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W.P.Nos.33145 and 33147 of 2019

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 24.03.2026

Pronounced on : 30.03.2026

CORAM

THE HON'BLE MR.JUSTICE T.VINOD KUMAR

**W.P.Nos.33145 & 33147 of 2019
and WMP.Nos.33585 and 33586 of 2019**

WP.No.33145 of 2019

The Management of Lakshmi Mills Company Ltd,
686, Avinashi Road,
Pappanaickenpalayam, Coimbatore – 641 037,
Rep. by its Vice President – Operations

.... Petitioner (s)

Vs.

1. K.Palani (Deceased),
S/o. M.Kanthasamy,
14, Sabapathi Muthaliar Street,
Madapuram, Thiruvavur – 610 002.
2. A.Ranganathan
S/o. N.Arokisasamy,
5/48, Amman Colony,
Narasimmapuram, Kuniamuthur Post,
Coimbatore -8.
3. R.Umapathy
S/o. Rajagopal,
106, Ram Lakmana Nagar,
Sowripalayam, Coimbatore-28.



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- 4.O.Vijayakumar (Deceased)
S/o. Ondi Veerchamy.K.
5/144C, Rajiv Gandhi Nagar,
Iyappan Kovil Back Side,
Karamadai Road, Mettupalayam,
Coimbatore – 641 301.
- 5.S.Dhanasekaran
S/o. Shanmugam, 126,
Thirumurugan Nagar,
Veeriyamapalayam via, Kalapatti Post,
Coimbatore-48.
- 6.Kavitha
W/o. Late Mr.K.Palani,
25/65, Subaiya Layout,
Coimbatore South, Ramanathapuram,
Coimbatore – 641 045.
- 7.Vetrivel Kp,
S/o. Late K.Palani,
25/65, Subaiya Layout,
Coimbatore South, Ramanathapuram,
Coimbatore – 641 045.
- 8.Rajashree P,
D/o. Late K.Palani
Rep. by her mother Kavitha
R-6 as Guardian, 25/65, Subaiya Layout,
Coimbatore South, Ramanathapuram,
Coimbatore – 641 045.
- 9.Rajeshwari Kandasami,
M/o. Late K.Palani,
25/65, Subaiya Layout,
Coimbatore South, Ramanathapuram,
Coimbatore – 641 045.



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(R6 to R9 are substituted as LR's of deceased R1 vide order
Dated 25.11.2025 made in WMP.No.39107/2025 in
WP.No.33145/2019 by NMJ)

10.Mrs.Kousalya,
W/o. Late Mr.O.Vijayakumar,
5/552-c, Rajiv Gandhi Nagar,
Ayyappan Kovil Backside,
Sikkadasampalayam, Karamadai Road,
Mettupalayam, Coimbatore – 641 301.

11.Ragul,
S/o. Late Mr.O.Vijayakumar,
5/552-c, Rajiv Gandhi Nagar,
Ayyappan Kovil Backside,
Sikkadasampalayam, Karamadai Road,
Mettupalayam, Coimbatore – 641 301.

12.Ondiveerasamy,
F/o. Late Mr.O.Vijayakumar,
5/552-c, Rajiv Gandhi Nagar,
Ayyappan Kovil Backside,
Sikkadasampalayam, Karamadai Road,
Mettupalayam, Coimbatore – 641 301.

13.Pushpavathi
M/o. Late Mr.O.Vijayakumar,
5/552-c, Rajiv Gandhi Nagar,
Ayyappan Kovil Backside,
Sikkadasampalayam, Karamadai Road,
Mettupalayam, Coimbatore – 641 301.

(R10 to R13 are substituted as LR's of deceased
R4 vide order dated 25.11.2025 made in WMP.No.
47454/2025 in WP.No.33145/2019 by NMJ)

...Respondent (s)



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W.P.No.33147 of 2019

The Management of Lakshmi Mills Company Ltd,
686, Avinashi Road,
Pappanaickenpalayam, Coimbatore – 641 037,
Rep. by its Vice President – Operations

.... Petitioner(s)

Vs.

1. M.Preethi

W/o. Manoharan (Late),
3B, Anna Nagar, Peelamedu,
Coimbatore – 641 004.

2. M.Kaliahnath

S/o. Manoharan (Late)
3B, Anna Nagar, Peelamedu,
Coimbatore – 641 004.

3. S.Lakshmi

W/o. Mathavan (Late),
3B, Anna Nagar, Peelamedu,
Coimbatore – 641 004.

