IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 08.11.2023

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THE HONOURABLE MRS. JUSTICE **R. HEMALATHA**

W.P.No.25028 of 2017 and
W.M.P.Nos.24459 of 2022
& 3143 of 2018

The Management of
M/s.Tractors and Farm Equipments Limited.,
Sembiam, Chennai 600 011.
Rep. by its Authorized Signatory ... Petitioner

Vs.

1 The Presiding Officer
III Additional labour Court,
Chennai.

2 S. Prabakaran ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, seeking a Writ of Certiorari, to call for the records connected with I.D No.405 of 2002 and quash the Award dated 28.07.2017 passed by the 1st respondent i.e., the Presiding Officer, III Additional Labour Court, Chennai.

For Petitioner : Mr.P.Swaminathan for
Mr.S.Ramasubramaniam

For Respondents : Mr.K.Sudalai Kannu for R2

ORDER

When the matter is taken up for hearing today, it is contended by the learned counsels for the petitioner as well as for the respondent that the matter has been settled amicably between the petitioner Management and the respondent workman. They also filed a Memorandum of Settlement which is duly signed by both the parties with their respective counsels.

2. Mr.P.Swaminathan, learned counsel for the respondent/workman contended that the respondent must be exempted from paying income tax for the amount of Rs.17,00,000/-. He also relied on the decision of this Court in ***W.P.No.5932 and 5933 of 2916, dated 29.09.2023***, wherein this Court had directed the Management not to deduct any TDS as the petitioner is not earning anything and the compensation now paid is only for the past service rendered by him.

3. In the said decision cited supra, the compensation amount is Rs.8,00,000/-, but in the instant case, it is more than Rs.15,00,000/-.

4. The learned counsel relied on yet another decision of this Court in ***W.P.No.8815 of 2011, dated 15.07.2022*** wherein this Court held thus:

> *“7. In view of the Judgment of the Hon'ble Supreme Court in the case of Sundaram Motors Private Ltd., Vs. Ameerjan and another reported in 1985 (1) SCC 118, the Income Tax deduction of Rs.49,05,629/- will not be for a period of one assessment year and the amount of Rs.1,45,47,322/-, being total compensation will be spread over for the period from 01.11.2007 to 11.07.2007 to 11.07.2038.”*

5. In the circumstances, the Income Tax Department is directed to consider the case of the respondent/workman under Section 89 of the Income Tax Act, with regard to the deduction of the income tax for a sum of Rs.17,00,000/-.

6. With the above observation, the Writ Petition is disposed of. A Memorandum of Settlement is recorded and the same shall form part of this order. No costs. Consequently, connected miscellaneous petitions are closed.

08.11.2023

Index: Yes/No
Speaking/Non-Speaking order
vum

To

The Presiding Officer
III Additional labour Court,
Chennai.

R. HEMALATHA, J.

vum

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