IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED **05.06.2023**

CORAM

THE HONOURABLE MR. JUSTICE V. LAKSHMINARAYANAN

W.P.No. 31315 of 2014

S.Kuppuraj ... Petitioner

..Vs..

1. The Presiding Officer
III Additional Labour Court
Chennai – 600 104.

2. The Management of
Sri Ram Fibers (P) Ltd.,
Manali, Chennai – 600068. ... Respondents

PRAYER: Petition under Article 226 of the Constitution of India, praying for the issue of a Writ of Certiorarified Mandamus calling for the records of the first respondent order passed on 20.09.2012 in C.P.No. 737 of 2007 and quash the same and consequently direct the second respondent to pay the amount as per clause 10 of settlement dated 31.01.1985 under "DEATH AND RETIREMENT BENEFIT FUND".

For Petitioner :: Mr. S.T.Varadarajulu

For 2nd Respondent :: Mr. G.Anand Gopalan
for M/s. T.S.Gopalan & Co

ORDER

The case of the petitioner is that a settlement under Section 18(1) of the Industrial Disputes Act was entered into between the Management and the workmen on 31.01.1985. Paragraph No.10 of the said settlement deals with 'Death and Retirement Benefit. The said clause reads as follows:-

> " ***Death and Retirement Benefit:***
> *The workmen and the Management agree to discontinue the Death Relief Fund and Villages Development Scheme constituted under the terms of the settlement dated 27.02.82. Consequently, the contributions made by the Management and the workmen under these scheme will cease forthwith and the Management agrees to pay to each workman Rs.15/- per month, which the workmen agree to receive. The workmen agree to constitute a Death and Retirement Benefit fund under a scheme to be formulated and administered by them. They further authorise the Management to recovery from their wages a sum of Rs.20/- per month towards this scheme and pay the same to the Death and Retirement Benefit Fund."*

2. Subsequently, the Company offered voluntary retirement scheme and the said offer was accepted by the petitioner on 31.03.1995. According to the petitioner, a sum of Rs.20/- was deducted every month from his salary. It was later on increased to Rs.40/-. According to him, the factum that he had accepted voluntary retirement scheme does not obviate the liability of the respondent to return his contribution to the death cum retirement fund. He would rely upon the Judgment of the Supreme Court in ***A.Satyanarayana Reddy and Others Vs. Presiding Officer, Labour Court, Chennai*** reported in ***(2016) 9 SCC 462***. Since the amount was not paid, an application was filed under Section 33(c)(2) of the Industrial Disputes Act, 1947, in C.P.No. 737 of 2007.

3. The Management had argued that, on and after the acceptance of the voluntary retirement scheme, nothing remained payable and therefore, the said C.P.No. 737 of 2007 was untenable.

4. The first respondent came to a conclusion that C.P.No. 737 of 2007 is not maintainable and accordingly, dismissed the same.

5. The factual matrix is extremely simple. Here is a case where an employee accepted voluntary retirement scheme offered by the Management and went away on voluntary retirement on 31.03.1995. The scheme of voluntary retirement is not disputed by both sides and has been placed before me. The relevant clause is clause 4.13. It reads as follows:-

> " ***VRS SCHEME OF THE RESPONDENT***
>
> *4.13 It is clarified that payment made under the scheme to employees shall be in full and final settlement and complete satisfaction of all the claims of the said employees and that no further amount will be claimed by the said employees against the company once they have received all payment/s under the Voluntary Retirement Scheme of the Company."*

6. The crucial words are "complete satisfaction" of all the claims and "no further amount" will be claimed by the employees against the Company. This clause kicks in once the employee have received all payments under the Voluntary Retirement Scheme of the Company. This is a contract entered into between the employer and the employee. The fact that the employee had accepted that all his claims have been satisfied and that no further amount will be claimed by him has been recorded. If there had been any further claim, it would or should have been made at that point of time. Further to maintain a CP, there has to be an unsatisfied pre-existing right. In the present case, it is not such a right.

7. Turning to the Judgment cited by Mr.S.T.Varadarajulu, I have to point out in that case, the scheme did not cover lay off compensation, subsistence allowances etc. Therefore, the Supreme Court came to a conclusion that items that are not covered by the Voluntary Retirement Scheme can still be claimed by the workmen.

8. As I already pointed out that the VRS scheme includes the term “all the claims” which is positive in content and at the same time, the very same clause states “no further amount will be claimed” which is negative in content. This covers any claim that would have been due and accruable to the workmen which he had given up in the Voluntary Retirement Scheme. Voluntary Retirement Scheme is a golden handshake and it is possible that if the workmen had made a claim for any further amount, the scheme itself might not have been accepted. Having entered into the scheme with open eyes, it is too late in the day to recant from the same. Apart from these issues, neither death nor retirement has taken place. Hence, the demand is untenable. Apart from that, as rightly pointed out by Mr. G.Anand, as to how a sum of Rs.35,000/- was held due and payable has not been made clear in C.P.No. 737 of 2007.

9. In the light of the above, I do not find any merits in this Writ Petition. Accordingly, this Writ Petition stands dismissed. No costs.

05.06.2023

vsg

Index: Yes/No
Internet: Yes/No
Speaking / Non Speaking Order

To

1. The Presiding Officer
III Additional Labour Court
Chennai – 600 104.

2. The Management of
Sri Ram Fibers (P) Ltd.,
Manali, Chennai – 600068.

<u>V. LAKSHMINARAYANAN, J.,</u>

vsg

W.P.No. 31315 of 2014

05.06.2023