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புதுச்சேரி மாநில அரசிதழ்

La Gazette de L' État de Poudouchéry

The Gazette of Puducherry

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No.	14	Poudouchéry	Mardi	7	Avril	2026 (17 Chaitra 1948)
No.		Puducherry	Tuesday	7th	April	2026

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GOVERNMENT OF PUDUCHERRY

LABOUR DEPARTMENT

(*G.O. Rt. No. 18/AIL/Lab./S/2026, Puducherry, dated 23rd February 2026)*

NOTIFICATION

Whereas, an Award in I.D (L) No. 10/2020, dated 28-11-2025 of the Labour Court, Puducherry, in respect of the Dispute between M/s. Cottage Industries, Puducherry and Tmt. G. Gnanambal, over non-employment has been received;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 17 of the Industrial Disputes Act, 1947 (Central Act XIV of 1947), read with the Notification issued in Labour Department's G.O. Ms. No. 20/9/Lab./L, dated 23-05-1991, it is hereby directed by the Secretary to Government (Labour) that the said Award shall be published in the Official Gazette, Puducherry.

(By order)

S. Sandirakumaran,
Under Secretary to Government (Labour).

BEFORE THE INDUSTRIAL TRIBUNAL -*CUM*- LABOUR COURT AT PUDUCHERRY

Present : Tmt. G.T. Ambika, M.L., PGDCLCF.,
Presiding Officer.

Friday, the 28th day of November 2025.

I.D. (L). No. 10/2020
CNR. No. PYPY06-000042-2020

Tmt. M. Gnanambal,
No. 01, Mahalakshmi Nagar,
Ariyur,
Puducherry-605 102 . . . Petitioner

Vs.

The Managing Director,
M/s. Cottage Industries,
No. 3, Rangapillai Street,
Puducherry-605 001 . . Respondent

This Industrial Dispute coming before me for hearing in the presence of Thiruvalargal R.T. Shankar, P. Suresh, B. Balamurugan, Counsels for the Petitioner and M/s. Law Solvers, Counsel for the Respondent upon hearing petitioner side and perusing the case records, after having stood over for consideration till this day, this Court passed the following:

AWARD

This Industrial Dispute arises out of the reference made by the Government of Puducherry *vide* G.O. Rt. No. 79/AIL/Lab./T/2020, dated 05-07-2020 of the Labour Department, Puducherry, to resolve the following dispute between the petitioner and the respondent, v*iz.,*-

(a) Whether the Industrial Dispute raised by the petitioner Tmt. M. Gnanambal, Ariyur, Puducherry against the management of M/s. Cottage Industries, Rangapillai Street, Puducherry over non-employment is justified or not? If justified, what relief the petitioner is entitled to?

(b) To compute the relief, if any awarded in terms of money, if it can be so computed.

2. *The averments set forth in the Claim Statement filed by the Petitioner is as follows:*

That the petitioner worked in the respondent cottage industry from the year 2003 to 2011 and gave up the work due to her health condition and rejoined duty from 21-09-2015 onwards and she continued her work with the respondent factory very honestly. That the petitioner had worked for more than 16 years with lesser wages and the last drawn wages of the petitioner is less than ₹ 5,000 . That the respondent management engaged the petitioner to do the perennial nature of work in full-time that is 8 hours in a day and all working days in a month and the petitioner has been directly working in the production department and doing the Perennial nature works with other permanent workers thereby the respondent management extended the benefits of E.S.I and E.P.F to the petitioner at par with permanent employees. That the petitioner having requisite experience and qualification with the Respondent Management. That the petitioner have been directly working in the production department Section as an operator. Hence, the petitioner is deemed to be permanent workmen as per labour laws; however, the respondent management had not absorbed and regularized the petitioner for the reasons best known to them therefore the petitioner had forced the respondent management to absorb and confirm her employment.

(ii) That on 14-09-2018 cone making instrument was misplaced and the fact was immediately brought to the notice of the supervisor, the supervisor told the petitioner to trace-out the misplaced cone making instrument accordingly that was traced-out but, it was not found anywhere, for which the supervisor asked the petitioner to give a written letter about the misplacement of cone making instrument in response

she submitted a letter to the supervisor. When she approached for duty after a week they informed her that she has to pray the supervisor by touching his foot and to obey his all instructions if she wants work, he will manage everything with the management but, she did not abide the condition and hence, she was refused employment. That thereafter, she tried to approached the management with her advocate for seeking justice, but the management refused to meet them. Further during the conciliation held on 17-07-2019 the conciliation authority advised the respondent management to provide the employment, Hence, the officer of the management had called her to rejoin duty at Ariyur unit and on the advice, the petitioner went to the company for rejoining duty but, the company inspector Thiru. Moorthy did not allow her into company and told her to get consent letter from the conciliation authority hence, the petitioner requested again the conciliation authority to instruct the management for re-employment and the same was ended in vain, the respondent management not permitted her to do their normal work and stopped them at the main gate with an ulterior motive on 21-09-2018, without issuing any termination order or statutory notice. That the respondent management denied and failed for regularising the petitioner, instead the management orally terminated and threw out the petitioner as against the Labour Laws and against the Principal of Natural Justice. That after the illegal termination the petitioner have not been gainfully employed establishment, hence, her family are facing hardship without employment and earnings. That after the said illegal termination and throughout the proceeding pending before the Labour Court the petitioner was not paid anything. Hence the petition.

3. *The averments set forth in the Counter Statement filed by the Respondent is as follows:*

That the respondent management denies all the allegations contained in the claim statement. That the petitioner was working as roller in the respondent's Agarbathis manufacturing unit at Ariyur and the petitioner was originally engaged for the period from 01-03-2003 to 27-02-2012 and thereafter the petitioner left the services after collecting her terminal benefits. Subsequently the petitioner sought for employment and taking into consideration her past service the petitioner was recruited afresh in the services of the establishment with effect from 01-10-2015. That while it was so, a dispute has developed between the petitioner on one side and her colleagues on the other side in the work place over missing cone making instrument in the month of September 2018 the petitioner herein and her colleagues quarreled and abused themselves and the Supervisor had to intervene to sort out the issue but, all ended in vain. Later on, by letter, dated 22-09-2018 all the seven workers submitted a joint representation and stated that the worker Gnanambal (petitioner herein) had taken the cone making instrument from the work place when asked about the missing cone petitioner had abused her colleagues in filthy language. That this being the dispute which existed between the petitioner and her colleagues, the petitioner is attempting is giving different colour and distorted stories in order to have misplaced sympathy. That the respondent management never restrained the petitioner from entering the work place. That due to the dispute between the Petitioner and her colleagues, the Petitioner is not reporting for work till date. As such there is no industrial dispute exist between the petitioner and the management. It is purely an industrial dispute between the worker petitioner and other seven workmen. That during the course of the conciliation the respondent management sought the conciliation machinery to summon the seven workers in the conciliation proceedings to resolve the dispute. That during the pendency of the conciliation proceedings the respondent management had offered to the petitioner work at its head office at Rangapillai Street, Puducherry and same was declined by the petitioner without any valid justifiable reason. It is true that Petitioner Mrs. Gnanambal after attending the conciliation proceedings on 17-07-2019 reported to work at Ariyur unit. However, the supervisor at the work spot had advised the petitioner to get a letter from the management instead of approaching the management, petitioner had submitted a representation to the Labour Officer (Conciliation), dated 17-07-2019 and alleged that the management had denied her entry which is not correct. That the fact was reported to the Labour Officer (Conciliation) by way of re joinder, dated 26-07-2019 along with the copy of the joint representation, dated 22-09-2018 and sought the Conciliation Officer to intervene in the matter and to summon the seven co-workers have for enquiry to restore industrial peace and harmony in the work spot and to bring back the normaly in the work place. However, the Conciliation Officer has not considered the respondent's request. Thereafter respondent suggested during the conciliation proceedings that the petitioner will be assigned work at Pondicherry unit at No. 3 Rangapillai Street for which the petitioner refused and declined to report for duty and thereafter the industrial dispute raised by the

