



W.P(MD)No.20106 of 2024

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 07.08.2026

CORAM:

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.20106 of 2024

and

W.M.P.(MD).No.17073 of 2024

- 1.The President,
A.3099, Tamil Nadu State Transport
Corporation Employees Co-operative Stores,
No.27, Pasumpon Nagar,
Madurai-625 003.
- 2.The Manager,
A.3099, Tamil Nadu State Transport
Corporation Employees Co-operative Stores,
No.27, Pasumpon Nagar,
Madurai-625 003.

... Petitioner(s)

vs.

K.Thirumurugan

... Respondent(s)

PRAYER : Writ Petition, filed under Article 226 of the Constitution of India, praying this court to issue a Writ of Certiorari, to call for the records in I.D.O.P.No.18 of 2019 dated 22.06.2024 on the file of the Labour Court, Madurai and quash the same.



W.P(MD)No.20106 of 2024

WEB COPY

For Petitioners : Mr.S.Kumar

For Respondent : No Appearance

ORDER

This Writ Petition has been filed challenging the proceedings in I.D.O.P.No.18 of 2019 dated 22.06.2024 on the file of the Labour Court, Madurai.

2. The learned counsel appearing for the petitioners would submit that the respondent was engaged as a Computer Operator in the petitioners-Co-operative Stores by way of outsourcing. Subsequently, the respondent filed a petition before the competent authority seeking conferment of permanent status. The authority, by order dated 24.03.2016, conferred permanent status on the respondent. Challenging the said order, the petitioners filed W.P.(MD)No.17955 of 2016 before this Court. This Court, by order dated 02.03.2018, dismissed the said Writ Petition. In the meanwhile, the respondent filed a petition under Section 2-A(2) (1) of the Industrial Disputes Act, 1947, claiming that he was orally terminated from service and raised an industrial dispute, which was taken on file as I.D.No. 18 of 2018. The Labour Court, by the impugned award dated 22.06.2024, allowed



W.P.(MD)No.20106 of 2024

the claim in favour of the respondent. It is further submitted that, during the pendency of the said industrial dispute and after passing of the award, the petitioners pursued the order passed by this Court in W.P.(MD)No.17955 of 2016 by filing W.A.(MD)No.1027 of 2018. The Division Bench of this Court, by order dated 02.09.2024, set aside the order passed by the learned Single Judge conferring permanent status on the respondent and dismissed the petition filed by the respondent seeking conferment of permanent status.

5. According to the learned counsel appearing for the petitioners, once the order conferring permanent status on the respondent has been set aside by the Division Bench of this Court, the respondent is not entitled to raise an industrial dispute under Section 2-A(2) of the Industrial Disputes Act seeking reinstatement on the basis of an alleged oral termination. It is further submitted that the respondent claimed that he was orally terminated on 28.07.2018. However, the said fact was not disclosed before this Court when W.P.(MD)No.17955 of 2016 was considered on 02.03.2018.

6. Per contra, the learned counsel appearing for the respondent would



W.P(MD)No.20106 of 2024

WEB COPY

submit that the factual position is not in dispute. Admittedly, the respondent was engaged as a Computer Operator in the petitioners-Stores. Though the petitioners initially denied that the respondent was appointed on 27.01.2001, the petitioners-Stores has admitted that the respondent was engaged as a Computer Operator by way of outsourcing. The petitioners-Stores also took the stand that, merely because the respondent had rendered long service, he could not claim conferment of permanent status.

7. It is further submitted that the respondent was engaged as a Computer Operator for more than a decade. Merely because the order conferring permanent status on the respondent was subsequently set aside by the Division Bench of this Court, that by itself would not deprive the respondent of his right to approach the Labour Court under Section 2-A(2) of the Industrial Disputes Act challenging his alleged oral termination and seeking appropriate relief.

8. This Court has considered the submissions made by the learned counsel appearing for the petitioners as well as the learned counsel appearing for the respondent and perused the materials available on record.

