IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : **08.11.2022**

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THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

W.P.No.10558 of 2022
and
W.M.P.Nos.10235, 18064, 18065 and 18066 of 2022

HCL Technologies Limited.,
8, South Phase,
MTH Road,
Ambattur Industrial Estate,
Ambattur, Chennai 600 058. ... Petitioner

Vs.

Mr.N.Chandran ... Respondent

PRAYER: Writ Petition has been filed under Article 226 of the Constitution of India to issue a Writ of Certiorari to call for the records pertaining to order dated 25.02.2022 made in I.D.No.42 of 2018 on the file of III Additional Labour Court, Chennai and quash the same.

For Petitioner	:	Mr.Srinath Sridevan
For Respondent	:	Mr.Balan Haridass Senior Counsel for Mr.S.Jimraj Milton

ORDER

The petitioner and the respondent have entered into a Memorandum of Compromise. The Memorandum of Compromise dated 07.11.2022 signed by the respective counsels has been filed before this Court. The respondent has also counter signed the same by way of acceptance. The respondent is also personally present before this Court. He is the claimant. He has agreed to receive a sum of Rs.43,00,000/- (Rupees Forty Three Lakh Only) towards full and final settlement of his claim.

2. Learned counsel for the respondent has relied upon the following Authorities in support of his contention that TDS is not deductible for the payment made by the petitioner under the Compromise:

a) ***Contempt Petition No.989 of 2020*** of this Court dated ***02.08.2022***;

b) ***U.P.State Road Transport Corporation Vs. Muniruddin*** reported in ***1990 (4) SCC 464***;

C) ***Sundaram Motors Pvt. Ltd. Vs. Ameerjan and another*** reported in ***1985 (1) SCC 118***.

3. Learned counsel for the respondent also submits that the respondent will be filing an application under Section 89 of the Income Tax Act for spreading over the lumpsum amount of Rs.43,00,000/- (Rupees Forty Three Lakh Only) paid by the petitioner for effecting this

Compromise to seek exemption from payment of Income Tax.

4. Since the respondent seeks for payment of the entire lumpsum amount as per this Compromise without deduction of any TDS by the petitioner, it is the responsibility of the respondent to pay the Tax liability, if at all the same arises. It is made clear that the petitioner shall not be made liable in case the Income Tax Department finds that Income Tax is payable by the respondent for the amount paid by the petitioner in this Memorandum of Compromise in the near future.

5. The petitioner has agreed to the respondent's obtaining payment out of the amount lying to the credit of I.D.No.42 of 2018 as per the Memorandum of Compromise.

6. Accordingly, a direction is issued to the III Additional Labour Court, Chennai in I.D.No.42 of 2018 to order payment out of the said sum based on an application for payment out to be filed by the respondent.

7. The Memorandum of Compromise dated 07.11.2022 is recorded and in terms of the Memorandum of Compromise, this Writ Petition is disposed of. The Memorandum of Compromise shall form part of this order. No Costs. Consequently, the connected Writ Miscellaneous Petitions are closed.

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Index : Yes/No
Speaking Order : Yes / No
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ABDUL QUDDHOSE. J.,

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