... Respondent(s)

Prayer in WP.No.33145 of 2019: Writ Petition filed under Article 226 of Constitution of India, praying to issue a Writ of Certiorari calling for the records of the Principal Labour Court, Coimbatore in I.D.Nos.108, 104 to 107 of 2010 and quash its Award dated 05.01.2019.

Prayer in WP.No.33147 of 2019: Writ Petition filed under Article 226 of Constitution of India, praying to issue a Writ of Certiorari calling for the records of the Principal Labour Court, Coimbatore in I.D.No.109, of 2010 and quash its Award dated 05.01.2019.



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For Petitioner: Ms.Keerthana for
Mr.G.Anandakrishnan for
M/s. Agm Legal

For Respondents : Mr. Chandrashekar for Ms.V.Porkodi for
Mr.R.Krishnasamy for respondents
Mr.L.S.M.Hasan Fizal
Additional Government Pleader
For Deputy Commissioner of Labour

COMMON ORDER

Since both the Writ Petitions raise common issue, they are heard together and are being disposed of by this common order.

2. Heard the learned counsel for the petitioner and the learned counsel for the respondents and perused the records.

3. For ease of reference, the facts as stated in W.P.No.33145 of 2019 are being referred to.

4.The petitioner herein is the respondent in I.D.Nos.104 to 108 of 2010 before the Principal Labour Court, Coimbatore, while respondents 1 to 5 herein are the petitioners in their respective I.Ds.

5/23



5. The parties are referred to as per their position in the present writ petition.

6. The petitioner herein is aggrieved by the order dated 05.01.2019 passed by the Principal Labour Court, Coimbatore, whereby the Court had allowed the IDs preferred by the respondents herein by setting aside the orders of their compulsory relieving from the service of the petitioner and directed the petitioner to reinstate the respondents into the service with continuity of service, 50% of backwages and attendant benefits within two months from the date of coming into force of the award.

7. Briefly put the case of the petitioner is that it is a cotton Mill having Units at Pappanaickenpalayam, Palladam and Kovilpatti; that the present Industrial Dispute relates to its unit at Pappanaickenpalayam; that the said unit was its oldest unit having a capacity of 70,000 spindles and 440 looms and 1500 employees; that around the year 2000, on account of various factors like escalation of raw material costs, increase of yarn prices, power crisis, the manufacturing cost went up drastically and the petitioner unit begun to incur losses resulting in a reduction in number of employees from 1500 to 400 workers and 46 staff on its rolls.



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8. It is the further case of the petitioner that the position became so precarious that it had to stop its operation at Pappanaickenpalayam unit from January 2009; that taking note of the impending situation, it had exhibited a notice on 27.01.2008 about prevailing situation in the factory and gave an option to all the employees including staff to take up employment with its other units at Palladam or Kovilpatti; that 55 workers and some of the staff expressed their willingness to work at Palladam and Kovilpatti units of the petitioner and accordingly, they were transferred to those units and some of the workers and staff members who were transferred pursuant to the option exercised by them are working even today.

9. Petitioner further contended that insofar as the other workers who did not choose to exercise the option to work in its other units, the petitioner had announced a Voluntarily Separation Scheme and most of the remaining workmen opted for VRS, received full and final settlement and brought an end to their employment with the petitioner; and that thereafter, the petitioner mill/ unit was stopped in all its entirety.



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10. It is the further case of the petitioner that since, the respondents herein did not opt for being transferred to its other units and also did not avail the VRS scheme and inasmuch as the factory where they were working earlier was not functioning, the petitioner could not provide employment and hence, deployed them to work at its Head Office which is also situated within Coimbatore.

11. Petitioner contended that after some time, as it was unable to provide the respondents with work nor able to accommodate them in its office, they were asked to report at its unit at Palladam or Kovilpatti; that the respondents did not accede to the same; and that in these circumstances, the respondents were relieved from service.

12. Petitioner contended that aggrieved by the aforesaid relieving, the respondents herein have initially raised an Industrial Dispute before the Labour Court, Coimbatore; and that the Labour Court, by the impugned award, while setting aside the relieving order passed by the petitioner herein, had directed that the respondents be reinstated into service and also to pay backwages; that the aforesaid direction of the Labour Court is without taking into consideration that the



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unit at which the respondents were working does not exist; that the Labour Court did not take into consideration that the operations at the petitioner's unit had been stopped a decade prior to the passing of the orders and as such, the respondents cannot be re-employed in a non-existing unit.

13. On behalf of the petitioner, it is further contended that the Labour Court failed to consider the documents produced and marked on behalf of the petitioner filed in relation to the closure of the unit before the statutory authorities; and thus, the impugned award is vitiated by errors of law and jurisdiction and is liable to be quashed.