petitioner ended in failure of conciliation. That the averments and allegations contained in paragraph 7 and 8 of claim statement are beyond the scope of reference. That the allegation that the petitioner Gnanambal was refused employment by the respondent management is not correct and the petitioner on her own failed to report for work due conflict with other colleagues in the unit. Hence, the petition is liable to be dismissed.

4. On the side of the petitioner P.W.1 was examined and Exs.P1 to P7 were marked and on the side of respondent R.W.1 to R.W.4 were examined and Exs. R1 to R7 were marked through RW1. Written argument was filed by the respondent.

5. *The points for consideration:*

1. whether there exists an industrial dispute in this case requiring intervention of this Court?

2. Whether the industrial dispute raised by the petitioner against the respondent over non-employment is justified or not?

3. Whether the petitioner is entitled for the relief of reinstatement with full back wages, continuity of service and all other attendant benefits?

4. To what other reliefs?

6. *On point No.1:*

The contention of the petitioner is that she had worked in the respondent cottage industry from the year 2003 to 2011 and later due to her health condition the petitioner has left the job and subsequently rejoined in the respondent industry on 21-09-2015 and had been working to the satisfaction of the respondent management with unblemished records and the petitioner was doing perennial nature of work and had worked for more than 240 days within a period of 12 calendar months and was extended with the benefits of ESI and EPF on par with permanent employees but however the respondent had not absorbed and regularized the petitioner as a permanent workman and inspite of working for more than 16 years the petitioner's last drawn wages was less than ₹ 5,000 per month.

7. The further contention of the petitioner is that while so, on 14-09-2018 a cone making instrument was misplaced and the same was immediately informed to the supervisor and the supervisor informed the the petitioner to trace out the misplaced cone but, inspite of the search the same could not be traced and therefore as directed by the supervisor the petitioner had given a written letter about the misplacement of cone making instrument and as there was no any response the petitioner had approached the management to provide duty for which she was informed that she will be given work only if she prays to the supervisor by touching his feet that she will obey all his instructions. The petitioner further contends that as she was refused employment she had approached the Conciliation Officer and on 17-07-2019 the Conciliation Officer had advised the respondent to provide employment to the petitioner and when the petitioner was informed by the management to rejoin for duty at Ariyur unit, the petitioner also went to the Ariyur unit but, the company Inspector by name Thiru Moorthy did not allow the petitioner into the company and informed the petitioner to get consent letter and hence, the petitioner had again approached the Conciliation Officer to provide employment but, it had ended in vain.

8. Whereas, the respondent contended that the respondent was running an Agarbathi manufacturing unit at Ariyur and the petitioner initially worked for the period 01-03-2003 to 27-02-2012 as Roller in the said unit and later the petitioner had left the job after collecting her terminal benefits and subsequently sought for employment and she was provided re-employment with effect from 01-10-2015 considering her past service. The respondent further contended that when such being so, a dispute had erupted between the petitioner and her colleagues regarding missing of cone making instrument in the month of September 2018 and thereby a Joint letter, dated 22-09-2018 was given by seven workers stating that the petitioner had taken cone making instrument from the work place and when this was asked by the colleagues the petitioner had abused them in filthy language and due to this dispute the petitioner did not report for work and thereby the respondent management neither restrained the petitioner from entering the work place nor denied work to the petitioner and hence, there is was no any industrial dispute existed between the petitioner and management.

9. The respondent further contended that during conciliation proceedings the dispute that had erupted between the petitioner and the other seven workers was informed and further the Conciliation Officer was requested to summon the seven workers to resolve the dispute but, the same was not considered by the conciliation authority and infact during the conciliation proceedings the respondent management suggested to provide work for the petitioner at Pondicherry Unit at No. 3, Rangapillai Street considering the industrial peace and harmony but, the petitioner denied to accept the same and failed to report for work due to the conflict between the petitioner and other colleagues in the unit.

10. In this case the first contention of the respondent is that there does not exist any industrial dispute for intervention of this Court and infact due to the dispute that had arisen between the petitioner and her colleagues the petitioner had failed to report for work and at no point of time the respondent restrained the petitioner from entering the work place or denied employment. This Court finds that, this Court has jurisdiction to try this case only when there exist a dispute in the nature of industrial dispute. Therefore, before dilating upon the rival contentions, it is necessary to take note of what is an industrial dispute. At this juncture for better appreciation it would be appropriate to extract hereunder section 2(k) and 2A of Industrial disputes Act 1947.

> Section 2 (k) "industrial dispute" means any dispute or difference between employers and employers or between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any person;
>
> Section 2A - Dismissal, *etc.,* of an individual workman to be deemed to be an industrial dispute:- Where any employer discharges, dismisses, retrenches or otherwise terminates the services of an individual workman, any dispute or difference between that workman and his employer connected with, or arising out of, such discharge, dismissal, retrenchment or termination is deemed to be an industrial dispute notwithstanding that no other workman or any union of workmen is a party to the dispute.

11. According to the petitioner after misplacement of cone making instrument she was directed by the supervisor to give a letter regarding misplacement and thereafter when she went for duty but, she was not given work and was informed to pray the supervisor for work by touching his feet and saying that she will obey with all his instructions but, however this was denied by the petitioner and so she was refused employment. Whereas, according to respondent regarding misplacement of cone making instrument there erupted quarrel and dispute between the petitioner and seven workers and therefore on 22-9-2018 the abovesaid seven workers have given a representation stating that the petitioner had taken away the cone making instrument from the work place and when they asked about the missing cone making instrument the petitioner had abused the seven workers in filthy language and thereafter she herself failed to report for work.

12. The petitioner also during her cross-examination has categorically deposed and admitted that in the year 2018 regarding missing of cone making machine there arose dispute between the petitioner and seven other workers who worked along with the petitioners and further has deposed that those seven workers on 22-09-2018 had given complaint against the petitioner stating that the petitioner had taken away the machine and thereafter the petitioner had given reply to the supervisor on 19-09-2018. Thus the misplacement of cone making instrument in the year 2018 and dispute that had arisen between the petitioner and her colleagues regarding the said misplacement and reporting of the same to supervisor stands admitted by both parties. Hence, initially the dispute is found to have been arisen between the petitioner and her colleagues as contended by the respondent.

