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W.P.No.3650 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Orders reserved on : 10.02.2026

Orders pronounced on : **24.02.2026**

CORAM :

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.No.3650 of 2024

and W.M.P.Nos.21159, 3938, 3940 of 2024, 1855 of 2025 and 2514 of 2026

The Management,
Adecco India (Pvt) ltd.,
Registered address at:
Brigade Metropolis, B-9, 13th Floor,
ITPL Main Road Garudachar Palya,
Mahadevpura, Bengaluru,
Bangalore KA – 560 048,
2nd Floor, No.47, Monteith Lane,
Egmore, Chennai – 600 008.

Old Address:

The Management,
Adecco India (Pvt) Ltd.,
Lanco House, 1st Floor,
No.25, G.N.Chetty Road,
T.Nagar, Chennai – 600 017.

.. Petitioner

Versus

1. K.Prabhu,
2. UTE DES ALADORA CHENNAI O & M,
Kattupalli, Minjur,
Chennai – 600 120.

.. Respondents



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Prayer : Writ Petition filed under Article 226 of the Constitution of India seeking a Writ of Certiorari, to call for the records connected with the case I.D.No.102 of 2018 before the I Additional Labour Court, Chennai and C.P.No.41 of 2022 before the III Additional Labour Court, Chennai and quash the impugned order, dated 06.02.2020 and subsequent impugned order, dated 28.02.2023 as highly arbitrary, illegal and unconstitutional.

For Petitioner : Mr.S.Ravi, Senior Counsel,
for Mrs.G.Prathista Reddy,
for M/s.King Stubb & Kasiva

For Respondent : Mr.Balan Haridoss,
Senior Counsel,
for Mr.J.Muthukumaran, for R1

: Not ready in notice for R2

ORDER

A. The petition :

This Writ Petition is filed for Certiorari, calling for the records relating to the award, dated 06.02.2020 passed in I.D.No.102 of 2018 on the file of the I Additional Labour Court, Chennai, and the order, dated 28.02.2023 passed in C.P.No.41 of 2022 on the file of the III Additional Labour Court, Chennai, and to quash the same.



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B. The factual background :

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2. The brief facts leading to the filing of the Writ Petition are that the first respondent, namely, *K.Prabhu* (hereinafter referred to as ‘the workman’), claiming to be a workman under the petitioner, namely, the Management of ADECCO India Private Limited (hereinafter referred to as ‘ADECCO’), and the second respondent, namely, UTE DES ALADORA Chennai (O & M), (hereinafter referred to as ‘UTE DES’) raised a dispute, stating that he was employed by the respondents and was illegally terminated. Upon conciliation failing to yield a settlement, a failure report was recorded, and thereafter, the workman filed a claim statement under Section 2A(2) of the Industrial Disputes Act, 1947 (hereinafter referred to as ‘the Act’), which was taken on file under I.D.No.102 of 2018. ADECCO and UTE DES were arrayed as respondent Nos.1 and 2 in the claim petition. The following prayer was made:

“7. Under the above circumstances, it is respectfully prayed that this Hon’ble Tribunal may be pleased to pass an Award holding that the termination of the petitioner is unjustified, illegal and direct the respondent to reinstate the petitioner’s service with full back wages with continuity of service and all other attendant benefits and pass such further or other orders as this Hon’ble Court may deem fit and proper thus render justice.”



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2.1. In the claim petition, UTE DES filed a counter-statement that they are a foreign company. They were executing a contract at the project site. They did not engage employees directly. They entered into an arrangement with ADECCO. ADECCO would supply the manpower. As and when the requirement ceased, they would send the employee back to ADECCO. The wages were paid only by ADECCO. On 27.07.2017, they informed ADECCO that the services of the workman were no longer required. He was taken back. Thereafter, whether he was re-employed or terminated is not their concern. As per the agreement between them and ADECCO, all the labour law requirements have to be complied with only by ADECCO. They are not liable for the claims of the workman.

2.2. No counter-statement was filed by ADECCO. On the basis of the pleadings, the matter was taken up for trial. The workman was examined as *W.W.1*, and *Ex.W-1* to *Ex.W-9* were marked. UTE DES examined one *J.Anand Jebasingh* as *M.W.1* and *Ex.M-1* to *Ex.M-3* were marked. *W.W.1* was also cross-examined by ADECCO. The Labour Court found that, although, initially, a contract was entered into between the workman and the management for the period 2014-2015, he was continued thereafter. When he was non-employed in the year 2017, even if



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the management's plea that the work no longer existed is correct, the workman ought not to have been terminated from service without following the procedure under Section 25F of the Act. The termination of the workman is illegal. There was no real contract, so that the workman could be termed a contract labourer, and the entire arrangement is sham and nominal, as the workman was directly employed with UTE DES, and there was no pleading with reference to the actual control of the workman. Therefore, the workman was ordered to be reinstated with back wages. The Labour Court granted the relief generally in respect of both ADECCO and UTE DES, and the operative portion of the award of the Labour Court, as contained after para 12, is extracted hereunder:

“In the result, it is concluded that the order of termination made by the respondent is set aside. The respondents are directed to reinstate the petitioner with continuity of service and to pay 50% back wages and all other attendant benefits from the date of termination of service to the date of reinstatement. No costs.”