14. On behalf of the petitioner, it is also contended that the petitioner is in possession of further documents and filings before the statutory authority which would show that the operations at its unit in Pappanaickenpalayam have been closed; and that the unit is not in operation; and that if the aforesaid documents are allowed to be placed on record and examined, the fact of non-existence of the petitioner unit would be borne out.



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15. Petitioner also contended that, if the respondents are willing to join and work at any of its other units, the petitioner would allow them to join even today, as offered to them earlier.

16. Contending as above, the learned counsel for the petitioner seeks for setting aside the impugned award of the Labour Court.

17. On behalf of the respondents, it is contended that the petitioner's unit was running in profits and was engaged in cotton manufacturing business; that about 600 workers and staff were working under the petitioner; that the petitioner, *vide* letter dated 22.05.2007, had informed the respondents that they were going to stop all the employees from coming to unit/Mill and would relieve them on 30.05.2007 and asked them to settle their accounts; and that the petitioner management had suddenly relieved them without prior notice; and that on being enquired with the petitioner management, they were told that they would be provided alternate employment in other units such as Palladam and Kovilpatti; that the respondents approached the officials of the petitioner Mills several times, but were denied employment; that the petitioner cunningly cheated the respondents herein and others and compulsorily relieved them from service when the petitioner



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Mill was functioning profitably; and that since the petitioner was functioning profitably, there was no necessity for them to relieve the respondents and other staff members from service with false reasons.

18. On behalf of the respondents, it is further contended that if only the petitioner intended to close the unit, they should have filed an application to the Government and obtained approval from the Government; that the petitioner, instead of following the said procedure, acted on its own and discharged the respondents; and that neither an enquiry was conducted nor prior notice was issued to the respondents; and that no incident occurred for the petitioner to stop the functioning/running of the Mill and to retrench the workers and trying to compulsorily remove them.

19. On behalf of the respondents, it is also contended that since the aforesaid action of the petitioner was contrary to law, they had filed a petition under Section 2 (A) (1) before the Labour Officer, Coimbatore for which the petitioner had filed remarks with false averments; and that as the conciliation proceedings failed and the petitioner having relieved the respondents from service compulsorily, the respondents were left without employment and were made to suffer.



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20. On behalf of the respondents, it is further contended that the Labour Court, by considering the evidence that has been let in on their behalf as well as on behalf of the petitioner, had passed the award setting aside order of their compulsory relieving from service of the petitioner and directed the petitioner herein to reinstate them into service with continuity of service, 50% of backwages with attendant benefits and as such, the impugned order does not call for any interference or cannot be said to suffer from any error in law.

21. Contending as above the respondents seek for dismissal of the writ petitions.

22. I have taken note of the respective contentions as urged.

23. While it is the specific case of the respondents that, the petitioner had though promised to provide them alternate employment at its other units situated in Palladam and Kovilpatti, on the respondents approaching the officials of the petitioner, who instead of providing employment at their other units, had wrongly issued them relieving orders, the petitioner on the other hand contended that they



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were always ready and willing to accommodate the employees who had opted to work at its other units and as a matter of fact 55 workers and other staffs had joined at its other units.

24. The aforesaid incident of the petitioner offering to accommodate the workers at its other units and the respondents claiming that they were not being accommodated at the petitioner's other units relates to the year 2009. Though the respondents had claimed that the petitioner wanted to relieve the existing work force at his Pappanaickenpalayam unit by showing it as a closure in order to get rid of the existing work force and restart the operations by recruiting a new workforce, even after more than a decade, the respondents were not able to demonstrate before this Court of the petitioner having restarted its activities at its closed unit. Thus, the unit of the petitioner whereat the respondents were working has been closed.

25. Further, on behalf of the petitioner, it is contended that though before the Labour Court, it had marked documents to show the closure of unit particularly the electricity bills of the unit, which would go to show that the operational activities having been stopped and that the Labour Court did not consider the same while passing the award; and that the petitioner also being in possession of further

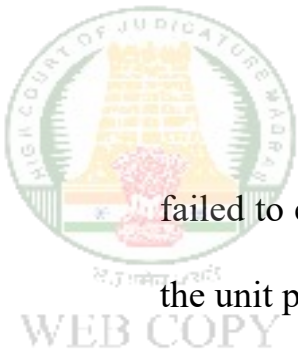


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documents and statutory filings which would go to show “ the closure of the unit”, the documents Ex.M-19 and Ex.M-20 on which the petitioner intended to rely, are filings before the statutory authorities, namely PF Authorities and ESI authorities which would go to show the number of employees in respect of whom PF and ESI contribution were being paid and who were covered under the provisions of ESI Act. Though the Labour Court had mentioned about the aforesaid documents as having been relied by the petitioner’s management witness, it did not record any finding as to how the said documents were irrelevant and could not advance the case of the petitioner.