13. Next on perusal of counter filed by the respondent it is found that in the counter the respondent has specifically stated that during conciliation proceedings the respondent had requested the Conciliation Officer to summon the other 7 workers to resolve the dispute and further stated that during conciliation proceedings the respondent management had offered to provide work for the petitioner in another unit that is at the head office at Rangapillai Street, Puducherry but, the petitioner had declined to accept the same. Thus from the counter averments it could be inferred that after the dispute had arisen between the petitioner and her colleagues the respondent had no inclination to provide work for petitioner at Ariyur unit that is at the place where the petitioner was working and hence, in the said context such denial to provide the work amounts to denial of employment. Further, it is found that only during conciliation proceedings the respondent management is found to have offered work to the petitioner at the head office. Thus, it is found that the dispute that had initially arisen between the petitioner and her colleagues is found to have culminated into a dispute between the petitioner and respondent. Thus, the petitioner in this case has proved that there exists the relationship of employer and workman between the petitioner and respondent and further there exists a dispute in the nature of "Industrial Dispute". Hence, this Court on considering the above submissions holds that there exists industrial dispute between the petitioner and respondent in connection with non-employment of the petitioner.

14. *On Point No.'s 2 to 4:*

> In this case the petitioner has proved that she was denied employment at the Ariyur unit where she was working and such denial is found to have been done

without any initiating any proceedings or following any due procedures. However it is the contention of the respondent that during conciliation proceedings the petitioner was offered work at the head office at Rangapillai street, puducherry, but, the petitioner declined to accept the same. The petitioner during her cross examination admitted the contention of the respondent that the respondent offered her work at unit-3 puducherry, but, she is not willing to accept the same. The relevant portion of the cross examination of P.W.1 for better appreciation is as follows:

தற்போது எதிர்மனுதாரர் நிறுவனம் Unit-3, Puducherry-ல் வேலை தர தயாராக இருக்கிறார்கள் என்றாலும் அங்கு நான் செல்ல தயாரா என்றால் தயாராக இல்லை என்று சாட்சி பதிலளிக்கிறார் மனுவில் எனக்கு மீண்டும் என்று கோரியுள்ளேன், அது எந்த Unit என்று குறிப்பிட்டு சொல்லவில்லை என்றால் நான் எற்கனவே வேலை செய்த இடத்தில்தான் மீண்டும் வேலை வேண்டும் என்று சாட்சி பதிலளிக்கிறார். ஏற்கனவே நான் வேலை செய்த இடத்தில் இருக்கும் மற்ற தொழிலாளர்களுக்கும் எனக்கு ஒத்துவராததால், நிர்வாகம் வேறு ஒரு இடத்தில், அதாவது Unit 2 அல்லது Unit 3-க்கு வேலை தர தயாராக இருப்பதாகவும், நான்தான் வேண்டு மென்றே Unit 2 அல்லது Unit 3-க்கு வேலைக்கு செல்ல தயாராகவும் இல்லை, விருப்பமும் இல்லை என்று சாட்சி பதிலளிக்கிறார். அரியூரில் என்னையும் சேர்த்து 8 பேர் வேலை செய்கிறார்கள். என் ஒருவருக்காக அரியூரில் உள்ள மற்ற 7 தொழிலாளர்கள் ஒட்டுமொத்தமாக பணியிட மாறுதல் செய்ய முடியாது என்பதால் என்னை மட்டும் Unit 2 அல்லது Unit 3-ல் பணியில் அமர்த்த நிர்வாகம் எந்த நிலையிலும் தயாராக இருக்கிறது என்றாலும் நான்தான் தயாராக இல்லை என்றாலும் எனக்கு அரியூரில்தான் வேலை வேண்டும் என்று சாட்சி பதிலளிக்கிறார். எனக்கு Unit 2 அல்லது Unit 3-வேலை செய்ய விருப்பமில்லை.

15. Thus, the P.W.1 is found to have categorically denied to work at the place offered by the respondent that is at units 2 or 3 at Puducherry. When it is an admitted fact that in the place where the petitioner had been working that is at Ariyur unit there were only totally eight workers including the petitioner and further a dispute had arisen between the petitioner and seven other workers at Ariyur unit then in such case the contention of the respondent that again accommodating the petitioner at the same unit more particularly after the rift had arisen between the petitioner and other workers would naturally deteriorate the peaceful and smooth functioning of the Ariyur unit and thereby the petitioner was offered work at units 2 or 3 is found to be reasonable and acceptable one.

16. The contention of the respondent that due to the incidents that had occurred at Ariyur unit the respondent had offered work to the petitioner at units 2 or 3 at Puducherry, is found to be sensible and plausible reason but the petitioner to whom an alternate work was provided in another unit has wantonly refused to accept the same. This Court finds that the respondent management considering the exigencies and circumstances prevailing in the various units has an exclusive domain to determine as to at what place a particular employee is required and to be accommodated. No employee as a matter of right can ask to continue at a particular place and it is the prerogative right of the management to determine. More particularly in this case the respondent has substantiated the reason for providing work to the petitioner in another unit but, the petitioner has denied to accept the same.

17. Thus, from the categorical admission made by the P.W.1 and from the above discussions, this Court holds that it is the petitioner who herself has abandoned the job from the respondent management and hence, in the said circumstances the contention of the petitioner that the respondent refused employment to the petitioner is found to be unsustainable one. Therefore this Court on considering the above submissions and discussions holds that the industrial dispute raised by the petitioner is not justified and the petitioner is not entitled for any claim as prayed in the claim petition.

In the result this petition is dismissed. There is no order as to costs.

Partly typed by the Stenographer, Partly typed by me in my laptop, corrected and pronounced by me in open Court, on this the 28th day of November 2025.

G.T. Ambika,
Presiding Officer,
Industrial Tribunal-*cum*-
Labour Court, Puducherry.

List of petitioner's witness :

P.W.1 — 18-10-2022 Tmt. Gnanambal

List of petitioner's side exhibits :

Ex.P1 — 24-04-2020 Photocopy of the Failure Report.

Ex.P2 — Photocopy of the Letter submitted by the petitioner before the Labour Officer, Conciliation

Ex.P3 — 17-07-2019 Photocopy of the Letter submitted by the petitioner before the Labour Officer, Conciliation

Ex.P4 — Photocopy of the ESIC Card I.P.No. 5513775215.

Ex.P5 — Photocopy of the Salary Slips of the Petitioner, date : January, May and June - 2018.

Ex.P6 — 11-08-2006 Photocopy of the Discharge Certificate by the ESI Hospital.

Ex.P7 — 27-10-2010 Photocopy of the Employee's temporary identity certificate issued by State Insurance Corporation.

List of Respondent's witnesses:

R.W.1 — 25-04-2023 Thiru N. Chinmoy Roy

R.W.2 — 19-09-2023 Thiru S. Moorthy Montfort

R.W.3 — 04-03-2024 Tmt. Maragadhavally

R.W.4 — 04-03-2024 Tmt. Amudha

List of Respondent's side Exhibits:

Ex.R1 — 03-06-2019 Photocopy of the Letter by Petitioner union along with their charter of demands.

Ex.R1 — 17-04-2023 Photocopy of the Authorization letter issued to Joint Manager Mr. Chinmoy Roy by the Respondent Management.

