



W.P.Nos.26307, 26310 & 27111 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.04.2025

CORAM :

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

W.P.Nos.26307, 26310 & 27111 of 2021

and

WMP.Nos.27770, 27772 & 28583 of 2021

The Management,
M/s.V.R.Foundries & V.R.Finishers,
Door No.83, 83-C, PKD Nagar,
Peelamedu, Coimbatore – 641 004.

...Petitioner in all W.P's.

Vs.

1. M.K.Murugesan
2. K.A.Chandrasekaran ...R1 and R2 in W.P.No.26307 of 2021
3. K.Thamburaj
4. P.John Peter
5. V.Murugan
6. V.Anbarasu ...R1 to R4 in W.P.No.26310 of 2021
7. M.Senthil Selvam
8. P.Ganesan
9. N.Thiyagarajan
10. R.A.Ramasamy ...R1 to R4 in W.P.No.27111 of 2021
11. The Management,
M/s.Ranba Castings Limited,
Door No.495-A & 495/3,
Sulur Railway Feeder Road,
Muthugoundanpudur,
Coimbatore – 641 006. ...R3 in W.P.No.26307 of 2021 and
R5 in W.P.Nos.26310 & 27111 of 2021



W.P.Nos.26307, 26310 & 27111 of 2021

Prayer in W.P.No.26307 of 2021: Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorari to call for the records of the Presiding Officer, Principal Labour Court, Coimbatore made in common award in I.D.Nos.71 & 81 of 2015 dated 18.12.2020 and quash the same.

Prayer in W.P.No.26310 of 2021: Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorari to call for the records of the Presiding Officer, Principal Labour Court, Coimbatore made in common award in I.D.Nos.74, 78, 80 & 82 of 2015 dated 18.12.2020 and quash the same.

Prayer in W.P.No.27111 of 2021: Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorari to call for the records of the Presiding Officer, Principal Labour Court, Coimbatore made in common award in I.D.Nos.70, 72, 77 & 79 of 2015 dated 18.12.2020 and quash the same.

For Petitioner : Mr.S.Silambanan, Sr.C
for Mr.K.Sathish
(in all W.P's.)

For Respondents : Mr.V.Sivakumar,
(for R1 & R2 in W.P.No.26307 of 2021)
(for R1-4 in W.P.Nos.26310 & 27111 of 2021)
: Notice Not Ready,
(for R3 in W.P.No.26307 of 2021)
: No Appearance
(for R5 in W.P.Nos.26310 & 27111 of 2021)



W.P.Nos.26307, 26310 & 27111 of 2021

COMMON ORDER

WEB COPY Since the issue involved in all these writ petitions is one and the same, with the consent of the learned counsel appearing for the parties, these writ petitions are heard together and disposed of by way of this common order.

2. For brevity, the petitioner in all the writ petitions are hereinafter referred to as 'the management' and the 1st and 2nd respondents in W.P.No.26307 of 2021 and the respondents 1 to 4 in W.P.Nos.26310 & 27111 of 2011 are hereinafter referred to as 'the workmen'.

3. It is the case of the management that, it is a partnership firm engaged in foundry business and had about 450 workers and 84 staffs and as the petitioner-management decided to stop production due to certain uncontrollable factors, the management announced VRS scheme and transfer of workers to a group concern unit in Coimbatore for safeguarding workers. Ninety Three (93) Workers have accepted VRS and Fifty Two (52) workers have accepted transfer. After the transfer, sixteen (16) of the workers have raised false claims and initiated



W.P.Nos.26307, 26310 & 27111 of 2021

conciliation proceedings, in which, three (3) of the workers came forward and settled their differences with the management. In the case of the remaining thirteen (13) as the conciliation ended in failure, they raised disputes under Section 2(A)(2) of the Industrial Disputes Act before the Labour Court, Coimbatore and the Labour Court, vide its awards all dated 18.12.2020 allowed the disputes raised by the workmen herein. Challenging the same, the petitioner management has come up with these Writ petitions.

