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W.P.Nos.29468 of 2018 and 21613 of 2019

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Orders reserved on : 20.01.2026

Orders pronounced on : **10.02.2026**

CORAM :

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.Nos.29468 of 2018 and 21613 of 2019
and W.M.P.Nos.34434 of 2018 and 20833 of 2019

In W.P.No.29468 of 2018:-

M/s.Jyothy Laboratories Limited
Represented by its Chairman-cum-Managing Director,
Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East),
Mumbai, India – 400 059. .. Petitioner

Versus

1. R.Rajendiran
2. S.Devarajalu
3. V.Gurukumar
4. G.Agoramurthy
5.V.Jaganathan
6. S.Sarathirajan .. Respondents

In W.P.No.21613 of 2019:-

M/s.Jyothy Laboratories Limited
Represented by its Chairman-cum-Managing Director,
Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East),
Mumbai, India – 400 059. .. Petitioner

Versus



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1. Henkel India Limited
Rep. By its Factory Manager (Finance),
No.131, Peralam Main Road,
Thirunallar, Karaikal – 609 607,
Puducherry Union Territory.

2. T.Murugan

.. Respondents

Prayer in W.P.No.29468 of 2018 : Writ Petition filed under Article 226 of the Constitution of India seeking a Writ of Certiorari, to call for the records connected with C.P.No.71 of 2003 on the file of the Industrial Tribunal-cum-Labour Court, Puducherry and to quash the order, dated 20.03.2018.

Prayer in W.P.No.21613 of 2019 : Writ Petition filed under Article 226 of the Constitution of India seeking a Writ of Certiorari, to call for the records connected with C.P.No.105 of 2014 on the file of the Industrial Tribunal-cum-Labour Court, Puducherry and quash the order, dated 13.03.2019.

For Petitioner : Mr.S.Ravindran, Senior Counsel,
(in both the cases) Asstd. by Mr.P.John Zachariah

For Respondents : Mr.P.R.Thiruneelakandan,
(in both the cases)



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ORDER

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These two Writ Petitions are filed by the management, Jyothy Laboratories Limited, the second respondent before the Labour Court, challenging the award of the Industrial Tribunal-cum-Labour Court, Puducherry, made in C.P.No.71 of 2013, dated 20.03.2018, and C.P.No.105 of 2014, dated 13.03.2019. In this judgment, the petitioner, Jyothy Laboratories Limited, is referred to as JLL. The first respondent before the Labour Court, i.e., the first respondent in W.P.No.21613 of 2019, Henkel India Limited, will be referred to as Henkel. The six workmen, *R.Rajendiran*, *S.Devarajalu*, *V.Gurukumar*, *G.Agoramurthy*, *V.Jaganathan* and *S.Sarathirajan*, who filed C.P.No.71 of 2013, and respondents 1 to 6 in W.P.No.29468 of 2018, shall be referred to as workmen Nos.1 to 6, respectively. *T.Murugan*, petitioner in C.P.No.105 of 2014 and second respondent in W.P.No.21613 of 2019, is referred to as workman No.7.

2. Workmen Nos.1 to 6 jointly filed C.P.No.71 of 2013, praying for computation of severance compensation and terminal benefits as per the settlement under Section 18(1) of the Industrial Disputes Act, 1947, dated 28.07.2012, which was converted into a settlement under Section



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12(3), dated 10.08.2012, and for directing the respondents, namely Henkel India Limited and Jyothy Laboratories Limited, to pay the amounts prayed for in respect of each of the petitioners. Workman No.7 filed C.P.No.105 of 2014 with the same prayer.

3. The case of the workmen is that they were appointed in various categories which fell within the definition of workmen during the year 1991-92 or thereafter, with Henkel at its Karaikal factory, and had been in regular service for about 20 years. Henkel, a multinational company, sold its assets, including the Karaikal factory, to JLL in the year 2011. However, JLL did not agree to any tripartite settlement, and after some litigation, Henkel entered into a settlement under Section 18(1) of the Act, which was later converted into a 12(3) settlement, under which it paid severance compensation to all the employees at the rate of 90 days' wages per year of service.

4. Workmen No.1 to 5 were denied the benefit on the ground that they had already submitted their resignations and were not in service as on the date of the settlement. Workman No.6 was denied the benefit on the ground that he failed to sign the settlement. Even though the



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management obtained a signature on blank paper for settling the benefits to workman No.7, no benefits were settled on him. Hence the Computation Petitions.

5. JLL resisted the Claim Petition. All the shares of Henkel were transferred to JLL. Thereafter, Henkel was also amalgamated with JLL. The Karaikal factory was incurring losses due to the non-cooperative attitude of the employees. Therefore, steps were taken to revive the unit. A settlement was given to the employees in the year 2012, initially under Section 18(1) of the Act, which was later converted to a settlement under Section 12(3) of the Act. Workmen Nos.1 to 5 had resigned prior to this and were also paid gratuity on their resignation. They were also working in managerial positions and are not workmen within the definition of the Industrial Disputes Act, 1947. Workman No.6 did not sign the settlement and had abandoned the job, and it was suspected that he had gone abroad for work. Workman No.7 was unauthorisedly absent. When a show-cause notice was issued to him on 13.07.2011, he voluntarily resigned on 19.07.2011 and joined work elsewhere. He is also suspected to have left for abroad. He was also not a party to the settlement.