Ex. R2 — 16-10-2018 Photocopy of the Representation submitted by the Petitioner to the Labour Officer (Conciliation).

Ex. R3 — 17-07-2019 Original document of the Reply submitted by the Respondent Management to the Labour Officer (Conciliation).

Ex.R4 — Original document, dated 26-07-2019 submitted by the Respondent Management to the Labour Officer (Conciliation) together with the Original joint representation of all seven workers submitted to the Management, dated 22-09-2018.

Ex. R5 — 17-07-2019 Photocopy of the Representation submitted by the Petitioner to the Labour Officer (Conciliation).

Ex. R6 — 22-03-2012 Photocopy of the Full and Final Settlement Voucher, dated 22-03-2012 together with the Calculation Memo for Past Service of the Petitioner.

Ex. R7 — 15-07-2020 Original document of the abstract of the reference issued by the Labour Department, dated 15-07-2020 *vide* G.O. No. 79/AIL/Lab./T/2020.

G.T. Ambika,
Presiding Officer,
Industrial Tribunal-*cum*-
Labour Court, Puducherry.

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GOVERNMENT OF PUDUCHERRY

LABOUR DEPARTMENT

(G.O. Rt. No. 19/LAB/AIL/S/2026, Puducherry, dated 23rd February 2026)

NOTIFICATION

Whereas, an Award in I.D. (T) No. 05/2016, dated 25-08-2025 of the Industrial Tribunal, Puducherry, in respect of dispute between the M/s. Deepak Cables (India) Ltd., Thiruvandar Kovil, Puducherry and United Labour Federation, over retrenchment of 39 workers has been received;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 17 of the Industrial Disputes Act, 1947 (Central Act XIV of 1947), read with the Notification issued in Labour Department's G.O. Ms. No. 20/9/Lab./L, dated 23-05-1991, it is hereby directed by the Secretary to Government (Labour) that the said Award shall be published in the Official Gazette, Puducherry.

(By order)

S. Sandirakumaran,
Under Secretary to Government (Labour).

ANNEXURE – I

1. G. Venkatachalam
2. M. Prakash
3. D. Prasannarajan
4. P. Muthuraman
5. J. Baskaran
6. R. Ganesan
7. T. Siranjeevi
8. N. Radha
9. T. Arul
10. M. Ramalingam
11. R. Kalvikkandhan
12. R. Rajaram
13. A. Sivakumar
14. R. Sambath
15. R. Sivasundaram
16. K. Natrajan
17. D. Surendar
18. C. Ramesh
19. M. Veeramani
20. A. Neelamegam
21. C. Sarathy
22. K. Hemanathan
23. A. Manigandan
24. N. Vinothkumar
25. T. Prakash
26. P. Raja
27. P. Balamurugan
28. V.S. Rajadurai
29. C. Sendil
30. C. Selvam
31. S. Sundararasu
32. R. Rajendran
33. E. Ramadas
34. V. Suresh
35. V. Devasenadhipathy
36. R. Maran
37. S. Settu
38. K. Babu
39. P. Prabagaran

BEFORE THE INDUSTRIAL TRIBUNAL-*CUM*-LABOUR COURT AT PUDUCHERRY

Present : Tmt. G.T. AMBIKA, M.L., PGDCLCF., Presiding Officer.

Monday, the 25th day of August, 2025

I.D. (T) No. 05/2016
CNR. No. PYPY06-000005-2016

The President/Secretary,
United Labour Federation,
No. 149, Thambu Chetty Street,
C.J. Complex, IV Floor,
Chennai – 600 001. . . Petitioner

Versus

The Managing Director,
M/s. Deepak Cables (India) Ltd.,
No. 07, Whirlpool Road,
Thiruvandar Kovil,
Puducherry – 605 102. . . Respondent

This industrial dispute coming before me for hearing in the presence of Thiru P. Chandrasekar, Counsel for the Petitioner and Thiru B. Mohandoss, K. Velmurugan, J. Kalirathinam, S. Vijayasanthi, Kanjanamala, R. Anbumathy, A. Asha, Indrajith and T. Vijayasanthi, Counsels for Respondents, upon hearing both sides, after perusing the case records, after having stood over till this day, this Court passed the following:

AWARD

This industrial dispute arises out of the reference made by the Government of Puducherry, *vide* G.O. Rt. No. 115/AIL/LAB/T/2016, Puducherry, dated 08-12-2016 of the Labour Department, Puducherry, to resolve the following dispute between the petitioner and the respondent, *viz.*,–

(a) Whether the dispute raised by the United Labour Federation, Chennai against the management of M/s. Deepak Cables (India) Limited, No. 13, Whirlpool Road, Thiruvandarkoil, Puducherry over retrenchment of 39 workers as listed in the Annexure is justified or not? If justified, what relief they are entitled to?

(b) To compute the relief, if any, awarded in terms of money, if it can be so computed.

2. *The brief averments set forth in the Claim Statement filed by the petitioner is as follows:*

That the petitioner Union is the registered Trade Union in the respondent management. The petitioner Union is the only majority Union in the management.

That the petitioner Union sent a letter to the management on 03-08-2015 requesting to recognize and talk with them with regard to service conditions of the workers. But, there is no response from the respondent management. That the workers were getting very low salary. However, the management had proposed to terminate 39 workers named (1) G. Venkatachalam, (2) M. Prakash, (3) D. Prasannarajan, (4) P. Muthuraman, (5) J. Baskaran, (6) R. Ganesan, (7) T. Siranjeevi, (8) N. Radha, (9) T. Arul, (10) M. Ramalingam, (11) R. Kalvikkandhan, (12) R. Rajaram, (13) A. Sivakumar, (14) R. Sambath, (15) R. Sivasundaram, (16) K. Natrajan, (17) D. Surendar, (18) C. Ramesh, (19) M. Veeramani, (20) A. Neelamegam, (21) C. Sarathy, (22) K. Hemanathan, (23) A. Manigandan, (24) N. Vinothkumar, (25) T. Prakash, (26) P. Raja, (27) P. Balamurugan, (28) V.S. Rajadurai, (29) C. Sendil, (30) C. Selvam, (31) S. Sundararasu, (32) R. Rajendran, (33) E. Ramadas, (34) V. Suresh, (35) V. Devasenadhipathy, (36) R. Maran, (37) S. Settu, (38) K. Babu, (39) P. Prabagaran and after 12-01-2016 issued a notice, hence, the dispute raised by the petitioner Union based on the charter of demands regarding the proposed termination. Subsequently petitioner Union filed a Writ Petition No. 4676 of 2016 before the Honorable High Court at Madras for issue of orders in the nature of writ of mandamus relating to legality of the retrenchment notice of 12-01-2016 of the management. During the pendency of industrial dispute relating to wage revision the management has stopped paying wages altogether for the last 17 months. By the management letter, dated 12-01-2016, 39 workmen have been given notice of termination to the effect on 12-02-2016.