26. Further, Ex.M-21 are the electricity bills relating to the period from September, 2008 to January, 2009 showing the consumption of electricity by the petitioner unit. If only the unit was running, the power consumption would not be so low. Even, the said fact, the Labour Court failed to consider.

27. Further, when the unit is closed permanently, there would be certain statutory filings, which the management, would be required to make before the concerned authorities both under the State and Central legislations. Though, on behalf of the petitioner, its senior manager (HR) was examined, the respondents



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failed to elicit specific answers from the said witness with regard to non-closure of the unit permanently and non-filing of any such statutory declarations.

28. On the other hand, it is the specific case of the petitioner that if this Court it would file additional documents, which would show that the petitioner's unit at Pappanaickenpalayam ceased to exist as early as June 2009 and said fact would have bearing on the award passed by the Labour Court granting relief to the respondents herein, which has become incapable of execution due to the non-existence of the unit on account of its closure.

29. Further, this Court taking note of the specific case of the respondents before the Labour Court of the petitioner making a false promise of providing alternate employment at its other units namely Palladam and Kovilpatti and taking note of the additional affidavit filed by the petitioner to accommodate the respondents at its unit at Palladam, in addition to the letters issued by the petitioner herein after passing of the award directing the respondents to report for work at Kovilpatti, in order to test the bonafides of the parties, as early as on 19.02.2024 directed the learned counsel appearing for the respondents to get instructions of the willingness of the respondents to join work at petitioner's unit at Palladam.



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30. On perusal of the records, it shows that though the matter was listed thereafter, not much progress has been made, as it was stated that the respondents 1 and 4 had deceased and their legal representatives were brought on record. Once again, on 30.01.2026, a co-ordinate bench of this Court taking note of the fact, the willingness of the petitioner to provide employment to the respondents not only at its unit in Kovilpatti but also at its unit in Palladam, directed the workmen who were willing to work to report before the petitioner's management on 02.02.2026 and join the work. Thereafter, on the matter being listed before this court on 04.03.2026, while on behalf of the petitioner, it was contended that the respondents failed to report for work at its Palladam unit on 02.02.2026 as permitted by this Court, on behalf of the respondents, the said statement was disputed claiming that the respondents were present, but the staff of the petitioner did not allow them to enter the factory premises and allow them to join the duties.

31. This Court taking note of the rival stands, in order to give quietus to the issue, directed the respondents 2,3 and 5 to report for duty at petitioner's factory/unit situated at Palladam on 06.03.2026 in the general shift, which is stated to commence at 7 am. Since, on behalf of the respondents, an apprehension was



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expressed of they not being allowed to enter into the factory/unit by the representatives of the petitioner, this Court directed that the Deputy Commissioner of Labour(Coimbatore Region) under whose control the petitioner's Palladam unit falls, to be present at the factory premises on the said date and ensure the respondents join the duty and are assigned the work by the petitioner.

32. However, when the matter was listed again on 11.03.2026, it was informed to the Court that only the second respondent had reported for duty and the respondents 3 and 5 had not reported for duty. Though Id. Counsel for the third respondent stated that he was unwell, inasmuch as no medical certificate was placed before this Court, this Court had directed to place the proof of the third respondent being unwell. This Court having taken cognizance of the aforesaid position, directed the matter to be listed on 12.03.2026.

33. On 12.03.2026, this Court taking note of the fact that the Deputy Commissioner of Labour, who was directed to be present on 06.03.2026 not being present at the petitioner's unit/factory to ensure that the respondents 2, 3 and 5 are allowed to join the duty and also in order to give one more opportunity to the respondents to join duty, passed order directing the respondents 2, 3 and 5 to report



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duty on 13.03.2026 in the general shift at 7.00 am, and further directed the Deputy Commissioner of Labour, (Coimbatore region) to be present at the petitioners factory/premises on the said day at 7.00 am, to ensure that the respondents are allowed to join the duty and are assigned duties by the petitioner at its Palladam unit and directed him to submit a report to this court.

34. Pursuant to the aforesaid order of this Court, the Deputy Commissioner of Labour (Conciliation)-3, Coimbatore filed a report *vide* RC.No.114 of 2026 dated 16.03.2026. The Deputy Commissioner of Labour, in his report filed into this court, stated that pursuant to the order of this Court, he had contacted the respondents on their mobile phones on 12.03.2026 and instructed them to report duty at 7.00 am on 13.03.2026 in the general shift at the petitioner's unit at Palladam and that the respondents informed him that they would report for duty. The Deputy Commissioner of Labour, in his report, further stated that he had reached the petitioner's unit at 6.45 am on 13.06.2026 and waited there for the three respondents to report to work for being reinstated into service in compliance with the order of this Court.



