



WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 11.06.2019

CORAM:

THE HONOURABLE MR.JUSTICE S.VAIDYANATHAN

W.P.No.15220 of 2014
and M.P.No.4 of 2014

The Muthialpet Benefit Fund Ltd.,
Rep. by its Administrator
Justice A.Ramamurthy (Retd.),
Having Office at No.199,
Thambu Chetty Street,
Chennai-600 001.

... Petitioner

-vs-

1. K.Vasudevan
2. R.Ravikumar
3. M.Saikumar
4. M.P.Paneerselvam
5. G.Manoharan
6. K.Ramakrishnan
7. The Presiding Officer,
III Additional Labour Court,
City Civil Court Buildings,
High Court Complex,
Chennai-600 104.

... Respondents

PRAYER: Petition is filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorari, calling for the entire records relating to C.P.No.275 of 2006 on the file of the III Additional Labour Court, Chennai, the 7th respondent herein and to quash the impugned order dated 13.02.2014 passed in above C.P. and thus render justice.

For Petitioner : Mr.M.Balasubramanian

For R1 to R6 : Mr.Balan Haridas

O R D E R

This Writ Petition has been filed, challenging the order of the 7th respondent dated 13.02.2014 made in C.P.No.275 of 2006, by which the petitioner herein was directed to pay a sum of Rs.30,61,723/- to the Respondent Nos.1 to 6.



2. The case of the Petitioner-Company (hereinafter referred to as 'the Company') is that it was established in the year 1895 and had been running nearly for about 105 years till it was taken over by a Retired Judge of this Court in 2000 in the capacity of Administrator. Though several facts were urged by the Company, this Court is of the view that there is no need to go into the veracity of the same, as the employees have claimed benefits based on the settlement entered into under Section 18 (1) of the Industrial Dispute Act, 1947.

3. It is seen that the employees have agreed to leave the establishment with effect from 30.06.2005 and made the claim under Sections 33-C(2) and C(5) of the Industrial Dispute Act, 1947. The Company, having agreed to settle all their claims, including gratuity @ 30 days last drawn salary for every completed year of service, has not made the amount, which forced the respondents 1 to 6 to approach the Court under various heads. It has been contended on the side of the learned counsel for the Company that the Management had extended the Housing Loan to its employees by charging interest @ 1% and due to financial crunch, all the service benefits were revised and reduced and the Board of Management had passed resolutions and the same were communicated to the employees. It has been further stated that there was also a proceedings of the Administrator of the Company dated 30.06.2005, which was filed in Ex.P.17, based on which, there was a revised policy and thereafter, the resignation submitted by the employees was accepted. Therefore, the Labour Court ought not to have granted the relief based on the settlement entered into under Section 18(1) of the I.D. Act mentioned supra.

4. It is pertinent to mention here that though the employees have agreed for reduction of salary @ 10.4%, on their leaving the service, they should be put back, as it is only an interim arrangement and no agreement, which is not in consonance with the I.D. Act, cannot override the settlement entered under the I.D. Act, 1947. The Hon'ble Supreme Court in the case of The Life Insurance Corporation of India vs. D.J. Bahadur and Others, reported in 1980 AIR 2181 had held that the Award or the Settlement would continue to be in force till such time the same is substituted by another Award or Settlement. In this case, by means of a Resolution or proceedings, the benefits conferred under settlement cannot be taken away and the Labour Court has rightly directed the Company to pay the dues to the Respondents 1 to 6, which cannot be faulted with.

5. The Labour Court has rendered the finding on the basis of the materials available before it, more so, in the light of the Settlement under Section 18(1) of the Act. The Labour Court has also disbelieved the contention that there were Resolutions



passed by the Board, wherein the workers have voluntarily agreed for reduction of wages by 10.4%, as no such Resolution has been filed. Even assuming for the sake of argument that there is a Board Resolution, the settlement cannot be overridden by way of a Resolution of the Board.

6. It is no doubt true that the employer can reduce the wages payable to the workers, which should not be less than the minimum wages payable to them, provided there is an agreement between the parties or after issuance of notice under Section 9-A of the I.D.Act and in case, there is no objection by the workers or Union within 21 days, the notice can be given effect to and that is not the case herein.

7. In view of the foregoing observations and discussions, this Court is of the view that the order of the Labour Court dated 13.02.2014 does not warrant any interference by this Court. Hence, the Writ Petition is dismissed as devoid of merits.

8. It is represented by the learned counsel for the Company that the entire amount has been deposited before the Labour Court, out of which, 50% of the amount had already been withdrawn by the workers. In view of the same, the balance amount lying before the Labour Court, which could have been deposited in any one of the National Banks shall be released to the respective workers together with accrued interest, within a period of 45 days from the date of receipt of a copy of this order. No costs. Consequently, connected miscellaneous petition is closed.

Sd/-
Assistant Registrar (CS-VIII)

//True Copy//

ar Sub Assistant Registrar
To:

The Presiding Officer,
III Additional Labour Court,
City Civil Court Buildings,
High Court Complex,
Chennai-600 104.

+1 cc to Mr.M.Balasubramanian, Advocate, S.R.No.48853
+1 cc to Mr.Balan Haridas, Advocate, S.R.No.47353

W.P.No.15220 of 2014

PA(CO)
SSM(08/08/2019).