



WEB COPY



W.P. No.31393 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 07.07.2025

CORAM

THE HONOURABLE Mr. JUSTICE P.DHANABAL

W.P. No.31393 of 2023
and W.M.P. No.31012 of 2023

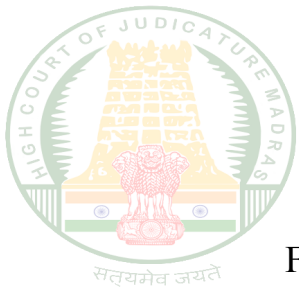
The Management of Best Cast IT Limited,
represented by its Managing Director,
Plot No.58, (SP) SF No.184, 185 (Part),
Sector II, 3rd Cross Road,
Ambattur Industrial Estate (South), Ambattur,
Chennai - 600 058. .. Petitioner

vs.

United Labour Federation,
represented by its Secretary D. Ramesh,
No.149, 4th Floor, C.J. Complex,
Tambu Chetty Street,
Chennai- 600 001. .. Respondent

PRAYER: The Writ petition filed under Article 226 of the Constitution of India seeking to issue a Writ of Certiorari calling for the records of the Industrial Tribunal in E.P. No.1 of 2022 arising out of I.D. No.18 of 2015 dated 13.09.2023 and to quash, as illegal and arbitrary.

For Petitioner : Mr. S. Shyam Kumar



WEB COPY



W.P. No.31393 of 2025

For Respondent : Mr.V. Prakash, Senior Counsel
for M/s. S.L. Jebitha

ORDER

This Writ petition has been filed by the petitioner to quash the order passed by the Industrial Tribunal in E.P. No.1 of 2022 in I.D. No.18 of 2015 dated 13.09.2023 wherein the respondent herein has filed an Execution petition based on the award passed in I.D. No.18 of 2025 and the Tribunal allowed the execution petition. Aggrieved by the said order, the present Writ petition has been filed by the Management.

2. **The short facts necessary to dispose the Writ petition are as follows:**

The respondent Union has raised an Industrial Dispute in I.D. No.18 of 2015 as against the petitioner Management. Thereafter, they entered into a Settlement under Section 18(1) of the Industrial Disputes Act on 23.10.2019. Based on the said settlement, the Industrial Tribunal, Chennai has passed an Award through an order dated 24.10.2019. Thereafter, the respondent Union filed an Execution petition in E.P. No.1 of 2022 to pay the arrears amount of Rs.1,61,09,278/- as per the Award of the Industrial Tribunal. The Industrial Tribunal, Chennai allowed the said Execution Petition and directed the

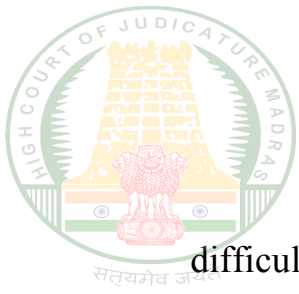


W.P. No.31393 of 2025

WEB COPY

petitioner Management to pay a sum of Rs.1,61,09,278/- to the respondent Union members. Aggrieved over the said order, the present Writ petition has been filed by the Management.

3. The learned counsel appearing for the petitioner would submit that the respondent Union raised an industrial dispute before the Industrial Tribunal, Chennai in I.D. No.18 of 2015 by way of charter of demands. Thereafter, both the parties entered into a settlement under Section 18(1) of the Industrial Disputes Act and based on the same, an Award was passed by the Industrial Tribunal, Chennai on 24.10.2019. As per the Settlement, already a sum of Rs.36,53,475/- was settled out of Rs.1,97,62,753/- and the remaining amount of Rs.1,61,09,278/- has to be paid by the Management, based on the performance of the employees, as per the settlement arrived at between the parties. Since there was breach of promise of the settlement by the Union workers, the petitioner Management brought to the notice of the employees through a meeting held on 08.02.2021. The meeting which had enumerated the terms of Section 18(1) settlement, failure of the targets to be achieved as per the settlement, details of the achievements of the employees till 08.02.2021, details of actual targets as achieved by various department,