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6. In C.P.No.71 of 2013, workmen Nos.1 and 3 were examined as *P.W.1* and *P.W.2*, and *Ex.P-1* to *Ex.P-43* were marked. One *Babu Chowallor* was examined as *R.W.1*, and *Ex.R-1* to *Ex.R-23* were marked. In C.P.No.105 of 2014, *M.Jayabharathi*, the Power Agent of the workman No.7 was examined as *P.W.1*, and *Ex.P-1* to *Ex.P-35* were marked. *Babu Chowallor* was examined as *R.W.1*, and *Ex.R-1* to *Ex.R-8* were marked.

7. The Labour Court found that, from the pleadings and evidence, the workmen had joined Henkel and had rendered about 20 years of service, as proved. It further found from the very promotion orders that despite the terminology such as Manager, they performed the same job and as such, the management had failed to prove that they were not workmen. It was further found that workmen Nos.1 and 2 had prayed to consider their long service of 20 years and 19 ½ years and to relieve them in their resignation letters. Workmen Nos.3, 4 and 5 prayed for severance compensation. Workman No.6 was given notice for his absence when settlement under Section 12(3) settlement was entered on 09.05.2011, under Section 18(1) on 28.07.2012 and under Section 12(3) on 10.08.2012. As a matter of fact, the management had sent cheques for settlement, which the workmen had returned seeking re-employment. It was further



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found that as per the settlement under Section 12(3) entered pursuant to an appeal before the Deputy Commissioner of Labour, the management had agreed to pay 90 days' wages for every year of completed service as severance compensation. From the management's evidence, it was found that the workmen did not receive any severance compensation. In the resignation letters, they had prayed for severance compensation. The management had not let any evidence that it had accepted the resignation. The case of the workmen is that they submitted those letters on the promise of severance compensation. Workman No.6 was not terminated and he is also entitled to the same. Accordingly, the Labour Court computed the sum payable to workman No.1 as Rs.17,60,560/-, workman No.2 as Rs.17,60,560/-, workman No.3 as Rs.16,72,532/-, workman No.4 as Rs.17,60,560/-, workman No.5 as Rs.17,60,560/- and workmen No.6 as Rs.4,40,140/-. In respect of workman No.7 also, it was found that he had submitted registration only on the announcement of compensation, and Rs.19,84,168/- was computed in his case.

8. *Mr.S.Ravindran*, the learned Senior Counsel for JLL, would submit that he is not raising the point as to whether these seven employees are workmen or not. Assuming they are workmen, it requires findings of



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fact as to whether they have resigned or not and whether they were on the rolls of JLL or not, and this cannot be done in a Computation Petition. The workmen ought to have raised an Industrial Dispute. There is no question of pre-existing liability. Further, the applicability of the settlement is also a disputed question of fact and law, which cannot be gone into in the Computation Petition. Even in respect of workmen Nos.6 and 7, they had voluntarily abandoned service, and in fact, for workman No.7, even the Computation Petition was conducted by his wife as the Power Agent, as he was abroad.

9. The learned Senior Counsel, would rely upon the judgment of the Hon'ble Supreme Court of India in *Vijay Kumar and Ors. Vs. Whirpool of India Ltd., and Ors.*¹, more specifically relying upon paragraph Nos.6, 7 and 14 to press home the distinction between what is considered fair and what is considered a pre-existing right, and to submit that only matters relating to pre-existing right fell within Section 33C(2) of the Act.

10. Opposing the above, *Mr.P.R.Thiruneelakandan*, learned

¹ (2008) 1 SCC 119



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Counsel for the workmen, would submit that when there is a settlement under Section 12(3) of the Act, it applies to all the workmen irrespective of whether they sign or not, and would rely upon the judgment of the Hon'ble Supreme Court of India in ***P.Virudhachalam and Ors. Vs. Management of Louts Mills and Anr.***², more specifically relying upon paragraph No.11. The claim was for a pre-existing right under the 12(3) settlement, where the benefit to the workmen, that is, 90 days' wages per completed year of service, had already fructified and whether the settlement is applicable to the workmen is only an incidental question which can be gone into in the computation proceedings. It need not be confined to admitted claims alone. He would place reliance on the judgment of the Constitution Bench of the Hon'ble Supreme Court of India in the ***Central Bank of India Ltd. Vs. P.S.Rajagopalan etc.***³, more specifically relying upon paragraph Nos.16 and 17.