2.3. Thereafter, the workman was neither reinstated nor paid any back wages. He filed C.P.No.41 of 2021. In the computation proceedings, ADECCO contended that, since the Labour Court had found that the workman is an employee of UTE DES, the petition cannot be maintained against ADECCO. The Labour Court rejected the said contention and held



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that it will go only as per the award passed in the Industrial Dispute. The award imposed liability on both the managements; therefore, the computation petition was also allowed as against both the respondents. Thus, ADECCO filed the present Writ Petition challenging both the award in the Industrial Dispute as well as the award in the computation petition.

2.4. Pending the Writ Petition, an application was filed under Section 17B of the Act and the same was ordered, pursuant to which, ADECCO has been paying the last drawn wages. In September 2025, they offered employment to the workman in lieu of 17B wages, requesting him to work as a technician under M/s.Tata Electronics. It is stated that the workman refused the same. Subsequently, they also requested the workman to go and work with Airtel, with whom they had a similar contract, which the workman did not comply with. Therefore, they also filed W.M.P.No.2514 of 2026 to recall the order directing payment of the 17B wages. Under the said circumstances, the main Writ Petition as well as the miscellaneous petition were heard together.



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C. The arguments :

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3. *Mr.S.Ravi*, the learned Senior Counsel for ADECCO, would contend that even though the Labour Court found the contract labour arrangement to be sham and nominal and that the workman was actually employed by UTE DES, the operative portion still erroneously imposes liability on ADECCO. ADECCO is nothing but a manpower provider. It does not have any job or activity of its own; it only provides manpower as per clients' requirements. The arrangement entered into between the parties was also brought on record by way of *Ex.M-1*. It can be seen that when the arrangement is only the provision of manpower, in the light of the findings of the Labour Court, the liability can only be on UTE DES.

3.1. Alternatively, even if the Workman pleads that he is an employee of ADECCO, then it can be seen that the terms of employment are as per *Ex.M-1*. *Ex.M-1* clearly makes the engagement a contract engagement for the specific period, and it also makes the employment co-terminous with the project. Therefore, if the termination is on either of the instances namely, upon expiry of the contract of employment between the workman and ADECCO or upon the expiry of the co-terminous project, the case squarely falls within Section 2(oo)(bb) of the Act. The



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termination of the workman cannot be termed as retrenchment and hence was not illegal or violative of Section 25F of the Act.

3.2. In this regard, the learned Senior Counsel would point out to the evidence of the *W.W.1* himself, wherein, he admitted that he initially walked into the offices of the UTI DES and it is they who referred him to ADECCO for formal employment. The evidence of *M.W.1* would also establish the non-requirement of the services of the workman. Therefore, even though the renewal letters were not issued pursuant to *Ex.M-1*, upon the expiry of the date of contract, it must still be deemed that the contract of employment is on the same terms as *Ex.M-1*. The project of UTE DES got over and the employment being co-terminus, cannot be deemed to be retrenchment.

3.3. He further made submissions that the workman is not entitled for the last drawn wages from the month of September 2025.

3.4. Per *contra*, *Mr.Balan Haridoss*, learned Senior Counsel for the workman, would submit that initially the workman was engaged as per *Ex.M-1*, but, neither the co-terminous project was completed nor was the



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employee disengaged upon the expiry of the contract. Therefore, the said clauses under *Ex.M-1* can no longer be relied upon by the management. The workman continued even after 2015, and he was suddenly terminated from service in 2017. The provisions of 25F of the Act were not followed.

3.5. Secondly, the learned Senior Counsel would submit that the offer of employment was made only by ADECCO. The termination order was also made only by ADECCO. The claim petition's prayer itself is to render the termination illegal and to grant reinstatement. The workman's claim pertains very much to ADECCO. Even before the Labour Court, relief was granted against both ADECCO and UTE DES, but, the relief was restricted only to ADECCO. Therefore, the claim of the petitioner in the Writ Petition is without any merit and is liable to be rejected.

D. The points :

4. The following arise for consideration:

(i) Can the workman claim that he is only under ADECCO?

(ii) If so, would the termination fall within the exception under Section 2(oo)(bb) of the ID Act?

(iii) To what relief are the parties entitled?