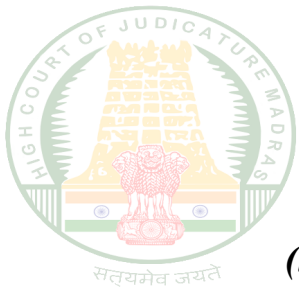


W.P. No.31393 of 2023

WEB COPY

difficulty of payment of salary due to COVID-19, request to adhere to Section 18(1) settlement along with announcement of salary increment for the year 2021. Therefore, the remaining arrears is subject to the achieved targets as per the Settlement. Moreover, the settlement was terminated by the Union through a notice dated 25.11.2021. After termination of the settlement, the respondent once again filed an Execution petition. On that ground also, the execution petition is not maintainable. The respondent Union is not a party to the settlement and thereby, they cannot file execution petition. Therefore, the respondent Union is not entitled to the arrears amount. But the Labour Court without considering the above said aspects, allowed the petition. As per Section 19(2) of the Industrial Disputes Act, notice having been issued on 25.11.2021 and a period of 2 months thereafter having elapsed, the execution petition is not maintainable. Since the settlement itself is not in force, the Award cannot be executed. Therefore, the order passed by the Industrial Tribunal by directing the petitioner to pay the arrears amount of Rs.1,61,09,278/-is liable to be quashed.

3.1. In support of his contention, the learned counsel appearing for the petitioner has relied upon the following judgments:



W.P. No.31393 of 2025

WEB COPY

(i) Tamil Nadu Terminated Full Time Temporary LIC Employees Association vs. Life Insurance Corporation of India & Ors reported in [2015] 5 SCR 806.

(ii) Jai Narain Ram Lundia v. Kedar Nath Khetan and others reported in 1956 AIR SC 359.

(iii) East India Ceramics and others vs. Labour Officer (Conciliation) reported in (2000) III LLJ 1392 Mad.

4. The learned Senior counsel appearing for the respondent would submit that the respondent Union raised an industrial dispute before the Industrial Tribunal as against the Management and thereafter, they were entered into Settlement under Section 18(1) of the Industrial Disputes Act. As per the settlement, the petitioner Management agreed to pay the arrears amount of Rs.1,61,09,278/-. Already a sum of Rs.36,53,475/- was settled out of Rs.1,97,62,753/- and the remaining amount has to be paid by the petitioner Management. The petitioner Management failed to pay the said arrears amount, thereby the respondent Union approached the Industrial Tribunal by way of filing an execution petition. Based on the settlement, the Industrial Tribunal passed an Award, in which, both the petitioner Management and the



W.P. No.31393 of 2025

WEB COPY

respondent Union are parties. Therefore, as per the Award, the petitioner Management is liable to pay the arrears amount payable to the respondent Union. Simply because, the respondent Union is not a party to the settlement, the petitioner Management cannot escape from the liability, since the petitioner Management is a party to the Award. The terms of settlement in respect of achieving targetes is concerned, that is applicable only to the future manufacturing and not for the arrears payable by the petitioner Management for the work already done by the employees. Therefore, the respondent Union members are entitled to the above said arrears amount and the achievement of targets is noway connected to the arrears payable by the Management to the respondent.

4.1. The learned Senior counsel for the respondent would further submit that a notice with respect to the termination of settlement was issued by the respondent Union on 25.11.2021 as per Section 19(2) of the Industrial Disputes Act, the notice period is 2 months. Merely because a notice was issued under Section 19(2) of the Industrial Disputes Act, the settlement does not suffer death and it is in force till the new agreement, by way of settlement, takes place. Moreover, the said period was covered under the COVID-19



W.P. No.31393 of 2025

period. The Award dated 27.11.2019 has to be enforced within a period of one year from the date of Gazette notification. One year lapsed on 26.11.2020. The notice under Section 19(2) of the Industrial Disputes Act was issued on 25.11.2021. The above said period is covered under COVID-19 period. Therefore, unless a fresh settlement replaced the earlier settlement, the earlier Award cannot go automatically as per Section 19(2) of the Industrial Disputes Act. The Industrial Tribunal, after considering all these aspects, allowed the petition by holding that the Union is a party to the Award, thereby, the Award can be executed by the Union. Though settlement was terminated, it was prior to the date of execution of Award and the terms of achieving targets is noway connected to the arrears amount, which is for the work already done by the workman. Therefore, the above said order passed by the Industrial Tribunal is in order and the present Writ petition is liable to be dismissed.