(ii) That the respondent has not followed the principles of last come first go and management is seeking to terminate only the members of the petitioner Union. That the respondent management did not publish any seniority list as required in the industrial disputes rules. That the number of workmen employed in the factory are more than 100 and therefore, the provisions of chapter V-B applicable to the factory of the respondent in which it intends to retrench the workers and therefore, opposite party has to apply for permission under section 25-N of the Industrial Disputes Act. That the respondent filed their reply before the Conciliation Officer on 13-04-2016 has clarified that their company given notice to all individual workmen (with notice period of 30 days as prescribed in the Industrial Disputes Act). After expiry of 30 days notice period they have announced disbursement of retrenchment compensation and 10 workmen in out of 39 were received retrenchment compensation as per provisions recommended under the Industrial Disputes Act, 1947. That the respondent suppressed the fact that Industrial Dispute raised to claim wage revision pending for conciliation and the same is referred to this Court *vide* I.D.(T). No. 01 of 2016. That the respondent filed their reply, dated 27-04-2016 with method of calculating retrenchment compensation and statutory payments announced for 39 retrenched workmen. To the abovesaid reply the petitioner Union filed their rejoinder on behalf of the petitioner Union. That the petitioner denied the method of calculation as it does not applied to the petitioner Union member's case. The reason given by the respondent in the retrenchment notice, dated 12-01-2016 are non-est and does not contain an iota of truth. That the respondent is seeking to terminate only the members of the petitioner Union as a measure of victimization and has not followed the principles. That the 11 workers were forced to accept the payments made by the respondent management. That the reason given by the management in the termination notice, dated 12-01-2016 is not true and the management does not followed the conditions and regulations prescribed under the Industrial Disputes Act including Section 25N of the Act. Therefore, it is prayed that the retrenchment of 39 workers as mentioned is not justified and direct the respondent to reinstate the all 39 workmen with continuity of service and back wages and all other attendant benefits.

3. *The brief averments set forth in the Counter Statement filed by the respondent is as follows:*

That the Petitioner is a registered Trade Union espousing the cause of the workmen of the Respondent Management. However, respondent expects the petitioner to prove that the 39 workmen covered under reference of dispute to this Court have authorized the Petitioner Union to raise the dispute and represent them in respect of their cause pertaining to retrenchment. That the petitioner Union sent letter to the Respondent Management requesting to recognize the Petitioner Union. However, the Petitioner cannot find fault with the Respondent for its refusal to recognize the Petitioner Union. That there is no obligation imposed on the management to recognize the Trade Union and the Petitioner Union has no right in law to obtain recognition from the Respondent Management. But, the Respondent has participated in the negotiations with the workmen directly and also through the Petitioner Union on many occasions depending upon the merits of the issues. There is no truth in the

allegation that the workers were getting very low salary. Similarly, it is utterly false and vexatious allegation that the Management proposed to terminate the 39 workers based on the charter of demands submitted by the Petitioner Union. The Respondent Company commenced production in the Unit at Puducherry in November 2000 and was involved in manufacturing and sales of ACSR/ Aluminium conductors. Up to the year 2012 the Company was performing satisfactorily. The Company has always treated its workmen well and granted them all legitimate benefits. But, unfortunately the company could not perform well from financial year 2013-14 on account of unavoidable circumstances beyond the control of the employer and which had resulted in negative performances of the company. That the Respondent Company was supplying conductors to the Power Grid Corporation of India Limited (PGCIL). Although initially the employees worked with enthusiasm, gradually quality of production begun to suffer, due to lax attitude of the employees. Consequently, the Power Grid Corporation of India Limited terminated their contract and also debarred them from participating in future tenders by order, dated 05-09-2014 which causing a huge loss and throwing the Respondent Company into financial turmoil from which it is unable to recover till date. A notice has been received from Central Excise Department, dated 11-03-2015 for a sum of ₹ 11,80,669 and another from Income-tax Department, dated 23-09-2015 for recovery of ₹ 16.87 crores. With great difficulty, the Central Excise dues were paid. Because the Company was not able to pay Income-tax dues, the Bank Accounts were frozen on 03-10-2015. That the respondent Company suffered loss of ₹ 8.80 crores in the year 2013-2014 and 13.12 crores in the year 2014-2015. The Company suffered loss of ₹ 93.22 lakhs during the financial year as on 17-02-2015. With great difficulty, the Company continued to pay wages to employees. Irrespective of the said issues the Respondent company had been paying the salaries to the employees by arranging the money from Bank even though there was no manufacturing activity for the past 2 years. From February, 2015 onwards till date there is no production at all.

(ii) Due to said unavoidable circumstances which were beyond the control of the Company, a decision was taken to retrench the workmen and Retrenchment Notices, dated 12-01-2016 were issued to 39 workmen under Section 25F of the Industrial Dispute Act. 10 workmen namely, (i) G. Venkatachajlam, (ii) P. Muthuraman, (iii) M. Ramalingam, (iv) Veeramani, (v) A. Manigandan, (vi) P. Raja, (vii) C. Selvam, (viii) S. Sundararasu, (ix) R. Maran and (x) P. Prabagaran received compensation in full satisfaction of all their claims. They have also passed receipts in this regard in favour of the Respondent Company. The other workmen have been offered retrenchment compensation but till date they have not received the same and approached the Hon'ble High Court by way of Writ Petition in WP.4676/16. Though the said Writ Petition has been referred to in the claim statement, yet the Petitioner has not disclosed the fact of the Writ Petition. That the said Writ Petition filed by the petitioner union challenging the retrenchment notices was dismissed by the Hon'ble High Court of Madras on 26-02-2016. That the Petitioner Union raised the dispute before the Labour Officer (Conciliation) through representation, dated 01-02-2016. The Respondent submitted its reply 13-04-2016 for the representation of the Petitioner Union. That there is no truth in the allegation that during the pendency of industrial dispute relating to wage revision the Respondent Management has stopped paying wages altogether for 17 months. That there was no industrial dispute pending before the Learned Conciliation Officer or any other Authority while the Respondent issued notice of retrenchment, dated 12-01-2016. That the Respondent has followed the principle in the category/workwise, otherwise the valid reasons to be recorded as per 25G of the Industrial Dispute Act, 1947. The Management has retained/retrenched workmen irrespective of whether they are member of Union or not in the union and followed the condition of 25G and 25F of Industrial Dispute Act, 1947 and this is evident from the list of employees who have been retrenched/ retained as the members of the Petitioner Union are also still working in the Respondent Company. Further, the workmen retrenched and also the workmen who are not retrenched know very well their seniority position as informed by the Respondent Company and there is no violation any rule relating to the seniority of the workmen in their category. That the company gave retrenchment notice to all the individual workmen with notice period of 30 days simultaneously and after the expiry of 30 days notice period the respondent announced disbursement of retrenchment compensation. Totally 10 workmen out of 39 workmen retrenched have already taken their compensation and other dues with their full satisfaction. That the Petitioner Union has to produce the letter of authority or other relevant document authorizing the petitioner Union to prosecute the claim petition on their behalf. The representation, dated 27-04-2016 the retrenchment

compensation calculated by the Respondent for the 39 retrenched workmen is correct and valid one. The reason given in the retrenchment notice, dated 12-01-2016 represents true statement of facts and the retrenchment effected is lawful and there is no violation of any provision of law committed by the Respondent in this regard. That it is false to allege that 11 workers were forced to accept the payments made by the Respondent Management. The Respondent was not in a position to grant recognition to the petitioner union as none of the office-bearers mentioned in their letter, dated 03-08-2015 belongs to the employees of the company, *i.e.,* all are outsiders. Moreover the names of the members of the Union were not provided to the respondent. The Trade Unions Act, 1926 does not permit the constitution of the Trade Union by outside leadership. Hence, it is prayed to dismiss the claim made by the Petitioner with costs.