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35. The Deputy Commissioner of Labour, in his report, further stated that as the respondents 2, 3 and 5 did not turn up by 7.20 am, he attempted to contact them again and made a call to the second respondent on his mobile phone number mentioned in the report but the said respondent did not answer his call. Insofar as the respondent-3 is concerned, he was contacted on the number mentioned in the report who had stated that he was not well and therefore, unable to come to work. Insofar as the fifth respondent is concerned, he was also contacted on the number mentioned in the report, and that his son answered the call and informed that the fifth respondent was engaged in pooja and therefore, unable to speak. The Deputy Commissioner of Labour, in his report, further stated that he had waited at the petitioner's unit till 12.30p.m., on 13.03.2026 for the respondents to come and join duty; however, none of the three respondents reported for duty. The aforesaid report of the Deputy Commissioner of Labour is taken on record.

36. The report as filed by the Deputy Commissioner of Labour clearly indicates that the respondents 2, 3 and 5 are not willing to join duties at petitioner's unit in Palladam. The reluctance on the part of the respondents in joining duties only goes to show that the pleas taken by them before the Labour Court of the

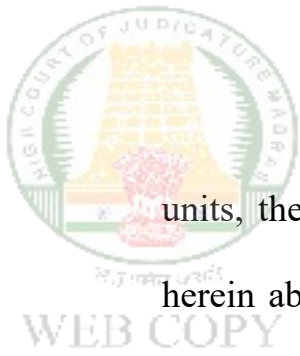


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petitioner making a false promise of providing them employment at its unit in Palladam or Kovilpatti and that the officials of the petitioner not allowing them to join the duty in the respective units, thereby cunningly cheating them would have to be taken with a pinch of salt i.e. invented for the purposes of raising a dispute and for the purposes of filing I.Ds. .

37. Since, the Labour Court while passing the award as late as 05.01.2019, nearly after a decade of raising of dispute, without taking into consideration or evaluating the subsequent circumstances by considering as to whether the petitioner unit existed or ceased to exist, passed award setting aside the relieving orders of the respondents herein and directed the petitioner to reinstate the respondents with backwages and continuity of service, without specifying where/ in which unit the respondents are to be reinstated, as it was the specific case of the petitioner that by December 2009, the unit at Pappanaickenpalayam had ceased to exist at all. Thus, the said direction in the award of the labour Court, in the considered view would be an unenforceable direction.

38. On the other hand, if the said direction in the award is to be taken as the respondents being directed to be taken into service in the petitioner's any of the



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units, the reluctance on the part of the respondents herein to join duty, as noted herein above, would go to show that it is the respondents who are not willing to join duty and not the petitioner's non-willingness to take back the respondents into the duty. Thus, this Court is of the considered view that the Labour Court had erred in passing the award impugned in the present writ petition.

39. Insofar as respondents in W.P.No.33147 of 2019 are concerned, the respondents are the legal heirs of the deceased workmen late Manoharan who had also raised industrial dispute with regard to his compulsorily relieving orders from service of the petitioner's company on account of its closure.

40. The Labour Court taking into consideration the fact that during the pendency of Industrial Dispute, the petitioner having deceased and his Legal Heirs having come on record had awarded lump sum compensation. As this Court in W.P.No.33145 of 2019 having not accepted the conclusion of the Labour Court, and having made an error in law in not considering the exhibits marked on behalf of the petitioner in support of its claim of the operations having been completely stopped and the petitioners showing its willingness at the relevant point of time to provide employment to the workmen at its other units viz., Palladam and



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Kovilpatti and the reluctance on the part of the workmen to join thereat, the view taken by this Court in W.P.No.33145 of 2019 would apply in all force even to the facts of the present writ petition and thus, even this writ petition has to succeed.

41. Accordingly, the Writ Petitions are allowed. The impugned orders dated 05.01.2019 in both the writ petitions are set aside. Consequently, connected Miscellaneous Petitions are closed. No order as to costs.

30.03.2026

Index: Yes/No
Internet: Yes/No
Speaking order/Non-speaking order
Neutral Citation: Yes/No
dh

To

The Principal Labour Court,
Coimbatore.



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T.VINOD KUMAR.J.,

dh

Pre-delivery order made in
W.P.Nos.33145 and 33147 of 2019

30.03.2026