



IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED: 08.07.2025

CORAM:

THE HONOURABLE MR. JUSTICE P.DHANABAL

W.P.No.7833 of 2022

K.S.Krishnan

... Petitioner

Vs

1. Handicrafts and Handloom Export
Corporation Limited,
Represented by its General Manager,
31, 32, Industrial Estate,
Guindy, Chennai-600 032.

2. The Assistant Manager,
Handicrafts and Handloom Export
Corporation Limited,
31, 32, Industrial Estate,
Guindy, Chennai-600 032.

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus, calling for the records in connection with the order passed in C.P.No.2 of 2018 by the II Additional Labour Court, Chennai dated 19.07.2019 and quash the same and further direct the respondents herein to pay the monetary benefits as per VRS Scheme dated 06.02.1990 issued by the respondent Corporation and as per the order passed by this Hon'ble Court in W.P.No.23233 of 2001 and 8315 of 2002 dated 11.09.2004



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For Petitioner : Mr.K.Sudalai Kannu

For Respondents : No Appearance
(R1 and R2- Served)

ORDER

This writ petition has been filed to quash the order passed by the II Additional Labour Court, Chennai, in C.P.No.2 of 2018 dated 19.07.2019, wherein the petitioner herein filed the writ petition to direct the respondent to pay the monetary benefits under the Voluntary Retirement Scheme to the tune of Rs.15,44,655/- with interest at 12% per annum from the date of petition till the date of settlement amount. After elaborate enquiry, the Labour Court dismissed the petition. Aggrieved by the said order, the present writ petition has been filed by the petitioner.

2. The learned counsel for the petitioner would submit that the petitioner was employed in the 1st respondent company in the year 1982 as Inspector. Till 2002, he was employed in the respondent establishment. While so, the petitioner along with two others had filed W.P. Nos.23232 to 23234 of 2001 for regularization on permanent basis. During the pendency of the writ petitions, the employees were terminated from service. Therefore, challenging the termination order in WP.Nos.8315 to 8317 of



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2022 were filed. This Court passed an order, since the interim stay was already granted, the dismissal order shall be subject to the result of the Writ Petitions. Therefore, the consequent termination of service with effect from 04.02.2002 shall not disentitle the petitioners to claim their relief for being made permanent or for reinstatement.

2.1. In fact, the petitioner worked for several years as Quality Controller with the 1st respondent corporation and rendered an unblemished record of service without any break from the date of appointment till the date of termination from service. The benefits of Provident Fund were granted to the petitioner. The petitioner has completed 480 days in two calendar years as per the provisions of the Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workman) Act. Therefore, the petitioner is entitled for Conferment of Permanent Status from the date of completion of 480 days.

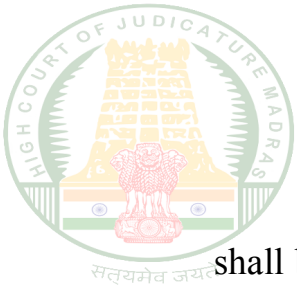
2.2. In the meantime, the respondent corporation also introduced the Voluntary Retirement Scheme and more than 120 workers were relieved under the Scheme. The petitioner rendered more than 22 years of continuous service, but he has not been made permanent. In the Writ



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Petitions filed by the petitioner, this Court passed an order directing the respondents to treat the petitioner as having retired on voluntary retirement on the date when the services were terminated, and his retirement benefits shall be calculated on the basis of the voluntary retirement scheme, and the amount already paid to him shall be deducted while settling his final dues.

2.3. Therefore, as per the order passed by this Court in W.P.Nos.23232 to 23234 of 2001 dated 11.09.2004, the petitioner is entitled to the benefits under the Voluntary Retirement Scheme. There was no appeal filed by the respondents against the said writ petitions. Thereafter, the petitioner filed a writ petition and the same was dismissed, directing him to work out the remedy before the appropriate forum. Therefore, the petitioner filed the claim before the Labour Court for computing the money value payable to him as per the Voluntary Retirement Scheme based on the order passed by this Court. But the Labour Court dismissed the petition alleging that there are disputed facts and that the petitioner's employment had issues, and erroneously dismissed the petition. The Labour Court failed to consider that already this Court had directed the respondents to treat the petitioner's case as having retired under the voluntary retirement scheme on the date when the service got terminated and that his retirement benefits



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shall be calculated on the basis of the voluntary retirement scheme, and the

amount already paid to him shall be deducted while settling his final dues.

Moreover, the Labour Court erroneously came to the conclusion that the petitioner had already received the amount. In fact, the said amount of Rs.1,48,077/- was paid even prior to the order passed by this Court in WP.Nos.23233 of 2001 and 8315 of 2002.

2.4. The Labour Court failed to consider that there was no regular post in the respondent corporation as “Quality Controller” and that the petitioner was working as Inspector prior to his termination from service. Thereafter, the management verified the post in the name of Inspector and described it as 'Quality Controller' in the salary slip. These aspects have not been considered by the Labour Court, which erroneously dismissed the petition, and hence the said order is liable to be set aside.

3. Even after receipt of notice, none appeared on behalf of the respondent. Therefore this Court heard the petitioner's side and passed the order.

