



W.P(MD)No.3409 of 2023

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 08.07.2026

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.3409 of 2023

and

W.M.P.(MD).No.3165 of 2023

The Management,
Tamil Nadu State Transport Corporation Limited,
Kumbakonam Division,
Periyamilaguparai,
Trichy Region,
Trichy-1.

... Petitioner

Vs

1.M.Ramani

2.A.Chinnathambi

... Respondents

PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorari, calling for the records pertaining to the order dated 17.03.2020 made in C.P.No.4 of 2007 on the file of the Labour Court, Tiruhirappalli and quash the same.

For Petitioner : Mr.P.M.Vishnuvarthanan

For Respondents : No Appearance



W.P(MD)No.3409 of 2023

WEB COPY

ORDER

This Writ Petition has been filed challenging the impugned order 17.03.2020 made in C.P.No.4 of 2007 on the file of the Labour Court, Tiruhirappalli.

2. Heard the learned counsel appearing for the petitioner.

3. The learned counsel appearing for the petitioner submitted that the respondents, along with about 40 other employees, had filed a petition before the Inspector of Labour, Tiruchirappalli under the provisions of the Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981, seeking conferment of permanent status from the date on which they had completed 480 days of continuous service within a period of 24 calendar months. The Inspector of Labour, by order dated 09.01.2004, allowed the claim and directed the petitioner Corporation to confer permanent status on the respondents and the other workmen.



W.P(MD)No.3409 of 2023

WEB COPY

4. Challenging the said order, the petitioner Corporation filed W.P.No.4393 of 2004 before this Court. The writ petition came to be dismissed by order dated 27.07.2007. Aggrieved by the same, the petitioner preferred W.A.No.711 of 2008, which was also dismissed on 18.12.2009, thereby confirming the order passed by the Inspector of Labour.

5. Thereafter, the petitioner Corporation entered into a settlement under Section 12(3) of the Industrial Disputes Act, 1947 with the casual employees working in the Corporation. Even the employees who had obtained favourable orders from the Inspector of Labour were covered under the said settlement and accepted the benefits thereunder. As per the terms of the settlement, employees who had completed 240 days of service as on 01.09.2005 were entitled to be regularised.

6. According to the petitioner, the present respondents were not extended the benefits under the said settlement, since they were no longer in service on account of their involvement in serious misconduct. It is stated that the second



W.P(MD)No.3409 of 2023

WEB COPY

respondent was dismissed from service after being found guilty of causing a fatal accident, and the dismissal has also been upheld in separate proceedings. Therefore, the respondents were not entitled to claim any monetary benefits under the settlement.

7. It is the further case of the petitioner that the respondents and other similarly placed employees filed C.P.No.4 of 2007 before the Labour Court, Tiruchirappalli seeking computation of the monetary benefits. During the pendency of the proceedings, all those employees who had accepted the benefits under the Section 12(3) settlement withdrew their claims and, therefore, the Labour Court adjudicated only the claims made by the present respondents.

8. By the impugned order dated 17.03.2020, the Labour Court partly allowed the computation petition and directed the petitioner Corporation to pay a sum of Rs.38,081/- to the first respondent and Rs.38,978/- to the second respondent. Challenging the said order, the present writ petition has been filed.

9. The learned counsel appearing for the petitioner submitted that the Labour Court failed to appreciate that all the other workmen, who were similarly



W.P.(MD)No.3409 of 2023

WEB COPY

placed, had accepted the settlement entered into under Section 12(3) of the Industrial Disputes Act and received the monetary benefits. The respondents alone pursued the computation proceedings. It is further submitted that the respondents were not entitled to claim any amount since they had ceased to be in service on account of proved misconduct. Insofar as the second respondent is concerned, he was dismissed from service for causing a fatal accident, and the order of dismissal has already been upheld by this Court in W.P.(MD).No.21909 of 2022. Therefore, according to the learned counsel, the Labour Court erred in directing payment of monetary benefits to the respondents without considering the legal effect of their dismissal from service and the subsequent developments.

10. I have considered the submissions made by the learned counsel appearing for the petitioner and perused the materials available on record.

11. The Labour Court, while exercising jurisdiction under Section 33-C(2) of the Industrial Disputes Act, is empowered only to compute the monetary benefits flowing from an existing right. The Labour Court ought to have taken into consideration the subsequent developments, namely the settlement entered



W.P(MD)No.3409 of 2023

WEB COPY

into under Section 12(3) of the Industrial Disputes Act, the fact that all the other employees accepted the settlement and withdrew their claims, and more importantly, the dismissal of the respondents from service for misconduct. These aspects have a direct bearing on the entitlement of the respondents to claim the monetary benefits. However, the Labour Court has proceeded to allow the computation petition without properly considering these material facts.

12. In view of the above, this Court is of the opinion that the impugned order dated 17.03.2020 passed in C.P.No.4 of 2007 by the Labour Court, Tiruchirappalli cannot be sustained and is liable to be set aside.

13. Accordingly, the impugned order dated 17.03.2020 made in C.P.No.4 of 2007 on the file of the Labour Court, Tiruchirappalli is set aside and the Writ Petition stands allowed. No costs. Consequently, the connected miscellaneous petition is closed.

08.07.2026

NCC : Yes / No
Index : Yes / No
TSG



W.P(MD)No.3409 of 2023

WEB COPY

To

The Labour Court, Tiruhirappalli.



WEB COPY



W.P(MD)No.3409 of 2023

M.DHANDAPANI, J.

TSG

W.P(MD)No.3409 of 2023

08.07.2026