11. Upon considering the rival submissions, the first question in the instant case is whether the factors to be determined in the instant case fall beyond the remit of Section 33C(2) of the Act/computational jurisdiction. In this case, the primary and substantial claim of the

² CDJ 1997 SC 745

³ AIR 1964 SC 743



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workman is 90 days' wages per completed year of service as severance compensation. It is not for determination how many days a year can be granted as compensation, or whether the workman's claim is fair or not. On the other hand, it is claimed as pre-existing, having crystallised in the form of a 12(3) Settlement. Whether the employees are workmen or not, and whether the 12(3) is applicable to them, are only incidental questions. In paragraph No.16 of the judgment of ***Central Bank of India Ltd.*** (cited *supra*), the Hon'ble Supreme Court held as follows:

“16. The Clause “Where any workman is entitled to receive from the employer any benefit” does not mean “where such workman is admittedly, or admitted to be, entitled to receive such benefit”. The appellant's construction would necessarily introduce the addition of the words “admittedly, or admitted to be” in that clause, and that clearly is not permissible. Besides, it seems to us that if the appellant's construction is accepted, it would necessarily mean that it would be at the option of the employer to allow the workman to avail himself of the remedy provided by sub-s. (2), because he has merely to raise an objection on the ground that the right claimed by the workman is not admitted to oust the jurisdiction of the Labour Court to entertain the workman's application. The claim under Section 33C(2) clearly postulates that the determination of the question about computing the benefit in terms of money may, in some cases, have to be preceded by an enquiry into the existence of the right and such an enquiry must be held to be incidental to the main determination which has been assigned to the Labour Court by sub-sec. (2). As Maxwell has observed “where an Act confers a jurisdiction, it impliedly also grants the powers of doing all such acts, or employing such means, as are essentially necessary to its execution”. We must accordingly hold that S. 33C(2) takes within its purview cases of workmen



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who claimed that the benefit to which they are entitled should be computed in terms of money, even though the right to the benefit on which their claim is based is disputed by their employers.”

12. Following excerpts from paragraph No.17 of the said judgment is to be adverted to :-

“17. Therefore, we feel no difficulty in holding that for the purpose of making the necessary determination under S. 33C(2), it would, in appropriate cases, be open to the Labour Court to interpret the award or settlement on which the workman’s right rests”.

13. Thus, the law laid down by the Constitution Bench clearly explains the position that merely because the Labour Court decided whether the settlement created rights for the workmen and whether the workmen were entitled to the benefit, it did not travel beyond its jurisdiction. In the conspectus of facts, it was within its jurisdiction to decide the same.

14. The second question that arises is whether the resignation disentitles the workmen to the benefit under the settlement. I am unable to agree with the learned Senior counsel for the Management for the following reasons:

(a) Even before this Court, no answer was forthcoming from the



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management as to whether the relieving orders were issued after duly accepting the resignation, though a mere endorsement in some of the letters is relied upon. The Labour Court's finding is after due appreciation of the evidence.

(b) On reading the resignation letters, they cannot be treated as resignation letters, as they pray for severance compensation. A useful reference in this regard is made to the judgment of the Hon'ble Supreme Court of India in *Shashikala Devi Vs. Central Bank of India and Ors.*⁴.

(c) The management themselves treated the settlement as applicable to all the workmen and sent them the cheques for severance compensation, and it was the fault of the workmen for not accepting the same at the relevant point in time.

As such, I hold that the alleged resignations will not disentitle workmen Nos.1 to 5 from the benefit. As rightly pointed out by the Labour Court, workmen Nos.6 and 7 were not terminated and were on the rolls, and as such would be entitled to the benefit.

15. The third question that arises is whether the 12(3) settlement benefits can be denied merely because these workmen were not parties to

⁴ (2014) 16 SCC 260



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the settlement. Firstly, it can be seen that it is not even the case of the management that the settlement benefits cannot be extended to non-signatories. As a matter of fact, it was their contention before the Labour Court that the workmen were not on rolls as on the date of the settlement. Once it is found that the finding of the Labour Court that there was no evidence as to the acceptance of resignation in respect of workmen Nos.1 to 5 and there was no termination or punishment order that was passed with reference to the workmen Nos.6 and 7, they remained on rolls, there cannot be any difficulty in holding that the benefits of settlement would also applied to them. Useful reference in this regard can be made to the judgments of the Hon'ble Supreme Court of India in ***Barauni Refinery Pragatisheel Shramik Parishad Vs. Indian Oil Corporation Ltd.***⁵, ***P.Virudhachalam Vs. Lotus Mills***⁶. As a matter of fact, in the judgment of the Hon'ble Supreme Court of India in ***Punjab National Bank and Ors. Vs. Manjeet Singh and Anr.***⁷, it was held to be an obligation on the part of the management to implement the settlement. In view thereof, the said question is also to be answered in favour of the workmen.

5 (1991) 1 SCC 4

6 (1998) 1 SCC 650

7 (2006) 8 SCC 647



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16. Accordingly, these Writ Petitions fail and are dismissed.

There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

10.02.2026

Neutral Citation : yes
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D.BHARATHA CHAKRAVARTHY, J.

grs

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