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E. On point No.i :

5. UTE DES pleaded that it is not the employer. *M.W.I*'s evidence states that wages were paid only by ADECCO. The appointment order was issued by ADECCO. ADECCO did not file any counter-statement, nor was it its case during the cross-examination of the workman that the workman was only the employee of UTE DES. Under the circumstances, when the workman himself pleads that he will restrict the claim only in respect of ADECCO, and in the absence of any pleading or evidence on behalf of ADECCO that it never employed the workman, the plea now taken is nothing but a mere convenience to approbate and reprobate, merely because UTE DES has closed shop and gone away. When relief was claimed against ADECCO, it never chose to deny the employer-employee relationship. Accordingly, the point No.1 is answered in the affirmative, i.e., the workman is employed by ADECCO.

F. On point No.ii :

6. The alternative contention is that the case will fall within Section 2(o)(bb) of the Act. It must be noted that the express written contract was in effect only through 2015 as per the appointment order.



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Admittedly, thereafter, the workman continued in service beyond the contract period. The contract was not renewed. He was, thereafter, neither informed that it was for a fixed term nor given any express intimation that it was co-terminus with the UTE DES project. Thus, in the absence of the same, it cannot be stated that he was employed under a time-bound contract, nor will the original clause in the appointment order stating that the employment is co-terminus with the project survive. In such a case, the termination would be retrenchment. The failure to grant compensation would be a violation of Section 25F of the Act.

6.1. Useful reference, in this regard, can be made to the judgment of the Hon'ble Supreme Court of India in ***S.M.Nilajkar and Ors. Vs. Telecom District Manager, Karnataka***¹, more specifically, to paragraph Nos.14 and 16 of the said judgment. There is absolutely no evidence adduced by ADECCO that, even after the initial period of appointment had ended, the workman was put on notice that his employment was still co-terminus with the project. The point is answered that the termination will not fall within the exception of Section 2(o)(bb) of the Act and would amount to retrenchment, and since there is a violation

¹ (2003) 4 SCC 27



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of Section 25F of the Act, the termination is illegal.

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G. On point No.iii :

7. Admittedly, as on today, ADECCO does not have its own site of employment. It is noted that earlier, the workman was offered to report to third parties' sites. The workman did not comply. Now, the Learned Senior Counsel would fairly submit that it would be difficult to put the workman on duty. The learned Senior Counsel for the workman is also not averse to compensation being ordered in lieu of reinstatement with back wages. 17B wages so far paid shall be taken as full and final settlement of all claims of back wages. In lieu of reinstatement, in the facts of this case, compensation is ordered. As per the dictum of the Hon'ble Supreme Court of India in the case of *O.P.Bhandari Vs. Indian Tourism Development Corporation Limited and Ors.*² and the subsequent judgments requiring the Court to consider about the future increments also, taking into account the last drawn wages into 39, the compensation has arrived as Rs.22,000/- x 39 = Rs.8,58,000/-. Further, it must be seen that the above formula was arrived at by considering that full amount is deposited in the bank account, the workman should be in a position to receive interest, commensurate

² (1986) 4 SCC 337



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with the last drawn wages. But, the fact remains that now, with the change of bank interest rate, the interest receivable will be very less. Similarly, the Hon'ble Supreme Court of India had also directed to take into consideration the increase in wages, if any, that would have received by the management and to provide adequate leeway in respect of the same amount. In view thereof, I am of the view that by providing adequate increase and considering totality of the circumstances, including period of employment, period of non-employment, age of the petitioner, the manner in which he was employed and circumstances of non-employment, it would be just and fair that a total sum of Rs.12,00,000/- is ordered to be paid as compensation to the workman. The same shall be disbursed within a period of 8 weeks from the date of receipt of the web copy of the order, failing which, the same would further carry interest at the rate of 9% per annum.

H. The Result :

8. The Writ Petition is disposed of on the following terms:-

(i) The award, dated 06.02.2020 passed in I.D.No.102 of 2018 on the file of the I Additional Labour Court, Chennai, is modified as follows :



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(a) The termination of service of the workman by ADECCO is

illegal;

(b) The wages so far paid pending the Writ Petition as per Section 17B of the Act be considered as full quit towards all claims of back wages;

(c) In lieu of reinstatement, ADECCO shall pay a sum of Rs.12,00,000/- as compensation to the workman;

(d) The sum shall be paid within a period of 8 weeks from the date of receipt of the web copy of the order, failing which, it would carry interest at the rate of 9% per annum from today till disbursement;

(ii) The order, dated 28.02.2023 in C.P.No.41 of 2022 on the file of the III Additional Labour Court, Chennai shall stand set aside.

(iii) There shall be no order as to costs. Consequently, connected miscellaneous petitions stand closed.

24.02.2026

Neutral Citation : yes
grs

To

1. The I Additional Labour Court,
Chennai.



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2. The III Additional Labour Court,
Chennai.

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D.BHARATHA CHAKRAVARTHY, J.

grs

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