

W.P. No.6591 of 2020

IN THE HIGH COURT OF JUDICATURE AT MADRAS

WEB COPY

DATED: 30.04.2025

PRESENT:

THE HONOURABLE DR. JUSTICE A.D. MARIA CLETE

W.P. No.6591 of 2020

and

W.M.P. Nos. 7811 & 7812 of 2020

Panchalai Tozhirsanga Congress,
(Regn.No.783/RTU/92)
Represented by its President,
No.81, 9th Cross Moogambigai Nagar II,
Nainar Mandapam,
Puducherry – 605 004.

... Petitioner

Versus

1. The Managing Director
Sri Bharathee Mills (A Government of
Puducherry undertaking) Cuddalore Main Road
Mudaliarpeta, Puducherry 605 004.
2. Union of India
Represented by Secretary,
Ministry of Home Affairs,
North Block, Central Secretariat
New Delhi 110 001.
3. Administrator of Puducherry
Government of Puducherry,
Puducherry.
4. Union Territory of Puducherry
Rep. by Chief Secretary to Government



W.P. No.6591 of 2020

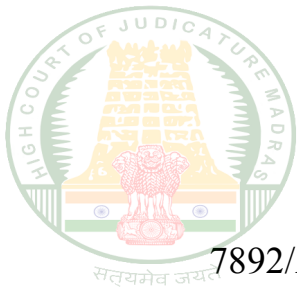
WEB COPY

Industrial Estate, Huzuga Theatre
Thattanchavady, Puducherry -9.

5. Union Territory of Puducherry
Rep. by Secretary to Government
Department of Industry and Commerce
Industrial Estate, Huzuga Theatre
Thattanchavady, Puducherry -9.
 6. Union Territory of Puducherry
Rep. by Secretary to Government
Department of Labour,
Industrial Estate, Huzuga Theatre
Thattanchavady, Puducherry -9.
 7. Deputy Labour Commissioner
2nd Floor, Labour Department Complex,
Gandhi Nagar, Puducherry 605 009.
 8. National Textile Corporation
Represented by its Managing Director,
Scope Complex, Core-IV,
7, Lodhi Road,
New Delhi- 110003.
 9. National Textile Corporation
(Tamil Nadu and Pondicherry) Ltd.
Represented by its Managing Director,
NTC House, Po Box No. 2409,
35-B Somasundaram Mills Road,
Coimbatore 641 009.
- ... Respondents

PRAYER in W.P.:

To issue an Writs, Orders or Directions and in particular a Writ of
Certiorarified Mandamus, call for the records and quash order No.



W.P. No.6591 of 2020

7892/AIL/LAB/T/2019/92 dated 24.01.2020 issued by the 6th respondent, Secretary, Labour and consequently direct the Respondents 1-6 to pay the workers of the 1st Respondent full wages from March 2019, Closure compensation, Gratuity, provident fund, leave encashment and all other terminal benefits and pass such other or further orders as this Hon'ble Court may deem fit and proper.

PRAYER in W.M.P.No.7811 of 2020:

To dispense with the production of the original order No. 7892/AIL/LAB/T/2019/92 dated 24.01.2020 issued by the 6th respondent, Secretary to Government of Puducherry (Labour).

PRAYER in W.M.P.No.7812 of 2020:

To issue an interim direction directing the respondents 1 to 6 to pay all the workers of the 1st respondent Mill their full wages from March, 2019 till date pending final disposal of the writ petition.

APPEARANCE OF PARTIES:

For Petitioner : Ms. D. Nagasaila.

For Respondent : Mr. S. Pajaniradja, CGSC for R2.

Mr.Ramaswamy Meiyappan,
Additional Government Pleader
(Puducherry) for R1, R3 to R7.

J U D G M E N T

The present writ petition has been filed by the petitioner Union



W.P. No.6591 of 2020

challenging the order dated 24.01.2020 issued by the Government of Puducherry, permitting the lay-off of 135 workmen employed in Sri Bharathee Mills (hereinafter referred to as “the Mill”). The petitioner Union has also sought an interim direction for payment of full wages to all workers from March 2019 till the final disposal of the writ petition.

2.The facts, as narrated in the writ petition, are as follows: The members of the petitioner Union were employed at Sri Bharathee Mills, which was originally closed in 1990 due to continuous losses. The mill was revived by the National Textile Corporation (NTC) under the Industrial Development & Regulation Act, 1951. In 2005, the Government of Puducherry purchased the mill from NTC. However, despite efforts, the mill continued to incur losses, prompting the Government to constitute an Expert Committee to assess viability. The Expert Committee’s report dated 01.01.2018 concluded that the buildings were more than 100 years old and required reconstruction; out of 317 permanent employees, 213 were above the age of 55 years, 69 were between 50–55 years, and 25 were below 50 years; an amount of Rs.16.47 crores was pending as statutory dues.



