

THE HON'BLE SRI JUSTICE C. PRAVEEN KUMAR

WRIT PETITION No.17339 of 2012

ORDER:

This Writ Petition under Article 226 of the Constitution of India is filed by the petitioners, for issuance of a Writ of Mandamus declaring the orders 23.01.2012 passed in MP No.1/2009 by the 1st respondent-Labour Court wherein the petition filed by the 2nd respondent under Section 33 C(2) for payment of compensation in lieu of his voluntary retirement on health grounds was allowed directing the petitioners herein to pay Rs.2 lakhs to the 2nd respondent herein as retrial benefit along with compoundable interest @ 9% per annum from 18.03.1997 till the final date of payment.

Heard the learned counsel for the petitioners, the learned Government Pleader for Labour and Sri R.Venkataiah, learned counsel for unofficial respondents.

On 13.06.2012, while admitting the writ petition, this Court granted interim suspension subject to condition of the petitioners depositing a sum of Rs.2,00,000/- to the credit of M.P.No.1/2009 before the Court below within a period of two weeks therefrom. It is submitted by the learned counsel for the petitioners that said order has been complied with and the said amount was deposited before the Labour Court. Seeking to vacate the said interim order, WVMP No.3166 of 2012 came to be filed by respondent No.2 along with a counter affidavit.

A reading of the material on record would show that the 2nd respondent served with petitioners Company for 36 years and thereafter he sought for voluntary retirement on health grounds w.e.f.18.03.1997 with a view to secure a job to his son-in-law as a dependent employment. Disputes arose between the 2nd respondent and his son-in-law, which made him to file an application, before the petitioners, seeking withdrawal of his consent for providing dependent employment to his son-in-law. Meantime, the petitioners Company withdrew the provision of providing employment to dependants against voluntary retirement on health grounds and a new provision was introduced contemplating payment of *lumpsum* amount of Rs.2 lakhs or an amount equal to 24 months wages whichever is higher. Basing on the said provision, the 2nd respondent made an application for payment of Rs.2 lakhs as compensation. *In spite* of submitting number of applications, no amount was paid to the 2nd respondent. Hence, he filed M.P.No.1 of 2009 before the Labour Court, wherein the petitioners were directed to pay Rs.2 lakhs along with compoundable interest @ 9% per annum from 18.03.1997 till date of final payment. Questioning the same, present writ petition came to be filed by the petitioners.

The main contention of the learned Standing Counsel for the petitioners Company, in this writ petition, is that since the new scheme came into force w.e.f. 30.11.1998, the Labour Court erred in directing the petitioners to pay compoundable interest @ 9% per annum on compensation of Rs.2 lakhs from 18.03.1997.

The same is opposed by the learned counsel appearing for the unofficial respondents.

The short question that falls for consideration in this writ petition is only with regard to the date from which the unofficial respondents are entitled for interest.

Admittedly, the 2nd respondent sought voluntary retirement on health grounds w.e.f.18.03.1997. The new scheme for payment of *lumpsum* amount of Rs.2 lakhs in lieu of voluntary retirement on health grounds came into effect vide Circular of the petitioners Company in Ref.No.P40/5275/IR/2083 dated 30.11.1998. In this backdrop, in the interest of justice, this Court is of the view that it would be just and proper if the petitioners are directed to pay compoundable interest @ 9% per annum from 30.11.1998 till realization instead of 18.03.1997 as ordered by the Labour Court. Except the above modification, the impugned order holds good in other aspects.

Accordingly, the Writ Petition is disposed of.

Miscellaneous petitions pending, if any, in this Writ Petition shall stand closed. No order as to costs.

28.02.2016
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C. PRAVEEN KUMAR, J