4. Learned counsel for the management submitted that, in respect of the disputes which were dismissed by the labour court, the respective workmen have approached this Court by way of filing Writ petitions and pursuant to the direction of this Court, the management had paid a sum of Rs.1,00,000/- (Rupees One Lakh only) as compensation in full quit. Hence, this Court may order for the very same compensation in respect of the workmen herein as well.

5. Learned counsel appearing on behalf of the workmen submitted that, this Court had fixed the said compensation of Rs.1,00,000/- in



W.P.Nos.26307, 26310 & 27111 of 2021

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respect of the workmen whose disputes were dismissed by the labour Court. However, in respect of the workmen herein, the respective disputes raised by them were allowed by the labour court and directed the management to pay salary including usual allowances for the period commencing from the date of denial of employment ie., 01.04.2015 till the date of payment of compensation equivalent to 3 years' salary including their usual allowances to each of the workmen and that the provided fund amount and terminal benefits as on the date of payment of the compensation to each of the workmen. Whiles, ordering the very same compensation awarded in favour of the other workmen whose IDs came to be dismissed would not meet the ends of justice. Accordingly, he prayed for appropriate orders of this Court fixing the compensation at Rs.5,00,000/- in favour of each of the workmen.

6. Herd learned counsel on either side and perused the materials available on record.

7. The case has a chequered history and since 2021, the writ petitions have been moving up and down the Board of this Court without



W.P.Nos.26307, 26310 & 27111 of 2021

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any finality being reached with regard to the impugned orders allowing the disputes raised by the respective workmen. Almost a decade had passed since the date of denial of employment to the workmen and the workmen have been without employment. It should also not be lost sight of the fact that the workmen having not discharged any work, cannot be given gratis by extending the benefit of backwages, but at the same time, the workmen, who have been denied employment cannot be allowed to suffer without any monetary compensation. Therefore, it becomes imperative for this Court to maintain the balance between the management and the workmen while considering the payment of compensation, as it is necessary that the interests of either party to the lis requires to be safeguarded.

8. Though the learned counsel on either side made their respective submissions with regard to the merits of their case, however, as the compensation, which the management is willing to pay is on the lower side while the compensation, which the workmen are ready to receive is on the higher side, considering the entire issue and in the interest of justice and balance of convenience, this Court is inclined to fix a just and



W.P.Nos.26307, 26310 & 27111 of 2021

reasonable compensation to be paid by the management to which the

workmen were also agreeable.

9. Learned senior counsel appearing for the management, laid reliance upon the decision of the Apex Court in ***O.P. Bhandari Vs. Indian Tourism Development Corpn. Ltd. and Ors. (1986 (4) SCC 337 :: MANU/SC/0475/1986)***, wherein, the Apex Court considering the beneficial aspect in respect of both the employer and the employee and without there being any hard feelings, thought it fit to grant compensation in lieu of reinstatement, considering the length of service put in and the attainment of superannuation by most of the persons therein. In this regard, the Apex Court held thus :-

“7. So far as the facts of this case are concerned, we are satisfied that this is a fit case for granting compensation in lieu of reinstatement, instead of granting 'reinstatement'. For, it cannot be said that the apprehension voiced by the respondent-Corporation as regards the negative consequences of reinstatement is unreasonable. We do not propose to pronounce on the validity or otherwise of the allegations and counter allegations made by the parties in their respective affidavits. Suffice it to say that the relations between the parties appear to have been strained beyond the



WEB COPY



W.P.Nos.26307, 26310 & 27111 of 2021

point of no return. The Trade Union of the employees has lodged a strong protest and even held out a threat of strike, in the context of some acts of the Appellant. Such unrest among the workmen is likely to have a prejudicial effect on the working of the undertaking which would prima facie be detrimental to the larger National interest, not to speak of detriment to the interest of concerned undertaking. We are not impressed by the submission that the Union is virtually a 'company's Union. In any case such disputed questions of facts cannot be resolved in this forum. We are prima facie satisfied that the apprehension is not ill-founded. What is more, reinstatement is perhaps not even in the interest of the appellant as he cannot give his best in the less-than-cordial-atmosphere and it will also result in misery to him, let alone the other side. Neither the undertaking nor the appellant can improve their image or performance, or, achieve success. In fact it appears to us that both sides will be unhappy and miserable. These are valid reasons for concluding that compensation in lieu of reinstatement, and not reinstatement, is warranted in the circumstances of the present case.”

