

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 28-07-2026

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THE HON'BLE MR.JUSTICE S.M.SUBRAMANIAM
AND
THE HON'BLE MR.JUSTICE N.SENTHILKUMAR

W.A.No.2086 of 2023 AND
C.M.P.No.17843 of 2023

The Executive Officer
 Ulundurpet Municipality
 (Erstwhile Ulundurpet Town Panchayat)
 Ulundurpet, Kallakurichi District.

... Appellant

-VS-

1. S.Saravanan
2. The State of Tamil Nadu
 Rep. by its Additional Chief Secretary to
 Government of Tamil Nadu,
 Municipal Administration and Water Supply
 Department, Fort St. George,
 Chennai – 600 009.
3. The Director of Town Panchayats,
 Urban Administration Department
 Buildings, No. 75, Santhome High Road,
 M.R.C.Nagar, Chennai - 600 028.
4. Assistant Director of Town Panchayat
 Cuddalore.

... Respondents

Prayer: To set aside the order made in W.P.No.23573 of 2021 dated 17.02.2022.

For Appellant:

For Respondent(s):

Mr.Lourdu Paul Maurya

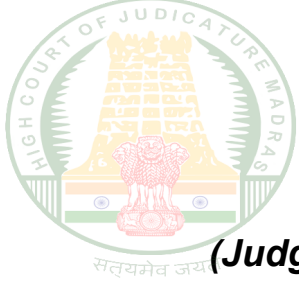
Mr.R.Sankar,

Govt. Counsel for R2 to R4,
 R1 - Notice Served (NA)

Mr.R.Prem Narayanan,

Change of Vakalat

(USR.No.25285 dated 30.06.2026)



J U D G M E N T

(Judgment of the Court was delivered by S.M.Subramaniam,J.)

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Under assail is the Writ Order dated 17.02.2022 passed in W.P.No.23573 of 2021.

2. First respondent was engaged as Sanitary Worker at Ulundurpet Special Grade Town Panchayat, on daily wage basis on 01.01.1992. He approached the Competent Authority under Tamil Nadu Industrial Establishment (Conferment of Permanent Status to Workmen) Act, 1981 (in short 'the Act, 1981'), seeking permanent status on the ground that he had rendered 480 days of continuos service in two calendar years.

3. Claim Petition filed by 1st respondent in I.D.No.1040 of 1996 was allowed by Inspector of Labour, Villupuram. The said order came to be challenged by Appellant / Town Panchayat in W.P.No.40499 of 2022. Since there was a protest on the side of the 1st respondent along with some other employees, they had entered into a compromise memo and the same was placed before Writ Court. Writ Court, accepting the memo passed final order in Writ Petition on 18.09.2007.



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4. In view of compromise between parties, an order of appointment was issued by Executive Officer, Ulundurpet Special Grade Town Panchayat vide proceedings dated 12.09.2008, appointing 1st respondent on regular basis in the sanctioned post of Sanitary Worker in the time scale of pay. Terms of appointment states that appointment is temporary and 1st respondent can be terminated from service at any point of time. The 1st respondent cannot claim any seniority for promotion. Therefore, the order of appointment is very clear that he was appointed in the sanctioned post in the regular time scale of pay vide proceedings dated 12.09.2008.

5. The order of appointment was accepted by 1st respondent and he was continuing in service. The said order was not challenged by the 1st respondent either based on the order passed by Inspector of Labour or based on compromise memo. Thus, appointment order dated 12.09.2008 became final and accepting the appointment order, 1st respondent was serving in Town Panchayat. After a lapse of about five years, 1st respondent submitted a representation on 08.09.2013, claiming retrospective regularisation and monetary benefits with effect from date of completion of 480 days of service as a daily wage employee. The said representation was rejected by the Executive Officer, Ulundurpet Special Grade Town Panchayat vide proceedings dated 09.07.2021.



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6. Detailed order passed by Executive Officer would show that order of appointment on regular basis was based on the compromise memo, which was accepted by 1st respondent and order was passed by Writ Court regarding compromise. Since there was no direction for grant of retrospective regularisation in Writ Court order, representation was rejected.

7. Challenging the rejection order dated 09.07.2021, W.P.No.23573 of 2021 was filed, seeking retrospective regularisation of service on completion of 480 days of continuous service in 24 calendar months commencing from the date of initial appointment, i.e., 01.01.1992 as per the order of the Inspector of Labour dated 06.06.1997.

8. Writ Court allowed the Writ Petition by issuing direction to fix pay of 1st respondent retrospectively with effect from 01.01.1994 notionally as per the order passed by Inspector of Labour and in the light of order of this Court in W.P.No.40499 of 2002 dated 18.09.2007.