4.2. In support of his contention, the learned Senior Counsel appearing for the respondent has relied upon the judgment in ***Life Insurance Corporation of India vs. D.J. Bahadur and others reported in (1981) 1 Supreme Court Cases 315.***



W.P. No.31393 of 2025

WEB COPY

5. Heard both sides and perused the entire materials available on record.

6. In this case, there is no dispute that earlier an Award was passed in I.D. No.18 of 2015. Based on the settlement between the parties under Section 18(1) of the Industrial Disputes Act, the arrears amount payable by the petitioner Management would come to Rs.1,97,62,753/-. At the time of settlement, the Management paid a sum of Rs.36,53,475/-to the Union and the remaining arrears amount of Rs.1,61,09,278/- has to be paid by the Management. It is an admitted fact that the above said of Rs.1,61,09,278/- has not been paid to the workmen by the Management as per the settlement of Award.

7. According to the Writ petitioner, the employees breached the conditions of settlement in respect of achieving the targets, thereby, the Management need not pay the arrears amount. Since the arrears amount is pertaining to the work already done by the workmen, the petitioner Management cannot have such plea and a part of arrears amount was already



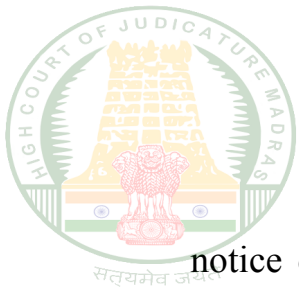
W.P. No.31393 of 2025

WEB COPY

paid. While so, it is the duty of the petitioner to pay the arrears amount. The terms of Settlement for achieving the targets is in respect of future work and not for the past work done by the employees. Therefore, the petitioner Management is liable to pay the said remaining arrears amount. In this context, the Tribunal also elaborately discussed and came to a fair conclusion.

8. As far as the maintainability plea raised by the petitioner that the respondent Union is not a party to the Settlement and thereby, they cannot file execution petition, is concerned, it is true that the respondent Union is not a party to the Settlement. However, based on the settlement, an Award was passed by the Industrial Tribunal in I.D. No.18 of 2015, where the respondent Union and the petitioner Management are the parties. Therefore, the parties have to obey the Award passed by the Tribunal. Since the Union is a party to the Industrial Dispute, now they can very well maintain the Execution petition. Therefore, the arguments of the learned counsel appearing for the petitioner in that regard is not acceptable and the petition is very well maintainable by the respondent Union.

9. The next contention raised by the learned counsel appearing for the petitioner is that the respondent Union terminated the Settlement by way of



W.P. No.31393 of 2025

notice dated 25.11.2021 and thereafter, filed the petition and therefore, the petition is not maintainable. The Award was passed on 27.11.2019 and the same become enforceable on expiry of 30 days from the date of the Award i.e., 27.12.2019 and the Award could be enforced for a period of one year from 27.12.2019. But the respondent Union filed the Execution petition only on 30.09.2021. The Award could be enforced till 27.12.2020. However, due to COVID-19 Pandemic, the Hon'ble Supreme Court excluded the limitation from 15.03.2020 to 28.02.2022. Therefore, the contention of the petitioner that the petition is barred by limitation is not acceptable.

10. At this juncture, it is relevant to refer the judgment relied upon by the learned Senior counsel appearing for the respondent in ***Life Insurance Corporation of India vs. D.J. Bahadur and others reported in (1981) 1 Supreme Court Cases 315***, wherein the Hon'ble Supreme Court in Para Nos.45 and 47 held as follows;-

"45. The catena of cases we have briefly catalogued discloses an unbroken stream of case-law binding on this Court, the ratio whereof, even otherwise, commends itself to us. The award or settlement under the ID Act replaces the earlier contract of service and is given plenary effect as between the parties. It is not a case of the earlier contract being kept under suspended animation but suffering supersession. Once the earlier contract is extinguished and fresh conditions of service are created by the award or the settlement, the inevitable consequence is that even though the period of operation and