10. Yet again, in *Workmen and Ors. Vs. Bharat Fritz Werner (P) Ltd. and Ors. (1990 (3) SCC 565 :: MANU/SC/0470/1990)*, the Apex Court, reiterating the benefits of granting compensation in lieu of



W.P.Nos.26307, 26310 & 27111 of 2021

reinstatement, taking cue from the decision in *Bhandari's case (supra)*,

WEB COPY held as under :-

“21. Reinstatement has not been considered as either desirable or expedient in certain cases where there had been strained relations between the employer and the employee, when the post held by the aggrieved employee had been one of trust and confidence, or when though dismissal or discharge was unsustainable owing to some infirmity in the impugned order, the employee was found to have been guilty of an activity subversive or prejudicial to the interests of the industry (*Hindustan Steel Ltd. v. A.K. Roy* MANU/SC/0315/1969 : (1970)ILLJ228SC . In cases where it is felt that it will not be desirable or expedient to direct reinstatement the workman is compensated monetarily by awarding compensation in lieu of reinstatement for loss of future employment.

* * * * *

23. In *O.P. Bhandari v. Indian Tourism Development Corporation Ltd. and Ors.* MANU/SC/0475/1986 : (1986)IILLJ509SC this Court has held that compensation equivalent to 3.33 years' salary (including allowances) as admissible on the basis of the last pay and allowances would be a reasonable amount to award in lieu of reinstatement. In that case the Court has taken into consideration the fact that the corpus, if invested at the



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W.P.Nos.26307, 26310 & 27111 of 2021

prevailing rate of interest (15%), will yield 50% of the annual salary and allowances and the workman would get 50% of what he would have earned by way of salary and allowances with four additional advantages :

(i) He will be getting this amount without working.

(ii) He can work somewhere else and can earn annually whatever he is worth over and above, getting 50% of the salary he would have earned.

(iii) If he had been reinstated he would have earned the salary upto the date of superannuation (upto 55, 58 or 60 as the case may be) unless he died earlier. As against this 50% he would be getting annually he would get not only beyond the date of superannuation, for his life time (if he lives longer), but even his heirs would get it in perpetuity after his demise.

(iv) The corpus of lump sum compensation would remain intact, in any event.”

11. Considering the stand taken by the learned counsel appearing for the management as also the workmen and also taking into consideration the decision relied on by the learned counsel for the management, as extracted supra and also the compensation which the management has proposed and is willing to pay and also considering the fact that most of the workmen have, by now, reached the age of



W.P.Nos.26307, 26310 & 27111 of 2021

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superannuation and also not forgetting the fact that there is a strained relationship between the workmen and the management, which cannot be bridged at this distant point of time, as no useful purpose would be served in prolonging the matter any further, this Court is of the considered view that a lumpsum compensation of Rs.2,00,000/-(Rupees Two Lakhs only) in favour of each of the workmen would be in the best interests of either party, as each party could very well proceed in their own way putting an end to the continuous and contiguous litigation.

12. Accordingly, these Writ petitions stand disposed of directing the petitioner/management to pay the above compensation of Rs.2,00,000/- (Rupees Two Lakhs only) fixed by this Court to each of the workmen as compensation in full quit within a period of four weeks from the date of receipt of a copy of this order. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

29.04.2025

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Index	: Yes / No
Speaking order	: Yes / No
NCC	: Yes / No



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W.P.Nos.26307, 26310 & 27111 of 2021

M.DHANDAPANI, J.

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To:

The Presiding Officer,
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Coimbatore.

W.P.Nos.26307, 26310 & 27111 of 2021
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