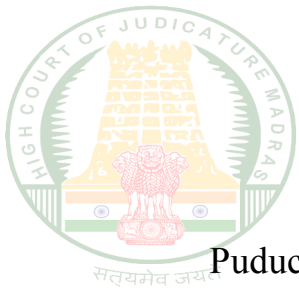
W.P. No.6591 of 2020

WEB COPY

3. Based on the above findings, the mill was subsequently closed, and on 13.09.2019, Form O-3 was filed for the lay-off of all workers. A notice was issued on 24.12.2019 for a meeting regarding the lay-off. An inspection was conducted by the Inspector of Factories on 03.01.2020, prohibiting further use of the old and dilapidated buildings. Consequently, the Government of Puducherry granted permission to lay off 135 workmen on 24.01.2020.

4. When the matter came up on 16.03.2020, this Court ordered private notice to the first respondent. Fresh notice was ordered on 14.07.2020, and it was duly served on 05.08.2020. The matter was subsequently adjourned from time to time. On 07.02.2025, learned counsel for the petitioner submitted that closure payments had been made, but statutory dues were still pending and were being paid in installments. The learned Government Advocate sought time to report the timeline for payment of dues. On 03.03.2025, a status report was filed, and both parties sought time to file replies and status affidavits.

5. However a counter affidavit filed by the Government of



W.P. No.6591 of 2020

Puducherry on 29.04.2025 stating that closure compensation and wages from March 2019 onwards have already been disbursed to the workmen.

It is further submitted that a comprehensive proposal for the remaining statutory dues, including gratuity, leave encashment, and other benefits, is under active consideration by the Government. The counter also clarifies that the closure was effected only after following due process, including inspection, expert recommendation, and approval by the competent authority.

6.From the facts and circumstances of the case, it is evident that the mill has been non-operational since 2019 due to structural hazards and financial distress. The Expert Committee's recommendation to close the mill was based on safety concerns and financial non-viability. Despite the lay-off permission granted on 24.01.2020, the respondents have partially settled the closure payments, while certain statutory dues remain pending and are being paid in installments. The Government of Puducherry, being the successor-in-interest of the mill, is under a legal obligation to settle all statutory dues arising from the closure of the mill.



W.P. No.6591 of 2020

WEB COPY

7.The respondents shall take necessary steps to fulfill their statutory obligations as required under law. The respondents are expected to act promptly and efficiently to ensure that the statutory dues are settled at the earliest, without undue delay. In the event of continued non-compliance or delay, the petitioner is at liberty to seek appropriate relief of computation of dues and due execution before the competent statutory forum.

8.With the above observations, the writ petition is disposed of and there shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

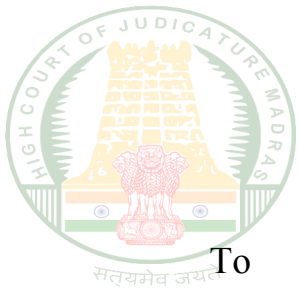
30.04.2025

ay

Index: Yes / No

Speaking Order / Non-speaking Order

Neutral Citation : Yes / No



W.P. No.6591 of 2020

To

WEB COPY

1. Union of India
Represented by Secretary,
Ministry of Home Affairs,
North Block, Central Secretariat
New Delhi 110 001.
2. Administrator of Puducherry
Government of Puducherry,
Puducherry.
3. Union Territory of Puducherry
Rep. by Chief Secretary to Government
Industrial Estate, Huzuga Theatre
Thattanchavady, Puducherry -9.
4. Union Territory of Puducherry
Rep. by Secretary to Government
Department of Industry and Commerce
Industrial Estate, Huzuga Theatre
Thattanchavady, Puducherry -9.

DR. A.D. MARIA CLETE, J

ay

5. Union Territory of Puducherry
Rep. by Secretary to Government
Department of Labour,
Industrial Estate, Huzuga Theatre
Thattanchavady, Puducherry -9.
6. Deputy Labour Commissioner
2nd Floor, Labour Department Complex,
Gandhi Nagar, Puducherry 605 009.



WEB COPY



W.P. No.6591 of 2020

W.P. No.6591 of 2020
and
W.M.P. Nos. 7811 & 7812 of 2020

30.04.2025