WEB COPY

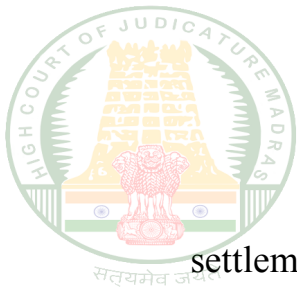


W.P. No.31393 of 2025

the span of binding force expire, on the notice to terminate the contract being given, the said contract continues to govern the relations between the parties until a new agreement by way of settlement or statutory contract by the force of an award takes its place. If notice had not been given, the door for raising an industrial dispute and fresh conditions of service would not have been legally open. With action under Section 9-A, Section 19(2) or (6), the door is ajar for disputes being raised and resolved. This, in short, is the legal effect not the lethal effect of invitation to industrial trial of strength with no contract of service or reversion to an obsolete and long ago 'dead' contract of service.

47. At this stage I may record my firm conclusion that for the reasons already given the settlement under the ID Act does not suffer death merely because of the notice issued under 19(2). All that is done is a notice "intimating its intention to terminate the Award". The award even if it ceases to be operative qua award, continues qua contract. Therefore, if the ID Act regulates the jural relations between the LIC and its employees -- an 'if' we will presently scan __ then the rights under the Settlements of 1974 remain until replaced by a later award or settlement".

11. On a careful perusal of the above said judgment, it is clear that the settlement under Industrial Disputes Act does not suffer death. Merely because notice was issued under Section 19(2) of the Industrial Disputes Act and the same is intimating its intention to terminate the Award and the Award even if it ceases to be operative qua award, continues qua contract. It is clear that once the earlier contract is extinguished and fresh conditions of service are created by the award or the settlement, the inevitable consequence is that even though the period of operation and the span of binding force expire, on the notice to terminate the contract being given, the said contract continues to govern the relations between the parties until a new agreement by way of



W.P. No.31393 of 2025

settlement or statutory contract by the force of an award takes its place.

WEB COPY

12. In the case on hand also, though the termination notice of Settlement was issued by the respondent Union, until a new agreement or settlement by the force of an Award takes place, it continues to cover the relationship between the parties. Therefore, the Award, which has been in force, is executable.

13. The learned counsel appearing for the petitioner would submit that the Award is not executable since it is a peacemeal execution and the same is impermissible under law. He has also relied upon the following judgment in support of his contention:

(i) Jai Narain Ram Lundia v. Kedar Nath Khetan and others reported in 1956 AIR SC 359.

On a careful perusal of the above judgment, it will not be applicable to the present facts of the case, because in that case, an execution in respect of the decree for specific performance of contract. In this case, as per the Award, a quantum of amount was already paid in part and the remaining arrears amount have to be paid by the Management.



W.P. No.31393 of 2025

WEB COPY

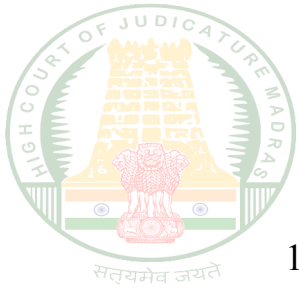
Further, the learned counsel appearing for the petitioner has relied upon the following judgment:

(ii) Tamil Nadu Terminated Full Time Temporary LIC Employees Association vs. Life Insurance Corporation of India & Ors reported in [2015] 5 SCR 806.

On a careful perusal of the above judgments, they will not be applicable to the present facts of the case.

In this case, the execution petition was filed by the respondent Union, who is a party in the Award and the arrears mentioned in the settlement is not pertaining to the future work to fix a target and that is for the work done by the workmen in the past and the settlement is executable and the execution petition was filed within a time. Therefore, the order passed by the Industrial Tribunal allowing the execution petition to pay the arrears amount is in order and it does not warrant interference.

14. In view of the above discussions, this Court is of the opinion that the Writ petition has no merits and deserves to be dismissed.



W.P. No.31393 of 2025

15. Accordingly, the Writ petition is dismissed. There shall be no order as to costs. Consequently, the connected miscellaneous petition is closed.

07.07.2025

Index : Yes/No
Speaking order/non-speaking order
mjs

To

1. The Presiding Officer,
Industrial Tribunal,
Madras - 600 104.

2. The Section Officer,
V.R. Section,
High Court,
Madras-104.

P. DHANABAL, J.,

mjs



WEB COPY



W.P. No.31393 of 2025

W.P. No.31393 of 2023

07.07.2025