4. *The brief averments set forth in the rejoinder to the counter statement filed on behalf of the petitioner is as follows:*

That after raising the industrial dispute on behalf of the 39 workers, the management settled with 10 workmen and which was not communicated to this Honourable Court on what basis they have settled with individual workman and what is quantum of the retrenchment compensation were paid to them. Originally the petitioner Union authorised to represent on behalf of the members of the Union who are all paid their subscription to the petitioner Union. Hence, the petitioner union has *locus standi* to raise industrial dispute on behalf of the members of the petitioner Union. That the respondent management does not want to fulfill the charter of demands raised by the petitioner Union hence, decided to victimise by way of illegal retrenchment hence, the management terminated 39 workers without following the provisions of the Industrial Disputes Act, 1947. It is not true that the company could not perform well from financial year 2013-2014 on account of unavoidable circumstances beyond control of the employer and which had resulted in negative performance of the company. That the management did not issued any show cause notices or warning memos to the members of the petitioner Union for quality issues. That the respondent have to put to strict proof for the averments that they suffered loss of ₹ 8.80 crores in the year 2013-14 and 13.12 crores in the year 2014-15 and 93.22 lakhs during the financial year as on 17-02-2015 are denied. Further, denies the averments that 10 workmen were received compensation in full satisfaction of all their claims. The Petitioner Union raised charter of demand during the year 2015 and conciliation proceedings ended in failure thereafter, the Government of Puducherry referred the issue to this Tribunal for adjudication therefore, after raising the charter of demands, the management started to victimising the members of the Union by way of retrenchment. That the respondent did not produced list employees who were retrenched and settled with compensation claims. That all the 39 workman were members of the Petitioner Union, subsequently the respondent management settled with only 10 workman and same has not been communicated to the petitioner Union till date. The Petitioner Union restricts their claim only to 29 workmen who were not settled as per the provisions of the Industrial Disputes Act, 1947. That respondent are not willing to negotiate with the Petitioner Union and their members. Therefore, it is prayed to directing the respondent to reinstate the retrenched employees with all continuity of service and all attendant benefits.

5. *The brief averments set forth in the Additional Counter Statement filed by the respondent is as follows:*

That subsequent to the commencement of the enquiry in the main Industrial Dispute, the creditor State Bank of India, Bangalore filed application before the Hon'ble National Company Law Tribunal, Bengaluru Bench seeking to initiate Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016. The Hon'ble Tribunal passed orders, dated 23-08-2018 declaring moratorium prohibiting, among other things, the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any Court of Law, Tribunal, Arbitration Panel or other authority. Subsequently the Hon'ble Tribunal passed orders on 04-07-2019 appointing Shri Ravindra Beleyur as Liquidator to liquidate the Corporate Debtor namely the respondent company and directed the said liquidator to take speedy steps to conclude the liquidation process. With the directions of the Hon'ble Tribunal, the liquidator has taken possession of the Corporate Office at Bangalore and the factory premises at Puducherry belonging to the respondent company. That the liquidator has sealed the factory premises and all industry operations on the part of the respondent company have come to an end. That the orders passed by the Hon'ble National Company Law Tribunal and acts of the liquidator have got a bearing on the claim made by the petitioner in the

Industrial Dispute and the very maintainability of the claim made by the petitioner is at stake. Therefore, it is prayed for dismissing the claim made by the petitioner on account of the subsequent developments and with directions to work out their remedy by raising their claim before the liquidator appointed by the National Company Law Tribunal, Bengalaru Bench in its order, dated 23-08-2018 or in the alternative pass order for closing the reference made by the appropriate Government under Section 10 of Industrial Dispute Act, 1947.

6. *Points for determination:*

(i) Whether the retrenchment of 29 employees by the respondent management is in accordance with law or it is illegal and void?

(ii) Whether the retrenchment is bad for want of permission under section 25N of Industrial Disputes Act, 1947?

(iii) Whether the permission of the Government under section 33(1) of Industrial Disputes Act, 1947 was required for retrenching 29 workmen and whether said retrenchment is void for want of such permission?

(iv) Whether the retrenched 29 workmen are entitled for the relief of reinstatement with continuity of service with back wages and all other attendant benefits as claimed?

(v) To what other reliefs?

7. In the course of enquiry, on the side of the petitioner P.W.1 was examined and Exs.P1 to P7 were marked and on the side of respondent though R.W.1 was examined and Exs.R1 to R11 were marked but, later the said evidence of R.W.1 was eschewed by this tribunal on 11-11-2019.

8. *On points No. 1 to 5:*

The contention of the petitioner Union is that the workers of the respondent management were getting very low salary and so the petitioner Union had raised dispute based on charter of demands and while so, the respondent management to victimize the workmen had proposed to terminate 39 workmen and issued retrenchment notice on 12-01-2016 which is unsustainable in law for the reason that the respondent management has not published any seniority list and not followed the principles of last come first go as stipulated under Section 25G of Industrial Disputes Act, 1947 and also the permission adumbrated under section 25 N of Industrial Disputes Act, 1947 and that apart the reason stated in the retrenchment notice, dated 12-01-2016 does not contain any iota of truth. The petitioner Union further, by way of rejoinder contended that the petitioner Union restricts their claim only to 29 workmen out of 39 workmen since for the remaining 10 workmen the respondent management had settled the case.

9. Whereas, the contention of the respondent is that the respondent company was running in huge financial loss and apart from that due to quality issues with Power Grid Corporation of India Limited and subsequent poor performances in supplies due to quality issues, the Power Grid Corporation of India Limited had blacklisted and banned the respondent company from participating in the tenders for new orders and thereby there was no any orders from any vendors and the company was running in a huge loss from the financial year 2013-2014 and further, when the respondent company had approached its Bank for restructuring of its debt under the CDR mechanism the Bank accounts of respondent company was attached by the Income-tax Department and the company was struggling to make payments to various Government Departments and in such situation it was decided to retrench workmen and further on the date of issuance of retrenchment notice there was no any industrial dispute pending before the Conciliation Officer or before any other Authority.

10. In this case on the side of petitioner P.W.1 was examined in chief and cross and thereafter on the side of respondent R.W.1 was examined in chief and was partly cross-examined by the petitioner and subsequently when the case was pending for further cross-examination of R.W.1, the Counsel for respondent has filed an additional counter statement stating that after commencement of enquiry in this case, the creditor, The State Bank of India, Bangalore had filed application before the Hon'ble National Company Law Tribunal, Bengaluru Bench seeking to initiate corporate insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 and subsequently on 04-07-2019 Shri Ravindra Beleyur was appointed as Liquidator to liquidate the corporate debtor namely the respondent company and the said Liquidator was directed to take speedy steps to conclude the liquidation process and thereupon the liquidator has taken possession of the corporate office at Bangalore and factory premises at Puducherry and sealed the factory premises. The records reveals that on 29-10-2019 this Tribunal has recorded the additional counter statement filed the respondent management and posted the case for further cross-examination of R.W.1

but, on 11-11-2019 it was recorded that as the R.W.1 is reported to have left the company and as the case is pending for long time for cross-examination of R.W.1, the evidence of R.W.1 was ordered to be eschewed. Thus, in this case as per the order of this Tribunal on 11-11-2019 the evidence of R.W.1 was ordered to be eschewed and further, as against the said order either of the parties to the case have not filed any petitions before this Tribunal or before the Appellate Court to set aside the order of eschew.

