



W.P.Nos.26987 of 2014 & 13390 of 2015

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 03.09.2025

CORAM :

THE HONOURABLE MR. JUSTICE M. DHANDAPANI

W.P.Nos.26987 of 2014 & 13390 of 2015

and

M.P.No.1 of 2015

W.P.No.26987 of 2014

1.S.Shanmugasundaram
2.A.Allabaksh

... Petitioners

Vs.

1. The Management,
Lotus Footwear Enterprises Ltd.,
Plot No.3, Industrial Park,
Sipcot, Mangal Village,
Mathur Post,
Tiruvannamalai – 631 701.

2. The Presiding Officer,
Principal Labour Court,
Vellore, Vellore District.

... Respondents

PRAYER: Writ Petitions filed under Article 226 of the Constitution of India for issuance of a writ of Certiorari, to call for the records from the files of the second respondent in I.D.Nos.71 & 72 of 2012 and quash its common impugned award dated 15.07.2014 insofar as the second



W.P.Nos.26987 of 2014 & 13390 of 2015

respondent has negated the claim of the petitioners for reinstatement in service, with continuity of service, with backwages and with all other attendant and consequential benefits.

For Petitioners : Mr.K.M.Ramesh
Senior Counsel
for M/s.S.Apunu

For Respondents : Mr.C.Manohar Gupta
for Mr.M.Kandasamy [R1]
Labour Court [R2]

W.P.No.13390 of 2015

The Management,
Lotus Footwear Enterprises Ltd.,
Plot No.3, Industrial Park,
Sipcot, Mangal Village,
Mathur Post,
Thiruvannamalai District.

... Petitioner

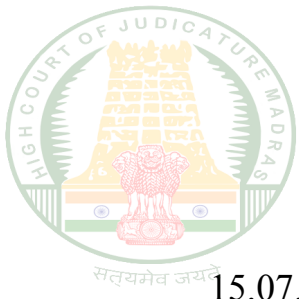
Vs.

1.The Presiding Officer,
Principal Labour Court,
Vellore.

2.S.Shanmugasundaram
3.A.Allahbaksh

... Respondents

PRAYER: Writ Petitions filed under Article 226 of the Constitution of India for issuance of a writ of certiorari, to call for the records connected with I.D.Nos.71 & 72 of 2012 on the file of the first respondent, Principal Labour Court, Vellore and quash the common award dated



W.P.Nos.26987 of 2014 & 13390 of 2015

15.07.2014 insofar as awarding compensation to the second respondent and third respondent passed by the first respondent therein.

For Petitioners : Mr.C.Manokar Gupta
for Mr.M.Kandasamy

For Respondents : Labour Court [R1]
Mr.K.M.Ramesh
Senior Counsel
for M/s.S.Apunu [R2 & R3]

COMMON ORDER

Today, these matters are listed under the caption “For Being Mentioned” at the instance of the learned counsel for the workmen, who are the petitioners in W.P.No.26987 of 2014.

2. For the sake of convenience and clarity, the petitioners in W.P.No.26987 of 2014/ respondent Nos.2 and 3 in W.P.No.13390 of 2015 are referred to as workmen and the first respondent in W.P.No.26987 of 2014/ petitioner in W.P.No.13390 of 2015 is referred to as the Management.



W.P.Nos.26987 of 2014 & 13390 of 2015

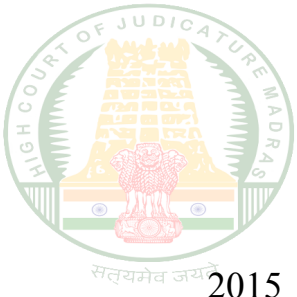
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3. The learned counsel for the workmen submits that the workmen had not entered into any settlement with the management. However, on an erroneous mentioning, it has been recorded as if the workmen had also claimed to have reached an amicable settlement, though contentions on merits were raised on behalf of the workmen by the learned counsel.

4. After hearing the learned counsel appearing on either side, this Court is inclined to recall the order dated 13.03.2025 and hear the writ petitions afresh.

5. These Writ Petitions have been filed challenging the award dated 15.07.2014 passed by the Labour Court in I.D.Nos.71 & 72 of 2012. For enhancement of compensation and reinstatement, the workmen filed W.P.No.26987 of 2014. Questioning the compensation, the Management filed W.P.No.13390 of 2015.

