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WP No. 338323 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 17-08-2026

CORAM

THE HON'BLE MR.JUSTICE K. SURENDER

**WP No. 38323 of 2025
and WMP No.42856 of 2025**

The Regional Manager,
Central Bank Of India, Regional Office No.48/49,
Montieth Road, Egmore, Chennai-600 008

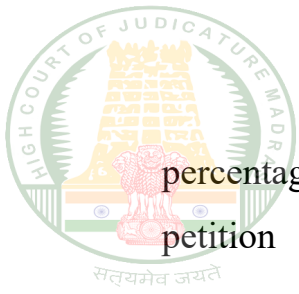
..Petitioner(s)

Vs

1. Appellate Authority Under The Payment Of
Gratuity Act
1972 And Deputy Chief Labour Commissioner
(central), 5th Floor, Shastri Bhawan,
Chennai-600 006
2. Controlling Authority under the Payment of
Gratuity Act, 1972 and Regional Labour
Commissioner (Central), 5th Floor, Shastri
Bhawan, Chennai - 600006
3. V Arumugam

..Respondent(s)

Writ Petition filed under Article 226 of Constitution of India for issuance of Writ of Certiorari to call for the records relating to the order dated 27.02.2025 passed by the 1st respondent/ Appellate Authority in Gratuity Appeal No. 403 of 2023, upholding the order dated 20.07.2023 passed by the 2nd respondent in G.A. No. 4 /2021 in respect of reckoning the service of the 3rd respondent for the period from 11.07.1987 up to 09.12.2007 for computing gratuity and directing the payment of remaining gratuity amount of Rs.3,60,792/-with 10



percentage simple interest and quash the same by allowing the present writ
petition

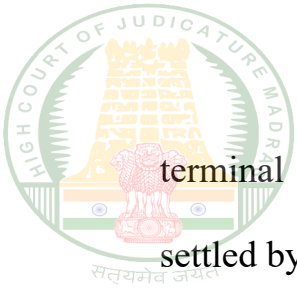
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For Petitioner(s): Mr. T. Shanmugananda Vijayakumar
For Respondent(s): Mr.K.M.Ramesh Senior Advocate
for M/s.V.Subramani for R3
R1 and R2-No Appearance.

ORDER

This Writ Petition has been filed challenging the order dated 27.02.2025 passed by the first respondent in Gratuity Appeal No. 403 of 2023. By the said order, the first respondent confirmed the order dated 20.07.2023 passed by the second respondent in G.A. No. 4 of 2021, whereby the service rendered by the third respondent from 11.07.1987 to 09.12.2007 was reckoned for the purpose of computation of gratuity, and the petitioner-Bank was directed to pay the balance gratuity amount of ₹3,60,792/- with interest at 10% per annum.

2. The facts which are not in dispute are that the third respondent was initially engaged as a personal driver by the then Regional Manager of the petitioner-Bank on 11.07.1987. After rendering service for about twenty years under various executives, his services were regularised by the petitioner-Bank with effect from 10.12.2007. He continued in the regular service of the Bank thereafter and retired on attaining the age of superannuation on 31.08.2020. His

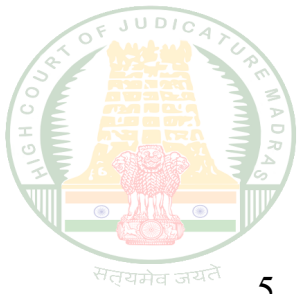


terminal benefits, including gratuity for the period of regular service, were settled by the petitioner-Bank.

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3. Subsequently, the third respondent approached the second respondent claiming that the pre-regularisation period from 11.07.1987 to 09.12.2007, during which he had worked as a personal driver for the executives of the petitioner-Bank, should also be reckoned for the purpose of computation of gratuity. The petitioner-Bank resisted the claim, contending that there was no employer-employee relationship or privity of contract between the petitioner and the third respondent during the disputed period, as he had been engaged and paid directly by the individual executives of the Bank.

4. The second respondent, however, by an order dated 20.07.2023 in G.A. No. 4 of 2021, accepted the claim of the third respondent and directed the petitioner-Bank to reckon the period from 11.07.1987 to 09.12.2007 for the purpose of gratuity and to pay the balance amount of ₹3,60,792/- with simple interest at 10% per annum. Aggrieved by the same, the petitioner preferred an appeal before the first respondent. The first respondent, by an order dated 27.02.2025 in Gratuity Appeal No. 403 of 2023, confirmed the order of the second respondent and dismissed the appeal. Hence, the present Writ Petition.