11. Thus, in the said back drops, this Tribunal has taken up this case for disposal. The first contention of the respondent is that the subject matter of dispute pertains to retrenchment and therefore, it is a collective dispute covered under section 2(k) of Industrial Disputes Act, 1947 (hereinafter referred as Industrial Dispute Act) and hence, in such case the petitioner Union has to prove that it has authority to represent the workmen of the respondent company. This Tribunal finds that as per Section 36 of Industrial Dispute Act, a workman who is a party to the dispute can be represented in any proceeding under the Industrial Dispute Act, by any member of the executive or office bearer of any Trade Union.

12. *The P.W.1 during his cross-examination has deposed as follows:*

> *"*எங்கள் சங்கத்திலுள்ள 39 பேரில் 11 பேர் நிர்வாகத்தோடு சமாதானமாக Compensation பெற்றுக்கொண்டார்கள் என்றால் சரிதான். தற்போது இந்த வழக்கை 28 பேருக்காகதான் நடத்துகிறோம். தீர்மானம் போடப்பட்டது*"*.

Thus, the P.W.1 during his cross-examination has deposed that this case is conducted for 28 workmen and resolution was passed for conducting the case. Thus, the P.W.1 during his cross-examination has categorically deposed during his cross examination that he has been authorised to conduct the above case. To disprove the same no oral or documentary evidence has been adduced by the respondent and thereby the said contention of the respondent is found to be evasive one.

13. The next contention is that the Liquidator representing the respondent company has filed documents to substantiate that the respondent company is undergoing liquidation process as per the provisions of the Insolvency and Bankruptcy Code 2016 and also filed memo stating that as per the order of Hon'ble National Company Law Tribunal, Bengaluru Bench on 04-07-2019, the Liquidator namely Shri Ravindra Beleyur was appointed to liquidate the corporate debtor namely the respondent company and further the Liquidator has been directed to take speedy steps to conclude the liquidation process. This Tribunal on perusal of records finds that in this case the liquidation process pertaining to the respondent company has commenced by way of order of Hon'ble National Company Law Tribunal, Bengaluru Bench on 23-08-2018. Whereas, this reference is made to this Tribunal from the Labour Department on 08-12-2016. Hence, this Tribunal without bearing to the proceedings of Hon'ble National Company Law Tribunal, Bengaluru Bench is constrained to determine the merits of the claim made by the petitioner Union in the claim statement.

14. Admittedly as per the rejoinder filed by the petitioner Union, the above industrial dispute is restricted to 29 workmen out of 39 workmen since it is contended that with regard to remaining 10 workmen the respondent management has already solved and settled the dispute. In this case, it is the contention of the petitioner union that provisions of V-B of Industrial Dispute Act was not followed in this case. This Tribunal on perusal of Chapter V-B of Industrial Dispute Act, 1947 finds that the said chapter pertains to special provisions relating to Lay-Off, Retrenchment and Closure. In the said chapter, section 25 N of Industrial Dispute Act, 1947 states as follows:

> 25N. Conditions precedent to retrenchment of workmen - (1) No workman employed in any industrial establishment to which this Chapter applies, who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until,-
>
> (a) the workman has been given three months' notice in writing indicating the reasons for retrenchment and the period of notice has expired, or the workman has been paid *in lieu of* such notice, wages for the period of the notice; and
>
> (b) the prior permission of the appropriate Government or such authority as may be specified by that Government by notification in the Official Gazette (hereafter in this section referred to as the specified authority) has been obtained on an application made in this behalf.

15. Thus, as per section 25 N (1) (b) of Industrial Dispute Act, no doubt a prior permission of the appropriate Government or such authority is required before retrenchment but, however Chapter V-B which deals with special provisions relating to layoff, retrenchment and closure in certain establishments states that chapter V-B is restricted to industrial establishments in which not less than 100 workmen were

employed on an average per working day for the preceding 12 months. In this case the P.W.1 during his cross-examination has categorically deposed that during the time of retrenchment there were only workmen whose strength was less than 100. Hence, in such context, this Tribunal finds that prior permission which is contemplated to be taken by the respondent management under section 25 N of Industrial Disputes Act is not at all required.

16. The next contention of the petitioner Union is that the respondent has not followed the principles of last come first go. No doubt section 25-G of Industrial Disputes Act, states to retrench the workman who was the last person employed. Admittedly, the respondent in this case has not produced any seniority list to show that the retrenchment was done on the basis of last come first go. Thus, this Tribunal holds that in this case the respondent management has not complied the provisions contemplated under section 25G of Industrial Disputes Act.

17. Now the other point that arises for consideration is whether the respondent management has complied with the statutory requirements as provided under Section 25-F of Industrial Disputes Act. The retrenchment as provided under Section 25 F of Industrial Disputes Act read as under:

> "25F – Conditions precedent to retrenchment of workmen.- No workman employed in any industry who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until–
>
> (a) the workman has been given one month's notice in writing indicating the reasons for retrenchment and the period of notice has expired, or the workman has been paid *in lieu of* such notice, wages for the period of the notice;
>
> (b) the workman has been paid, at the time of retrenchment, compensation which shall be equivalent to fifteen days' average pay (for every completed year of continuous service) or any part thereof in excess of six months; and
>
> (c) notice in the prescribed manner is served on the appropriate Government (or such authority as may be specified by the appropriate Government by notification in the Official Gazette)."

18. Thus, it clear from the above section that unless the following conditions are fulfilled, no employee shall be retrenched.

(i) A notice in writing indicating the reasons for retrenchment is a must.

(ii) He should be given one month's notice or he should be paid wages for the period of notice *in lieu of* such notice.

(iii) The workman should be paid at the time of the retrenchment, compensation which shall be equivalent to 15 days average pay or every completed year of an continuous service if, he has put in more than six months service.

(iv) Notice in the prescribed manner is to be served on appropriate Government, *i.e.,* in Form No. P under Rule 77 of the Rules.

Only if all these conditions are fulfilled, then the retrenchment would be valid.

19. The Hon'ble Apex Court in the case of Workmen of Subong Tea Estate *vs.* The outgoing Management of Subong Tea Estate reported in AIR 1967 SC 420, has laid down the following proposition:

> "(i) that the management can retrench its employees only for proper reasons which means that it must not be actuated by any motive of victimization or any unfair labour practice,
>
> (ii) that it is for the management to decide the strength of its labour force, for the number of workmen required to carry out efficiently the work in his industrial undertaking must always be left to be determined by the management in its discretion,
>
> (iii) if, the number of employees exceeded the reasonable and legitimate needs of the undertaking it is open to the management to retrench them,
>
> (iv) workmen may become surplus on the ground of rationalisation or economy reasonably or *bona fide* adopted by the management or on the ground of other industrial or trade reasons, and
>
> (v) the right to effect retrenchment cannot normally be challenged but, when there is a dispute about the validity of retrenchment the impugned retrenchment must be shown as justified on proper reasons, *i.e.,* that it was not capricious or without rhyme or reason."