6. For the sake of convenience and clarity, the petitioners in W.P.No.26987 of 2014/ respondent Nos.2 and 3 in W.P.No.13390 of



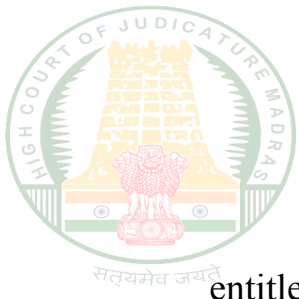
W.P.Nos.26987 of 2014 & 13390 of 2015

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2015 are referred to as workmen and the first respondent in W.P.No.26987 of 2014/ petitioner in W.P.No.13390 of 2015 is referred to as the Management.

7. The learned counsel appearing for the management submitted that the petition has been filed u/s 2 (A)(2) of the Industrial Disputes Act and it is within the domain of the Labour Court to appreciate the facts and pass orders either confirming the order of dismissal, setting aside or modifying the said order. The Labour Court, after carefully considering the materials and in view of the acrimony that existed between the workmen and the Management had thought it fit to order compensation in lieu of reinstatement, which is within the provision of Section 2 (A)(2) and, therefore, no interference is warranted with the said award.

8. The learned counsel for the workmen vehemently contended that the workmen raised industrial disputes in I.D.Nos.71 and 72 of 2012 before the Labour Court for reinstatement and other consequential benefits. However, the Labour Court, without properly appreciating the factual position, had ordered compensation without considering the



W.P.Nos.26987 of 2014 & 13390 of 2015

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entitlement of the workmen for reinstatement. Such an order passed by the Labour Court is not sustainable. Accordingly, he prays for allowing the writ petition filed by the workmen.

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

10. There could be no quarrel with the fact that the misconduct has been held to be proved and this Court, in exercise of its power of judicial review cannot reappraise the evidence. As pointed out by the learned counsel for the Management, u/s 2 (A)(2) of the ID Act, it is within the domain of the Labour Court either to confirm, modify or set aside the order of dismissal. Therefore, if the Labour Court finds that in the interest of either party, the best course would be to order compensation in lieu of reinstatement with proper reasons assigned, then it would not only be within the framework of Section 2(A)(2), but this Court would also be bound to consider the reason while appraising the materials.



W.P.Nos.26987 of 2014 & 13390 of 2015

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11. It should not also be lost sight of that all is not well between the workmen and the management and the tempers between both are boiling high, which, if the workmen are continued by ordering reinstatement, will only lead to multiplicity of proceedings at a later point of time.

12. This Court, in W.P.Nos.461 and 11526 of 2025, dated 09.04.2025, has held as follows :-

“23. A harmonious environment is necessary in which both the employer and employee could function well, which alone would be in the interest of the organisation. The act of the workman had prevailed upon the Management to dismiss him from service, which clearly shows that the Management had no consideration towards the workman, as the running of the industry was affected due to the act of the workman. Equally, the act of the workman in sabotaging the working process, leading to the stoppage of production shows that the workman too has no regard for the management. Therefore, both the workman and the management are at loggerheads and in this backdrop, would the continuance of the workman in the organisation augur well for both sides.

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W.P.Nos.26987 of 2014 & 13390 of 2015

27. *Section 11-A of the Act clothes the Tribunal with power to give appropriate relief in case of discharge or dismissal of workmen, which is quoted hereunder :-*

“11A. Powers of Labour Courts, Tribunals and National Tribunals to give appropriate relief in case of discharge or dismissal of workmen.- *Where an industrial dispute relating to the discharge or dismissal of a workman has been referred to a Labour Court, Tribunal or National Tribunal for adjudication and, in the course of the adjudication proceedings, the Labour Court, Tribunal or National Tribunal, as the case may be, is satisfied that the order of discharge or dismissal was not justified, it may, by its award, set aside the order of discharge or dismissal and direct reinstatement of the workman on such terms and conditions, if any, as it thinks fit, or give such other relief to the workman including the award of any lesser punishment in lieu of discharge or dismissal as the circumstances of the case may require:*

Provided that in any proceeding under this section the Labour Court, Tribunal or National Tribunal, as the case may be, shall rely only on the materials on record and shall not take any fresh evidence in relation to the matter.”