4. In this case, on perusal of the records it is seen that before the Labour Court, the respondent has not disputed the employment of the petitioner. However, according to the date of entry into service and the



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continuous service rendered by the petitioner from 1982 to 2002, the petitioner was employed on a temporary basis and the employment was not regularized. Therefore, they approached this Court through writ petitions in W.P.Nos.23233 to 23234 of 2001. This Court, in those writ petitions, after considering the continuity of long services rendered by the petitioner, directed the respondents to treat the petitioner's case as having retired under the voluntary retirement scheme and since the services were terminated, the retirement benefits have to be calculated on the basis of the voluntary retirement scheme and the amount already paid to him has to be deducted while settling his retiral benefits.

5. Thereafter, the petitioner filed a writ petition before this Court and the same was dismissed on the ground that disputed facts cannot be decided in the writ petition. Thereafter, the petitioner approached the Labour Court for computation of the amount based on the voluntary retirement scheme. However, the Labour Court dismissed the petition on the ground that the High Court had not confirmed or concluded that the petitioner was an Inspector by designation and had not ordered settlement. The High Court had only observed that it was open to the petitioner to approach the appropriate forum without making any observation on the



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merits and demerits of the claim of the petitioner. Therefore, the petitioner failed to establish that he worked as Inspector. There is no dispute that, as per the order of this Court, the petitioner has to be treated as voluntary retired. While so, the question is as to what was the post held, and on the basis of which post the amount has to be calculated, has to be ascertained for the petitioner.

6. According to the petitioner, he was served as Quality Controller and approached the authority for regularization. In fact, it is an admitted fact before the Lower Court that there is no permanent post of Quality Controller. However, the petitioner calculated the amounts for the post of Inspector, which is the last grade post in the respondent corporation. Once, this Court directed the respondent to consider the case of the petitioner under the voluntary retirement scheme and to pay the settlement on the basis of the voluntary retirement scheme, and since no appeal was filed against the said order, it has to be implemented without delay.

7. The petitioner also filed Ex.P.9, and on perusal of Ex.P.9, it is seen that the respondent has made calculations as if for the post of Inspector and worked out the amount as Rs.15,86,484/-. Further, in the salary slip of



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the petitioner, the post of the petitioner was mentioned as Inspector and the same was thereafter over written as Quality Inspector. It is also an admitted fact that the last grade post in the respondent corporation is Inspector. In the counter filed before the Lower Court, the respondents have stated that the petitioner was only drawing a consolidated pay of Rs.5,000/- per month and that the retirement benefits were calculated on that basis, which was also paid to the petitioner, as such, the petitioner who was engaged on a contractual basis, cannot compared himself with a permanent employee of the respondent or claim VRS benefits on that basis.

8. However, the order passed by this Court is very clear that based on the long services rendered by the petitioner, this Court directed the respondents to pay the retirement benefits to the petitioner under the voluntary retirement scheme, after deducting the amount already paid, it means that the retirement benefits have to be calculated on the basis of the Voluntary Retirement Scheme, and the said voluntary retirement scheme is applicable only to permanent employees. Therefore, the petitioner has to be treated as a permanent employee, and the amount has to be settled as being a permanent employee under the voluntary retirement scheme.



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9. Accordingly, the respondent calculated the payment to the petitioner as Inspector, but thereafter they did not release the amount as shown in Ex.P.9. Therefore, the Labour Court failed to consider these aspects, and the observation made by the Labour Court that the High Court had observed it is up to the party to approach the appropriate forum without making any observations on the merits and demerits of the claim of the petitioner is concerned, it is true that this Court had observed as above, which only means that the petitioner has to approach the Labour Court. That is why the petitioner approached the Labour Court for computing the amount. Therefore, the Labour Court ought to have considered the order passed by this Court in W.P.Nos.23232 to 23234 of 2001 and computed the amount as per the records. Hence, the petitioner is entitled to computation as calculated by the respondent in Ex.P.9, and the amount was worked out as 15,86,484/-. It is admitted that already the petitioner has received the amount after deduction of Rs.1,48,077/-. Therefore, the petitioner is

entitled to the balance amount (Rs.15,86,484 – 1,48,077 = Rs.14,38,407/-) as indicated above.

10. Accordingly, the respondents are directed to pay the above said



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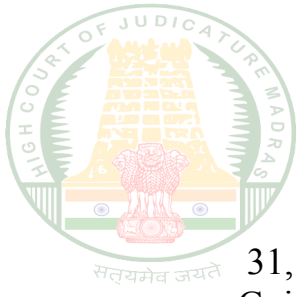
amount of Rs.14,38,407/- within a period of one month from the date of receipt of a copy of this order, failing which the amount shall carry interest at 9% per annum from the date of petition till the date of settlement.

11. With the above observation, this writ petition is allowed. No costs.

08.07.2025

To

1. Handicrafts and Handloom Export Corporation Limited,
Represented by its General Manager,
31, 32, Industrial Estate,
Guindy, Chennai-600 032.
2. The Assistant Manager,
Handicrafts and Handloom Export Corporation Limited,



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31, 32, Industrial Estate,
Guindy, Chennai-600 032.

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3. II Additional Labour Court, Chennai.

P.DHANABAL, J.,

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