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W.P.No.3936 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.02.2025

CORAM :

THE HONOURABLE MR.JUSTICE **M.DHANDAPANI**

W.P.No.3936 of 2025

E.Anandan

...Petitioner

Vs.

1. The Managing Director,
Tamilnadu State Transport Corporation (VPM) Ltd
3/137, Salamedu Valuthareddy Post,
Villupuram 605 602.

2. The Administrator,
Tamilnadu State Transport Corporation Pension Fund Trust,
Thiruvalluvar House, Pallavan Salai,
Chennai 600 002.

...Respondents

Writ Petition filed under Article 226 of Constitution of India, praying for issuance of Writ of certiorari to call for the records pertaining to the order in C.P.No.78 of 2022 dated 29.11.2024 on the file of the II Additional Labour Court, Chennai and quash the same.

For Petitioner : Mr.V.S.Jagadeesan

For Respondents : Mr.M.Aswin



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ORDER

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This writ petition has been filed seeking to quash C.P.No.78 of 2022 dated 29.11.2024 on the file of the II Additional Labour Court, Chennai.

2. The petitioner, who retired as Traffic Manager with the respondent Corporation, sought for payment of difference in terminal benefits together with interest for the period from the date of retirement to date of filing of petition and other dues. His prayer was partly allowed by the Labour Court vide order dated 29.11.2024 in C.P.No.78 of 2022, whereby the Labour Court allowed only the admitted difference amount of leave encashment from the first respondent and directed the first respondent to pay the same within a period of three months, failing which the first respondent was directed to pay interest at 6% p.a. from the date of order till the date of realisation.

3. In the affidavit filed in support of the writ petition, the petitioner stated that he had worked with the Transport Corporation for 37 years and he retired from service on 31.05.2017 on attaining the age of superannuation.



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4. At the time of his retirement, the petitioner was working as Traffic Manager. It is the case of the petitioner that his retirement benefits were not settled immediately but were settled only after a lapse of one year and that too based on last month salary. According to the petitioner, 12(3) settlement has been made on 04.01.2018 with retrospective effect from 01.09.2016. Since he had retired from service on 31.05.2017, the petitioner claimed settlement benefit that was made effective from 01.09.2016. It is the case of the petitioner that he is eligible to receive the difference in payment of terminal benefits based on 13th wage settlement. The petitioner also sought for interest on the belated payments of retirement benefits placing reliance on a judgement in W.A.No.665 of 2018 dated 13.07.2018. The petitioner claimed that a sum of Rs.8,80,099/- was due and seeking the same, he filed a computation petition before the II Additional Labour Court, Chennai under Section 33C(2) of the Industrial Disputes Act, 1947. The respondents took a stand before the Labour Court that the 12(3) settlement would benefit only the workman and the petitioner being Traffic Manager would not fall within the definition of a workman. The first respondent took a strong objection that



no pre-existing right existed and therefore the petitioner was not justified in filing the computation petition. Moreover, the calculation submitted by the petitioner was also imaginary and the corporation is not bound to pay the said sum.

5. Before the Labour Court, the petitioner examined himself and marked fourteen documents. On the side of the respondent Corporation two witnesses were examined and eight documents were marked. The Labour Court on a analysis of entire materials placed before it partly allowed the claim petition by directing the respondent Corporation to pay the admitted difference amount of leave encashment alone. Aggrieved by the said order the present writ petition has been filed.

6. The learned counsel for the petitioner would submit that 12(3) settlement was entered on 04.01.2018 giving retrospective effect from 01.09.2016. The petitioner retired from service on 31.05.2017. Therefore, he would very much fall within the ambit of 12(3) settlement and the respondents should pay his terminal benefits based on 12(3) settlement.



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7. The learned counsel for the respondents vehemently submitted that the petitioner would not fall within the definition of workman and he being a Traffic Manager at the time of his retirement would be treated only under managerial cadre.

8. The learned counsel submitted that indeed the pension and such benefits were revised as per the 12(3) settlement and the petitioner was getting higher salary than what he would be entitled to. The learned counsel therefore prayed that the order passed by the Labour Court may be sustained and the writ petition may be rejected.

9. Heard the learned counsel on either side and perused the materials placed on record.

10. As rightly contended by the learned counsel for the respondents the petitioner would not fall within the definition of a workman. The petitioner himself admits that he retired as Traffic Manager. The post of Traffic



Manager would fall within the cadre of Manager. Therefore, the petitioner cannot be treated as a workman. The settlement covers employees who are in service as on 01.09.2016 and it covers the period till 31.12.2017. The petitioner who was in a managerial cadre, his rights are satisfied in Clause V of 12(3) Settlement as per G.O.M.S.No.142 dated 26.08.2019. As per Clause V, the pay fixation in supervising cadre will be fixed in the pay scale of Rs.9,300 – Rs.34,800/- from 01.09.2010. Therefore, as rightly pointed out by the Labour Court only Clause V of the settlement would be applicable to the petitioner.

11. The Labour Court has also taken note of the admission made by the petitioner in the cross examination that he was working in a managerial cadre. Therefore, his retirement and other terminal benefits would be calculated from 01.09.2010 notionally after arriving at a notional basic pay formula in Clause I. The Tribunal had fixed the basic pay of the petitioner at Rs.51,200/- application of such formula. Not satisfied with that, the petitioner has filed the computation petition to revise the basic pay based on his last drawn basic at Rs.16,840/-. The Tribunal has rightly held that the petitioner



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cannot pick and choose any specific Clause of the settlement and reject others.

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12. The learned Tribunal is correct in holding that only Clause V would be applicable to the case of the petitioner. The petitioner had concealed the fact that he was receiving pension as per the revised settlement. The petitioner had also accepted the said fact in his evidence. Even during his cross examination, the petitioner had accepted that the management has already fixed his basic pay as per Clause V and he was receiving all the pension benefits accordingly. Taking the basic pay at Rs.52,700/-, the Tribunal has calculated the difference that the petitioner would be entitled to. Accordingly the Tribunal held that the petitioner would be entitled only for the admitted difference amount of leave encashment of Rs.49,735/-. The said amount was directed to be paid within a period of three months failing which the respondent shall pay interest at 6% per annum from the date of the award till the date of payment.

13. This Court does not find any infirmity in the said order warranting



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interference exercising the jurisdiction under Article 226 of Constitution of India. In the result, the writ petition fails and the same is dismissed. No costs.

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NCC : Yes/No

Speaking Order : Yes/No

To:

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M.DHANDAPANI, J.

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