



W.P(MD)No.24071 of 2024

WEB CODE BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 10.08.2026

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THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.24071 of 2024

Karunakaran

... Petitioner

Vs

The Branch Manager,
Muthoot Finance Limited,
Mandapam Branch,
Mandapam,
Ramanathapuram District.

... Respondent

PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorarified Mandamus to call for the records relating to the impugned order passed in I.D.No.37 of 2018 by the Labour Court, Madurai, Madurai District, dated 12.12.2022 and quash the same as illegal and unconstitutional and consequently direct the respondent to reinstate the petitioner's employment and to pay compensation for un-employment period with interest of 12%.



W.P(MD)No.24071 of 2024

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For Petitioner : Ms.N.Dhanushree
for Mr.D.Balamurugapandi

For Respondent : Mr.K.R.Laxman

ORDER

This Writ Petition has been filed seeking issuance of a Writ of Certiorarified Mandamus, calling for the records relating to the impugned order passed by the Labour Court, Madurai, in I.D.No.37 of 2018, dated 12.12.2022, and quashing the same as illegal and unconstitutional, and consequently, directing the respondent to reinstate the petitioner in service and to pay compensation for the period of unemployment with interest at the rate of 12% per annum.

2.The learned counsel appearing for the petitioner would submit that the petitioner was appointed as a Night Watchman in Muthoot Finance Company on contract basis on 11.03.2014, on a monthly salary of Rs.5,000/-, which was below the minimum wages prescribed by the Government. The petitioner was terminated from service on 09.06.2016.



W.P(MD)No.24071 of 2024

Thereafter, he was again appointed as a Night Watchman for a period of 89 days during the year 2016 and, upon completion of the said period, he was terminated and subsequently reappointed for another spell of 89 days. Thus, the respondent had continuously adopted the practice of appointing the petitioner for 89 days at a time and terminating his services thereafter, only to reappoint him subsequently.

3. Aggrieved by the aforesaid unfair labour practice adopted by the respondent, the petitioner raised an Industrial Dispute under Section 2-A(2) of the Industrial Disputes Act, 1947. However, the Labour Court dismissed the Industrial Dispute on the ground that the petitioner was a contract employee appointed only for a period of 89 days and had not completed 240 days of continuous service in a calendar year. According to the learned counsel for the petitioner, the Labour Court failed to consider the repeated appointment and termination of the petitioner in different spells of 89 days, which clearly demonstrates an unfair labour practice on the part of the respondent. Such a course adopted by the respondent cannot be



W.P(MD)No.24071 of 2024

WEB COPY

permitted merely by describing the employment as contractual in nature.

Hence, the learned counsel would submit that the order passed by the Labour Court is perverse and warrants interference by this Court. In the alternative, he prayed that reasonable compensation may be awarded to the petitioner in lieu of reinstatement.

4.Per contra, the learned counsel appearing for the respondent would vehemently contend that the petitioner was appointed only for a fixed period of 89 days and, therefore, he cannot claim any right to continue in service beyond the contractual period. Since the petitioner had not completed 240 days of continuous service in a calendar year, the Industrial Dispute raised by him under Section 2-A(2) of the Industrial Disputes Act was not maintainable. It is further contended that the petitioner had not challenged the terms of his appointment at the relevant point of time and, therefore, he cannot subsequently question the same after completion of the contractual period. The Labour Court, after considering the materials available on record, has rightly dismissed the Industrial Dispute and there is



W.P(MD)No.24071 of 2024

no perversity or illegality in the order warranting interference by this Court in exercise of its jurisdiction under Article 226 of the Constitution of India.

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

6.Though the petitioner was appointed for a period of 89 days on each occasion, it is not in dispute that he was repeatedly engaged by the respondent and, upon completion of each spell, his services were discontinued and he was subsequently reappointed. The repeated engagement of the petitioner in such spells cannot be completely brushed aside while considering the nature of the employment and the circumstances surrounding the discontinuance of his services.

7.At the same time, having regard to the nature of the appointment and the period that has elapsed from the date of discontinuance



W.P(MD)No.24071 of 2024

WEB COPY

of the petitioner's service, this Court is of the view that directing reinstatement at this length of time may not be appropriate. However, considering the facts and circumstances of the case, this Court is of the opinion that the petitioner is entitled to reasonable compensation in lieu of reinstatement.

8. Accordingly, in the interest of justice and having regard to the overall facts and circumstances of the case, the respondent is directed to pay a sum of Rs.1,00,000/- (Rupees One Lakh only) to the petitioner as full and final compensation in lieu of reinstatement and all other claims arising out of the employment, within a period of six weeks from the date of receipt of a copy of this order. If the said amount is not paid within the stipulated period, the respondent shall pay interest at the rate of 8% per annum on the said amount from the expiry of the said period until the date of payment.



W.P(MD)No.24071 of 2024

WEB COPY

9. With the above direction, this Writ Petition is disposed of.

There shall be no order as to costs.

10.08.2026

NCC : Yes / No
Index : Yes / No
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To

The Branch Manager,
Muthoot Finance Limited,
Mandapam Branch,
Mandapam,
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W.P(MD)No.24071 of 2024

M.DHANDAPANI, J.

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W.P(MD)No.24071 of 2024

10.08.2026