration, declaring the action of the respondents in imposing recovery of Rs. 1,42,400/- under the head of "Non-Implemented Punishments of Increment cuts" from the petitioner's gratuity and recovering the said amount from him gratuity and from other retirement benefits after his retirement as illegal, null and void and without jurisdiction and consequently, direct the respondents to pay him the recovered amount of Rs.1,42,400/- together with interest at the rate of 6 percent per annum payable from 31.08.2023 to till the date on which the above amount is settled to him.

For Petitioner : Mr. A.Rahul

For Respondents : Mr.K.Ramaiah
Standing Counsel

ORDER

Mr.K.Ramaiah, learned Standing Counsel, takes notice for the respondents.

2. With the consent of both sides, this writ petition is disposed of at the admission stage.

3. Heard the learned counsel for the petitioner and the learned Standing Counsel appearing for the respondents.

4. This writ petition has been filed seeking a declaration, declaring the action of the respondents in imposing recovery of Rs.1,42,400/- under the head of "Non-Implemented Punishments of Increment cuts" from the petitioner's terminal benefits as illegal, arbitrary and without power of authority.

5. From the perusal of the settlement of account of the petitioner and his superannuation, it discloses that an amount of Rs.1,42,400/- has been deducted from the terminal benefits of the petitioner towards "Non-Implemented Punishments of Increment cuts".

6. The learned counsel for the petitioner contended that the respondents have no authority to recover any amounts from the terminal benefits towards "Non-Implemented Punishments of Increment cuts" and in support of his contention, he placed some decisions of this Court in the case of The State Express Transport Corporation (TN) Ltd and others vs. G.Senthil and another in W.A.(MD) No.1270 of 2020 dated 15.06.2021, wherein it was held as under:

> *"7. The above condition states that the increment postponement orders which could not be implemented prior to the superannuation of the employee can be implemented, but only in accordance with the Common Service Rules and the Standing Orders which are applicable to the organisation. This question was considered in the case of J.Arumugam (supra), as first among the several issues and it was held that there is no provision in the Certified Standing Orders enabling the Management to pass orders of recovery*

as passed in the instant case. In fact, the Court held that the Common Service Rules are not applicable to the workmen and there is no Standing Order framed by the Management and only Certified Standing Orders are in vogue and the Certified Standing Orders do not provide for any such recovery. The operative portion of the judgment reads as follows:

> *"5. Before deciding the merits of the case, firstly, it has to be seen, as to, under which Rule, the workmen of the Management are governed by. It is admitted by the Management that the workmen are governed by Certified Standing Orders, framed for the employees of the Management/Corporation by the Appellate Authority under the Industrial Employment (Standing Orders) Act 1946 (supra), but, contrary to the same, the impugned orders of recovery were passed by the Management, by following the provisions of the Common Service Rules, viz., Rule 4 (1) (e). Pitted with this position, the learned counsel for the Management submitted that the Management has no option, except, to opt for Rule 4 (1) (e) of the Common Service Rules, for, the workmen suffered punishment of withholding of increment, which could not be given effect to, as the workmen did not have the requisite remaining years of service. That apart, such a remedy is not found in the*

Certified Standing Orders. This submission is untenable, for the reason that, when the Management has admitted that the workmen are governed by the Rules framed under the Certified Standing Orders, in violation to the same, it cannot follow Rule 4 (1) (e) of the Common Service Rules, by invoking Clause 25 (1) (iv) (b) of the Certified Standing Orders. Therefore, we have no hesitation to hold that the orders passed by the Management, recovering three times the monetary value equivalent to the amount of increment, are without jurisdiction, as there is no such provision in the Certified Standing Orders, enabling the Management to pass such orders. Therefore, on that ground, the impugned orders are required to be set aside."

8. Therefore, the contention of the appellant-Management that Clause 8 of the 12(3) Settlement provides for passing such an order in an Organisation, is stated to be rejected. Clause 8 cannot be used as a tool or a source of power to recover money from the workman, especially, when the Settlement only states that it can be done so, if there is a provision under the Common Service Rules or the Standing Orders."

7. The learned Standing Counsel appearing for the respondents obtained instructions from the respondents and fairly submitted that the

said decision dated 15.06.2021 has attained finality and the present writ petition can be disposed of in terms of the said order.

8. In the light of the above, this Court is left with no option, except to declare the action of the respondents in recovering the amount of Rs.1,42,400/- from the terminal benefits of the petitioner as arbitrary, illegal and without power of authority. Accordingly, the same is declared as such. Consequently, the respondents are directed to refund a sum of Rs.1,42,400/- together with interest at the rate of 6% p.a., from the date of such deduction till the date of disbursement to the petitioner, as expeditiously as possible, at any rate within a period of three (3) months from the date of receipt of a copy of this order.

9. With the said directions, this Writ Petition is disposed of. No costs. Consequently, connected miscellaneous petition is closed.

09.06.2026

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

To

1. The Managing Director,
Tamil Nadu State Transport Corporation
(Kumbakonam) Limited,
Kumbakonam.

2. The General Manager,
Tamil Nadu State Transport Corporation (Kumbakonam) Limited,
Kumbakonam Region,
Kumbakonam.

MUMMINENI SUDHEER KUMAR.,J.

apd

ORDER MADE IN

W.P(MD)No. 11103 of 2026

09.06.2026