28. *From the above, it is implicitly evident that where the Tribunal, in the course of adjudication proceedings is satisfied that the order of discharge or dismissal was not justified, it may, by its award, set aside the order of discharge or dismissal and direct reinstatement of the workman on such terms and conditions, if any, as it thinks fit, or give such other relief to the workman including the award of any lesser punishment in lieu of discharge or dismissal as the circumstances of the case may require.*



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W.P.Nos.26987 of 2014 & 13390 of 2015

29. *In the present case, as discussed above, the relationship between the workman and the management stood strained and the punishment of dismissal or discharge, on the materials available, was found to be excessive, but considering the nature of relationship, that existed between the workman and the management, the Tribunal, exercising its power u/s 11-A of the Act, had, awarded compensation instead of lessening the punishment of dismissal of the workman, which, otherwise, would have borne bitter fruits between the management and the workman till such time the bond of employer-employee continued between the management and the workman. By no stretch, the exercise of power of the Tribunal could be found fault with and the said exercise could not be branded as an encomium given to the workman by the Tribunal, which is flawed reasoning imparted by the Management. Therefore, this Court does not find any infirmity in the order compensation awarded by the Tribunal in lieu of any lesser punishment, which is based on sound logic and reasoning and the same does not warrant interference at the hands of this Court. Equally, for the aforesaid reason, the prayer of reinstatement of the workman cannot be considered and rightly so, the Tribunal has rejected the same and the said order also does not call for any interference.”*



W.P.Nos.26987 of 2014 & 13390 of 2015

WEB COPY

13. The materials available on record clearly reveal that there is strained relationship between the workmen and the management and reinstatement of workmen would not be in the interest of either party. The reasons assigned therefore by the Labour Court cannot be said to be perverse or arbitrary. Only in such a backdrop, the Labour Court had thought it fit to order compensation in lieu of reinstatement, which cannot be said to be erroneous or against the provisions of Section 2(A)(2) of the ID Act.

14. However, it is to be noted that when the Labour Court had come to the conclusion that compensation needs to be awarded in lieu of reinstatement, definitely there is a tinge of case which favours the workmen as well and, therefore, the compensation awarded should be just and reasonable. However, the Labour Court had ordered compensation of Rs.25,000/- in favour of S.Shanmugasundaram and Rs.50,000/- in favour of A.Allahbaksh in the year 2014. The case has been continuing since then and a decade has passed between the date of award and this day and, therefore, of necessity, increased compensation for the workmen needs to be considered.



W.P.Nos.26987 of 2014 & 13390 of 2015

WEB COPY

15. Considering the relationship between the workmen and the management and the passage of time, this Court is of the considered view that a sum of Rs.1,50,000/- (Rupees One Lakh and Fifty Thousand only) to the workman S.Shanmugasundaram and a sum of Rs.2,00,000/- (Rupees Two Lakhs only) in respect of the workman A.Allahbaksh, in full quit would be a just and reasonable compensation.

16. Accordingly, this Court is inclined to dispose of this writ petition with a direction to the Management/petitioner in W.P.No.13390 of 2015 to pay a sum of Rs.1,50,000/- (Rupees One Lakh and Fifty Thousand only) to the workman S.Shanmugasundaram and a sum of Rs.2,00,000/- (Rupees Two Lakhs only) in respect of the workman A.Allahbaksh, in full quit as one time lumpsum compensation in lieu of reinstatement. The management is directed to draw Demand Draft for the above said amount fixed by this Court as compensation in favour of the workmen, less the amount, if any, already paid to the workmen. The Management is further directed to take demand drafts for the amounts in favour of the respective workmen and deposit the same before the



W.P.Nos.26987 of 2014 & 13390 of 2015

WEB COPY

Labour Court/1st respondent in W.P.No.13390 of 2015 within a period of four weeks from the date of receipt of a copy of this order. On such deposit being made, the workmen are permitted to file appropriate application before the Labour Court and on such application being filed, the Labour Court is directed to hand over the demand draft to the respective workmen within a period of two weeks of filing of the said petitions. If the management fails to deposit the demand drafts within the aforesaid period, the compensation amount would attract interest at the rate of 6% p.a. from the date of raising of industrial dispute till date of deposit.

17. Accordingly, these Writ Petitions are disposed of with the aforesaid observations and directions. There shall be no order as to costs. Consequently, connected miscellaneous petition is closed.

03.09.2025

Index : Yes / No
Speaking order / Non-speaking order
Neutral Citation Case : Yes/No
sp



W.P.Nos.26987 of 2014 & 13390 of 2015

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The Presiding Officer,
Principal Labour Court,
Vellore District.



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W.P.Nos.26987 of 2014 & 13390 of 2015

M.DHANDAPANI, J.

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W.P.Nos.26987 of 2014 & 13390 of 2015

03.09.2025