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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03-11-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 43856 of 2026
and W.M.P.No.49207 of 2026
CNR: {HCMA012530892026}

Case QR

The Managing Director,
Tiruchengodu Agricultural Producers, Co-Operative Marketing Society Limited, 4, Kacheri Street, Vellore Road, Tiruchengode - 637 211, Namakkal District.

..Petitioner(s)

Vs

S.S.Palanisamy
S/o.Sengoda Gounder,
222/188, Kuditheru, Sanarpalayam, Tiruchengode - 637211, Namakkal District.

..Respondent(s)

PRAYER: Writ Petition filed under Article 226 of The Constitution of India praying for the issuance of a Writ of Certiorari, to call for the records in pursuant to the impugned order dated 30.01.2026 in C.P.No.63 of 2021 on the file of the presiding officer Labour Court, Salem and quash the same as illegal, unlawful, against principles of natural justice and principles of estoppel.

For Petitioner(s): Mr.A.Saravanan

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ORDER

The petitioner society is aggrieved by the impugned order passed by the Labour Court in C.P.No.63 of 2021 vide order dated 30.01.2026, whereby the above C.P filed by the respondent under Section 33(C)(2) of Industrial Disputes Act, 1947 has been allowed with the consequential direction to the petitioner herein to pay a sum of Rs.2,24,520/- together with interest at 6% from 01.07.2003 within three months and also directed a further sum of Rs.10,000/- towards costs to the respondent herein.

2. The impugned order passed by the Labour Court is challenged primarily on the ground that the respondent, who was an employee of the petitioner co-operative society had given an undertaking on the eve of his retirement stating that he would not claim any benefits under I.D. No. 233 of 1999, which had been filed by the respondent for monetary benefits, seniority, and other reliefs.

3. This argument was advanced before the Labour Court as well, contending that the respondent had waived his right to claim any benefit under I.D. No. 233 of 1999, which had ultimately been decided in favour of the workmen by the Labour Court vide its order dated 13.01.2015.

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4. The Labour Court has taken note of the decision of the *Hon'ble Punjab and Haryana High Court in Ranjith Singh v. The State of Punjab and others* vide order dated 25.09.2025. The relevant portion from the order extracted from the said decision reads as under:

> *"16. It must be noted that there is an inherent imbalance of power between an employer and an employee. The employer, very unambiguously, controls the source of livelihood of the employee and thereby is in a position of influence. When such employer is an instrumentality of the State itself, a unique opportunity is presented to lead as an example. As such, it is vital that a fair procedure established by law, preventing arbitrary abuse of power is strictly adhered to. Demanding undertakings that lack legal sanctity or capriciously denying benefit of the services rendered by an employee is inconsistent with the constitutional guarantees.*
>
> *17. Unfortunately, the practice of extracting undertakings from employees who have been reinstated after tedious litigation is rather common. These undertakings are exploitative as they often pertain to forgoing past service benefits including arrears of salary, increments, continuity of service and retiral benefits and are obtained by placing the employees under duress. Often the reinstated employees are issued fresh appointment letters, as is the case in the matter at hand, to deny the many benefits of their past service, which directly impacts their regularization, seniority and pensionary benefits. Considering that livelihoods are at stake, the employees often remain silent in the face of these exploitative practices. This Court cannot allow an employer to take advantage of their employees' financial circumstances to bend them to their will. As such, the question framed above is answered in the following terms- Such exploitative undertakings are void ab initio since no employee can be forced to contract out of h is statutory rights."*

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5. It is evident that the worker lacks equal bargaining power; therefore, on the eve of retirement, the undertaking dated 30.06.2003 was extracted from the respondent by the petitioner. Under similar circumstances, it has been held that such undertakings are exploitative and on not binding on the workmen.

6. I am in full agreement with the judgment of the Punjab and Haryana High Court, which has been extracted above. In my view, the decision arrived at by the Labour Court does not suffer from any infirmity warranting interference in this writ petition. Apart from that, the scope of judicial review over an order passed by the Labour Court is confined to the decision-making process and not the decision itself, unless the decision is perverse or suffers from a procedural irregularity before the Tribunal or Court concerned.

7. Therefore, this writ petition is dismissed on the above terms. No costs. Consequently, the connected writ miscellaneous petition is closed.

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

To

The Labour Court, Salem.

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C.SARAVANAN, J.

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