9. Admittedly, the respondent was engaged as a Computer Operator in the



W.P(MD)No.20106 of 2024

petitioners-Stores by way of outsourcing. Though the petitioners-Stores disputed the date of his initial engagement, it has not disputed the fact that the respondent was, in fact, engaged as a Computer Operator by way of outsourcing. The petitioners-Stores have also taken the specific stand that the respondent's engagement by way of outsourcing would not confer any right of permanent status upon him.

10. It is true that the order conferring permanent status on the respondent was initially upheld by the learned Single Judge in W.P.(MD)No.17955 of 2016, but the said order was subsequently set aside by the Division Bench of this Court in W.A.(MD)No.1027 of 2018. Therefore, the respondent cannot claim any right of permanent status in the petitioners-Stores on the basis of the said order.

11. However, the question that arises for consideration in the present Writ Petition is whether, merely because the respondent was not entitled to permanent status, he is precluded from questioning his alleged oral termination and seeking appropriate relief under Section 2-A(2) of the Industrial Disputes Act.

12. In the considered opinion of this Court, the two issues are distinct. The



W.P(MD)No.20106 of 2024

WEB COPY

respondent's claim for permanent status and his claim against the alleged oral termination cannot be treated as one and the same. The setting aside of the order conferring permanent status would not, by itself, validate an otherwise illegal termination, if the respondent is able to establish the same before the competent forum.

13. The materials placed before this Court disclose that the respondent had been engaged as a Computer Operator by the petitioners-Stores by way of outsourcing and had rendered service for more than a decade. Therefore, merely because the claim for permanent status has ultimately failed before the Division Bench, the respondent cannot be deprived of his statutory remedy under Section 2-A(2) of the Industrial Disputes Act.

14. At the same time, the respondent cannot be directed to be appointed as a permanent employee of the petitioners-Stores in view of the order passed by the Division Bench of this Court. His engagement was admittedly through outsourcing. Therefore, any relief granted to him has to be confined to the nature of his original engagement and cannot amount to conferment of permanent status.



W.P(MD)No.20106 of 2024

WEB COPY

15. In such circumstances, this Court is of the view that the respondent is entitled to appropriate relief against the oral termination, but he cannot be granted permanent status in the petitioners-Stores. The petitioners-Stores is, therefore, liable to extend an opportunity to the respondent to continue his engagement as a Computer Operator through the outsourcing arrangement, subject to the availability of the post/work and the terms governing such outsourced engagement.

16. However, considering the fact that the respondent has been out of employment for a considerable period and also taking into account the nature of his engagement, instead of directing the petitioners to reinstate the respondent, this Court is inclined to award a lump-sum compensation.

17. Accordingly, the impugned award dated 22.06.2024 passed in I.D.O.P.No.18 of 2019 by the Labour Court, Madurai, is modified to the following extent:

(i) The respondent shall not be entitled to claim permanent status in the petitioners-Stores on the basis of his earlier engagement or the order dated



W.P(MD)No.20106 of 2024

WEB C 24.03.2016, which has already been set aside by the Division Bench of this Court.

(ii) The petitioners-Stores shall pay a sum of Rs.2,00,000/- (Rupees Two Lakhs only) to the respondent as lump-sum compensation in full and final settlement of his claim arising out of the alleged oral termination.

(iii) The said amount of Rs.2,00,000/- shall be paid to the respondent within a period of two weeks from the date of receipt of a copy of this order.

18. With the above modification, this Writ Petition is disposed of. No costs. Consequently, connected miscellaneous petition is closed.

07.08.2026

NCC : Yes / No
Index : Yes / No
Internet : Yes
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To

Labour Court, Madurai.

8/9



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W.P(MD)No.20106 of 2024

M.DHANDAPANI,J.

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**ORDER MADE IN
W.P(MD)No.20106 of 2024**

DATED : 07.08.2026