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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 09.09.2025

CORAM:

**THE HONOURABLE MR.JUSTICE C.V.KARTHIKEYAN
and
THE HON'BLE MR.JUSTICE R.VIJAYAKUMAR**

**W.A(MD)No.171 of 2020
and
C.M.P(MD)No.1200 of 2020**

The Managing Director,
Karur Agricultural Producers
Co-operative Marketing Society Sangam Ltd.,
Jawahar Bazaar,
Karur-639 001,
Karur District.

... Appellant/Petitioner

Vs

1.The Presiding Officer,
Labour Court,
District Court Campus,
Cantonment,
Trichy-01.

2.K.Kathirvelu

... Respondents/Respondents

PRAYER: Writ Appeal filed under Clause 15 of Letters Patent, to set aside the order dated 07.12.2018 made in W.P(MD)No.3302 of 2018.



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For Appellant : Mr.P.R.Prithviraj
For R2 : Mr.C.Lakshmanan
for Mr.V.Muthukamatci

JUDGMENT

(Judgment of the Court was made by R.VIJAYAKUMAR,J.)

The writ petitioner in W.P(MD)No.3302 of 2018 has filed the present writ appeal challenging the order of the writ Court dated 07.12.2018, wherein, the Writ Court has confirmed the order passed by the Labour Court, Trichirappalli in Claim petition No.10 of 2015.

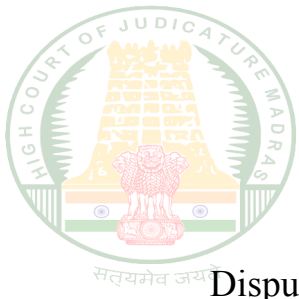
2. The second respondent herein, who was employed as a Manager of the appellant Co-operative Society, was dismissed from service in the year 2011. As against the order of dismissal, independent proceedings have been initiated and they are pending. The second respondent has also suffered an order under Section 87 of the Tamil Nadu Co-operative Societies Act. Challenging the same, he had preferred C.R.P(MD)No.2299 of 2024 before this Court and the same is pending.



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3. In the meanwhile, the second respondent herein has filed C.P.No.10 of 2015 before the Labour Court, Trichirappalli claiming arrears of wages arising out of a settlement under Section 18(1) of the Industrial Dispute Act, 1947 for the period covering from 01.04.2005 to 31.08.2008 to a sum of Rs.1,58,734/-. The said application was resisted by the Management on the ground that the second respondent being employed in the Managerial or Administrative capacity cannot be considered as a workmen under Section 2(s) of the Industrial Disputes Act. It was further contended that the settlement that was reached on 26.07.1997 with effect from 01.04.2005 was not given effect to, not only in respect of the petitioner, but also in respect of all the other employees of the appellant society.

4. The Labour Court after considering the submission made on either side, arrived at a finding that through the designation of the second respondent was Manager, his job profile would strictly fall within Section 2(s) of the Industrial Disputes Act. The Labour Court further found that the settlement having been arrived at between the Management and the employees under Section 18(1) of the Industrial



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Disputes Act, is binding upon the society and the society is liable to disburse the arrears of salary to the employee.

5. Challenging the same, the management preferred a writ petition in W.P(MD)No.3302 of 2018 only on the ground that due to financial difficulties, the management was not in a position to disburse the arrears of salary based on 18(1) settlement. The Writ Court had found that financial circumstances cannot be a defence for resisting the claim under Section 33(c)(2) of the Industrial Disputes Act, 1947. Challenging the same, the present writ appeal has been filed.

6. The learned counsel for the appellant/management submitted that the second respondent herein had suffered an order under Section 87 of the Tamil Nadu Co-operative Societies Act to the tune of Rs.28,00,000/- and the said sum is yet to be recovered. He further submitted that the second respondent had been dismissed from service in the year 2011 due to misappropriation of the society funds. In such circumstances, the disbursal of the amount as directed by the Labour Court in C.P.No.10 of 2015 would cause great prejudice to the society.



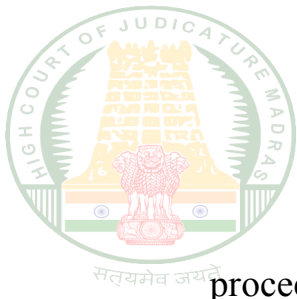
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7. Per contra, the learned counsel for the second respondent would submit that the disciplinary proceedings as well as the surcharge proceedings are independent in nature and for the said reason, the rights of the second respondent to receive the arrears of salary as per the 18(1) settlement cannot be curtailed.

8. We have considered the submissions made on either side and perused the materials available on record.

9. A perusal of the order passed by the writ Court reveals that the Society has categorically admitted that the settlement arrived under Section 18(1) of the Co-operative Societies Act is binding upon the society and the society is liable to disburse the arrears of salary to the employee. A perusal of the 18(1) settlement also reveals that the post of Manager falls within the purview of the 18(1) settlement and in such circumstances, it is a futile exercise on the part of the society to contend that the post of Manager does not fall within the definition of workman.

10. As rightly pointed out by the learned counsel for the second respondent the surcharge proceedings as well as the disciplinary



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proceedings are independent proceedings and it is for the society to work out their remedy in a manner known to law. Therefore, we do not find any infirmity in the order of the writ Court and hence the writ appeal stands dismissed. The appellant/society shall disburse the arrears of salary to the second respondent on or before 31.03.2026.

11. Accordingly, the writ appeal is dismissed. No costs.
Consequently, connected miscellaneous petitions are closed.

(C.V.K., J.) (R.V., J.)
09.09.2025

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C.V.KARTHIKEYAN, J.
and
R.VIJAYAKUMAR, J.

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ORDER MADE IN
W.A(MD)No.171 of 2020

09.09.2025