9. In the context of above facts, issues to be considered in the present Intra Court Writ Appeal are as to whether, i) order of Inspector of Labour under the Act, 1981 can be implemented after

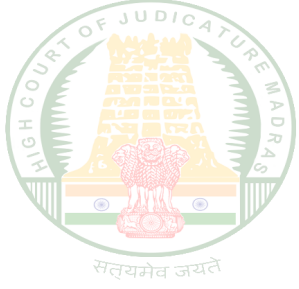


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entering into a compromise between parties; ii) the Act, 1981 will apply to employees of Special Grade Town Panchayat Union, since services of Town Panchayat Union are governed under Town Panchayat Act and Service Rules framed thereunder. When Service Rules applicable to Town Panchayat are in force, application submitted under the Act, 1981 is not maintainable. Special Act would prevail over General Law.

10. First respondent was appointed by Executive Officer of Special Grade Town Panchayat and his initial appointment was not made in accordance with Service Rules applicable to Special Grade Town Panchayat. He was initially engaged as daily wage employee and pursuant to the compromise entered into between Town Panchayat and 1st respondent, he was regularly appointed in the sanctioned post in the time scale of pay vide proceedings dated 12.09.2008.

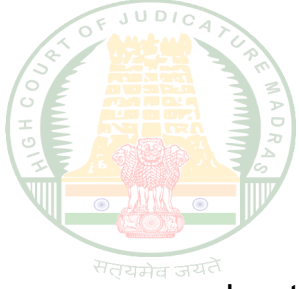
11. This Court is of the considered view that order passed under the Act, 1981 was passed merely based on the affidavit filed by 1st respondent and absolutely, there is no adjudication regarding service rules applicable as well as service rights of employees. That apart, the said Act would not apply in respect of services in Special Grade Town Panchayat, which is governed under a special enactment and service Rules framed thereunder.



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12. Secondly, 1st respondent is whether entitled for retrospective regularisation of services on completion of 480 days of service. Admittedly, he was not appointed in accordance with Service Rules initially. He was engaged as daily wage employee and in pursuance of the compromise entered, he was appointed as permanent employee with effect from 12.09.2008. In respect of irregular or illegal appointments, retrospective regularisation cannot be granted.

13. In the present case, the 1st respondent was appointed on regular basis in the time scale of pay by way of concession and without resorting to process contemplated under Service Rules. When his appointment itself is a concession, claiming retrospective regularisation, after accepting the appointment, is untenable. That apart, representation itself was submitted by 1st respondent after a lapse of five years from the date of his regular appointment in the year 2008. Order passed by Inspector of Labour under the Act, 1981 became lapsed on account of compromise entered between parties, which was recorded by Writ Court. The very claim made by 1st respondent is running counter to principles of service jurisprudence, as applicable to employees of Special Grade of Town Panchayat.



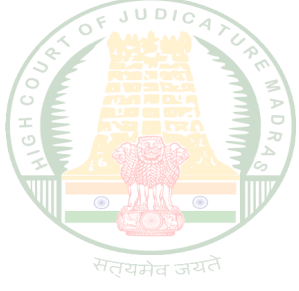
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14. Regularisations or permanent absorptions are to be made strictly in accordance with Service Rules in force. In the present case, permanent appointment was given to the 1st respondent in the year 2008. Thus, his representation submitted after a lapse of five years is unsustainable. Writ Order, granting retrospective regularisation and fixation of pay, based on the order of Inspector of Labour under the Act, 1981 is not supported by legal principles settled in the matter of retrospective regularisation and permanent absorption.

Consequently, the present Writ Appeal is allowed. The impugned Writ Order dated 17.02.2022 passed in W.P.No.23573 of 2021 is set aside. No costs. Connected Miscellaneous Petition is closed.

(S.M.S.,J.) (N.S.,J.)
28-07-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
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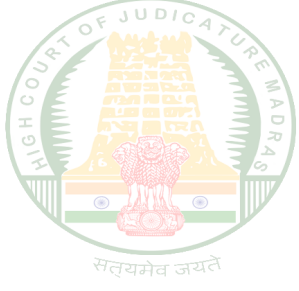
S.M.SUBRAMANIAM,J.
AND
N.SENTHILKUMAR,J.
AR

To:

1. The Additional Chief Secretary to Government of Tamil Nadu,
State of Tamil Nadu
Municipal Administration and Water Supply Department,
Fort St. George,
Chennai – 600 009.
2. The Director of Town Panchayats,
Urban Administration Department Buildings,
No.75, Santhome High Road,
M.R.C.Nagar, Chennai - 600 028.
3. The Assistant Director of Town Panchayat
Cuddalore.

W.A.No.2086 of 2023

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