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5. The learned counsel appearing for the petitioner submitted that the third respondent was only a personal driver of the executives of the Bank and there was no privity of contract or employer-employee relationship between the petitioner-Bank and the third respondent during the period from 11.07.1987 to 09.12.2007. It was further submitted that the third respondent was paid by the individual executives and not by the petitioner-Bank.

6. In support of his contentions, the learned counsel placed reliance upon the judgment of the Hon'ble Supreme Court in ***Punjab National Bank v. Ghulam Dastagir***, reported in (1978) 2 SCC 358, and the judgment of this Court in ***P. Shanmugasundaram v. Appellate Authority under the Payment of Gratuity Act, 1972 & Deputy Chief Labour Commissioner (Central)***, reported in CDJ 2020 MHC 4686. According to the petitioner, similar claims relating to the service rendered by drivers engaged by Bank executives had been considered and rejected in those cases.

7. The learned counsel for the petitioner further submitted that the aforesaid judgments were rendered on their respective facts and argued that the facts of the present case are materially different, which warrants a fresh consideration. It was also submitted that the entire amount directed to be paid under the orders of the authorities below has already been deposited by the



petitioner. Therefore, permitting the third respondent to withdraw the amount would cause serious prejudice to the petitioner, particularly when the petitioner-Bank strongly disputes its liability to pay gratuity for the pre-regularisation period.

8. This Court has carefully considered the submissions made by the learned counsel appearing for the petitioner and perused the materials available on record.

9. It is not in dispute that the third respondent was initially engaged as a driver by the then Regional Manager of the petitioner-Bank and thereafter continued to work as a driver for successive executives of the Bank for a period of more than twenty years, leading up to his formal regularisation with effect from 10.12.2007. The authorities below, upon a thorough consideration of the evidence placed before them, have concurrently found that the said period is liable to be reckoned for the purpose of computation of gratuity.

10. The judgments relied upon by the learned counsel for the petitioner were rendered in the specific facts and circumstances obtaining in those cases.



While those cases also dealt with the issue of drivers engaged by Bank executives, the factual position in the present case is clearly distinguishable.

Here, the third respondent admittedly rendered continuous service for more than twenty years as a driver under different executives of the petitioner-Bank before his services were ultimately regularised by the Bank itself.

11. The mere fact that the third respondent functioned as a personal driver for different executives during the disputed period cannot, by itself, warrant interference with the concurrent findings of fact rendered by the statutory authorities under the Payment of Gratuity Act. This is particularly true when the authorities, upon a proper evaluation of the materials on record, have found the disputed period to be legally reckonable for the purpose of gratuity.

12. More importantly, it is an admitted position that the amount determined by the authorities below has already been paid by the petitioner pursuant to the orders passed by the second respondent. Once the amount has been paid and the third respondent has already been found entitled to the benefit by the competent authorities under the Act, the question of recovery or withholding of the said amount at this advanced stage would open the pandora box.



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13. In the peculiar facts and circumstances of the present case, this Court is not inclined to interfere with the concurrent orders passed by the authorities below. The judgments relied upon by the learned counsel for the petitioner do not persuade this Court to take a different view, in light of the factual distinctions noticed above and the admitted position that the amount has already been deposited.

14. In view of the foregoing discussion, this Court finds no ground to interfere with the order dated 27.02.2025 passed by the first respondent in Gratuity Appeal No. 403 of 2023, confirming the order dated 20.07.2023 passed by the second respondent in G.A. No. 4 of 2021.

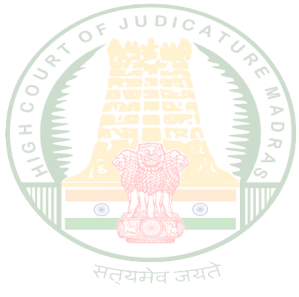
15. Accordingly, the Writ Petition stands dismissed. There shall be no order as to costs.

K.SURENDER J.
17-08-2026
(1/2)

Index: Yes
Speaking order
Neutral Citation: Yes/No



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1972 And Deputy Chief Labour Commissioner (central), 5th Floor, Shastri
Bhawan, Chennai-600 006
2. Controlling Authority under the Payment of Gratuity Act, 1972 and Regional
Labour Commissioner (Central), 5th Floor, Shastri Bhawan, Chennai -
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K.SURENDER J.

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