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W.A.No.3630 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

<i>Reserved on</i>	18.09.2025
<i>Pronounced on</i>	25.09.2025

CORAM :

THE HONOURABLE MR.JUSTICE M.S.RAMESH
AND
THE HONOURABLE MR.JUSTICE R.SAKTHIVEL

W.A.No.3630 of 2024
and C.M.P.No.28491 of 2024

The Management,
 State Express Transport Corporation
 (Tamil Nadu) Limited,
 Pallavan Salai, Chennai – 600 002.

...Appellant

Vs.

1.The Presenting Officer,
 Principal Judge Labour Court,
 City Civil Court Annexure Buildings,
 High Court Compound,
 Chennai – 600 104.

2.S.Panneer Selvam

...Respondents

Prayer: Writ Appeal filed under Clause 15 of the Letters Patent to set aside the order dated 20.06.2023 passed in W.P.No.34587 of 2016.

For Appellants : Mr.Anand Gopalan

For Respondents : Labour Court – R1

Mr.V.Ajoy Khose for R2



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JUDGMENT

WEB CO **M.S.RAMESH, J.**

On the strength of certain proven charges during the domestic enquiry, the second respondent herein was dismissed from service on 20.10.1994. When he had challenged the dismissal order before the Labour Court in I.D.No.240 of 1996, the dismissal order was set aside with a consequential direction to the Management to reinstate the workman with 50% of the back wages, through an Award dated 22.10.2003. On appeal against the Award before this Court in W.P.No.22681 of 2004, the backwages alone was reduced from 50% to 20%. The further intra-court appeal against the Writ Petition through W.A.No.798 of 2013 was dismissed on 08.01.2014. The Management had thereafter reinstated the second respondent into service on 12.04.2014.

2. Since the backwages, as ordered by the Labour Court and modified in the Writ Petition, was not paid, the Computation Petition under section 33C(2) of the Industrial Disputes Act, 1947 (hereinafter referred to as 'ID Act'), in C.P.No.342 of 2014 was filed. The Labour Court, by its order dated 20.05.2016, had computed the total arrears of



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salary from 22.10.2003 to 30.06.2014 at Rs.18,90,240/- with a further direction to pay the outstanding amount, within two months from the date of the order, failing which, the Management was directed to pay interest at the rate of 9% per annum on this amount, till the date of payment. The order passed in the Computation Petition came to be challenged before a learned Single Judge of this Court in W.P.No.34587 of 2016, which was dismissed on 20.06.2022. This Writ Appeal is against the dismissal order passed in the Writ Petition.

3. The learned counsel for the Management submitted that they are aggrieved only against the order of the Labour Court imposing payment of interest at the rate of 9% per annum. According to the learned counsel, when the original Award itself did not provide for interest on the backwages, the Labour Court ought not to have awarded interest at the rate of 9% on the computed amount. In order to persuade on this aspect, he relied upon a decision of a learned Single Judge of this Court in the case of ***G.Ramadoss and others Vs. Management of Tansi Die Castings Industrial Estate, chennai and others*** reported in ***2000 (4) L.L.N. 914***. He further added that when the Labour Court had declined to award interest on the backwages, the second respondent had not challenged that



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portion of the Award and therefore, the Labour Court ought not to have awarded interest.

4. Per contra, the learned counsel appearing for the second respondent would submit that the interest on the computed amount by the Labour Court was only a default interest, for non-payment of the computed amount and not on the backwages as ordered in the Award of the Labour Court.

5. The scope of computation in an application under section 33C(2) of the ID Act over the monetary benefits in the Award can be determined only within the contours of the directions in the Award and no additional adjudication can take place. In other words, when the main Award does not provide for payment of interest on the backwages, the Computing Court will be exceeding in its authority, if any adjudication is done for the interest on the backwages awarded by the Labour Court. To this extent, we are in agreement with the decision in the case of **G.Ramadoss (supra)** relied upon by the learned counsel for the Management.



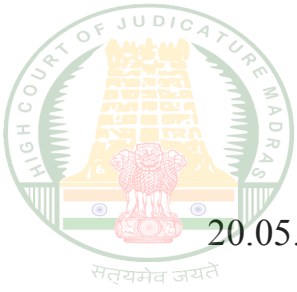
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6. But the crucial issue that requires to be looked into is whether or not the Computing Court had exceeded its jurisdiction in adjudicating a component, which is conspicuously absent in the main Award itself.

7. It is not as if the Labour Court had computed and determined the interest on the backwages awarded by the Labour Court and later modified in the Writ Petition. On the other hand, the Labour Court had consciously refrained from undertaking such a task and had determined only the backwages for the relevant period. The 9% interest awarded is only a default clause for non-payment of the computed amount within the stipulated period of two months. There is no rule or regulation which places an embargo for the Computing Court to impose penal interest for non-payment of the computed amount after the stipulated period. As a matter of fact, the Labour Court was well within its jurisdiction to impose such a default clause for interest. Hence, there is no illegality or any other irregularity in the order of the Labour Court.

8. When the order passed under Section 33C(2) of the ID Act was challenged before the Writ Court in W.P.No.34587 of 2016, the same was dismissed on 20.06.2022. As such, the order of the Labour Court, dated



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20.05.2016, stands confirmed. In the light of our findings, no interference is required to both the orders of the Labour Court, as well as the Writ Court.

9. At this juncture, the learned counsel for the Management submitted that pending the proceedings before this Court, an order of conditional interim stay was passed, by which the Management had already deposited 50% of the total backwages and that they had also been paying the wages under section 17-B of the ID Act.

10. In the result, the Writ Appeal stands dismissed with a consequential direction to the appellant herein to pay the entire backwages computed in C.P.No.342 of 2014 dated 20.05.2016 on the file of the Principal Labour Court, Chennai, within four weeks from today, which shall also include 9% interest on the outstanding amount with effect from 20.07.2016, i.e, after expiry of two months from the date of the order in C.P.No.342 of 2014, till the date of actual payment, after deducting the amount which has already been deposited by the Management before the Labour Court. For calculating such deduction, the date of deposit of the 50% backwages, shall be relevant. The second



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respondent is also be at liberty to file an appropriate application before the Principal Labour Court, Chennai, seeking for withdrawal of the amount deposited to the credit of C.P.No.342 of 2014. No costs. Connected miscellaneous petition is closed.

[M.S.R.,J] [R.S.V.,J]
25.09.2025

Index:Yes
Neutral Citation:Yes
Speaking order
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To

1.The Presenting Officer,
Principal Judge Labour Court,
City Civil Court Annexure Buildings,
High Court Compound,
Chennai – 600 104.

2.The Management,
State Express Transport Corporation
(Tamil Nadu) Limited,
Pallavan Salai, Chennai – 600 002.



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M.S.RAMESH, J.
and
R.SAKTHIVEL, J.

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Pre-delivery judgment made in
W.A.No.3630 of 2024

25.09.2025