20. Similarly, the Hon'ble Apex Court in the case of Parry and Company Limited, Dare House, Madras *vs* P.C. Pal, Judge of Second Industrial Tribunal, Calcutta reported in 1970 - AIR (SC) - P - 1334, dealing with the scope of interference by the Tribunal or this Court regarding decision of the management to retrench its employees has held as under:

"14. It is well established that it is within the managerial discretion of an employer to organise and arrange his business in the manner he considers best. So, long as that is done *bona fide* it is not competent for a Tribunal to question its propriety. If, a scheme for which reorganization results in surplus age of employees no employer is expected to carry the burden of such economic dead-weight and retrenchment has to be accepted as inevitable, however unfortunate it is. The Legislature realised this position and therefore, provided by section 25-F compensation to soften the blow of hardship resulting from an employee being thrown out of employment through no fault of his. It is not the function of the Tribunal, therefore, to go into the question whether such a scheme is profitable or not and whether it should have adopted by the employer."

21. Likewise the Hon'ble Apex Court in Pramod Jha and others *vs.* State of Bihar and others reported in (2003) 4 Supreme Court Cases 619, has held as under:

"10. The underlying object of section 25-F is twofold. Firstly, a retrenched employee must have one month's time available at his disposal to search for alternate employment, and so, either he should be given one month's notice of the proposed termination or he should be paid wages for the notice period. Secondly, the workman must be paid retrenchment compensation at the time of retrenchment, or before, so that once having been retrenched there should be no need for him to go to his employer demanding retrenchment compensation, and the compensation so paid is not only a reward earned for his previous services rendered to the employer but, is also a sustenance to the worker for the period which may be spent in searching for another employment. Section 25-F nowhere speaks of the retrenchment compensation being paid or tendered to the worker along with one month's notice; on the contrary, clause (b) expressly provides for the payment of compensation being made at the time of retrenchment and by implication it would be permissible to pay the same before retrenchment. Payment or tender of compensation after the time when the retrenchment has taken effect would vitiate the retrenchment and non-compliance with the mandatory provision which has a beneficial purpose and a public policy behind it would result in nullifying the retrenchment.

22. Thus, this Tribunal from the above citations and submissions finds that before retrenching a workman, the management has to mandatory comply with clause a and b of section 25 F of Industrial Disputes Act and further retrenchment compensation has to be paid before retrenchment and further, it is held that the payment or tender of compensation after the time when the retrenchment has taken effect would vitiate the retrenchment and non-compliance with the mandatory provision which has a beneficial purpose and a public policy behind it would result in nullifying the retrenchment. Further, it is held that the retrenchment must be for a justifiable or proper reason and not to victimize the workman.

23. This Tribunal on perusal of retrenchment notices Ex.P4 series finds that in the retrenchment notice it is stated that from 2013-2014 onwards the respondent company is running in loss and further, there was no orders for production. The fact that the respondent management was running in loss from 2013-2014 onwards is admitted by the petitioner Union even in the claim statement and further, the P.W.1 also during his cross-examination has admitted that from 2013 the respondent management is running in loss and therefore, the respondent management is found to have shown a justifiable reasons for retrenchment. Hence, in such case, the contention of the petitioner Union that as the Petitioner Union had raised dispute based on charter of demands and the management to victimize the workmen has issued retrenchment notice is found to be unsustainable.

24. Regarding the compliance of provisions pertaining to issuance of retrenchment notice as stated under section 25 F (a) of Industrial Disputes Act is concerned, this Tribunal on perusal of retrenchment notices Ex.P4 series finds that the retrenchment notice is, dated 12-01-2016 and the effect from which retrenchment would come into force is stated as 12-02-2016. Hence, in this case one month notice as per the abovesaid section is found to have been issued. However, in Ex.P4 series retrenchment notices it is stated that retrenchment compensation is computed and made ready in the office but, the respondent to substantiate that the said compensations were already computed and made ready on the date of notice or during the notice period has not produced any proof before this Tribunal.

25. As per the rulings held in the above cited judgments, it has been held that clause (b) of section 25 F of Industrial Disputes Act, expressly provides for the payment of compensation being made at the time of retrenchment and by implication it would be permissible to pay the same before retrenchment and payment or tender of compensation after the time of retrenchment would result in nullifying the retrenchment. Thus, in this case though the respondent contend that for 10 workmen retrenchment compensations were already paid and settled but, the

respondent failed to substantiate that for the remaining 29 workmen as against whom this case is pending the respondent had computed and made ready of retrenchment compensation amount on the date of retrenchment notice that is on 12-01-2016 or before the date of retrenchment that is 12-02-2016. Hence, this Tribunal holds that the respondent management has not complied with clause (b) of section 25 F of Industrial Disputes Act.

26. The next argument of the petitioner Union is that there is violation of section 33 of Industrial Disputes Act for the reason that the retrenchment amounts to termination and change of service conditions, as an industrial dispute was pending before the Conciliation Officer and therefore, prior permission under section 33 of the Industrial Disputes Act ought to have been obtained.

27. At this juncture it would be more appropriate to extract section 33 of Industrial Disputes Act for better appreciation. Section 33 of the Industrial Disputes Act reads as under:

Section 33: "Conditions of service, *etc.,* to remain unchanged under certain circumstances during pendency of proceedings.–

(1) During the pendency of any Conciliation proceeding before a Conciliation Officer or a Board or of any proceeding before (an arbitrator or) a Labour Court or Tribunal or National Tribunal in respect of an industrial dispute, no employer shall,

(a) in regard to any matter connected with the dispute, alter, to the prejudice of the workmen concerned in such dispute, the conditions of service applicable to them immediately before the commencement of such proceeding; or

(b) for any misconduct connected with the dispute, discharge or punish, whether by dismissal or otherwise, any workman concerned in such dispute, save with the express permission in writing of the authority before which the proceeding is pending.

(2) During the pendency of any such proceeding in respect of an industrial dispute, the employer may, in accordance with standing orders applicable to a workman concerned in such dispute (or, where there are no such standing orders, in accordance with the terms of the contract, whether express or implied, between him and the workman)–

(a) alter, in regard to any matter not connected with the dispute, the conditions of service applicable to that workman immediately before the commencement of such proceeding; or

(b) for any misconduct not connected with the dispute, discharge or punish, whether by dismissal or otherwise, that workman;"

28. From the aforesaid provision it is clear that, during the pendency of any Conciliation Proceedings no employer shall, in regard to any matter connected with the dispute alter to the prejudice of the workmen concerned in such dispute, the conditions of service applicable to them immediately before the commencement of such proceeding, save with the express permission in writing of the authority before which the proceeding is pending. In this case, it is contended that, on the day the retrenchment took place, a dispute was pending before the Conciliation Officer and without the express permission in writing of the Conciliation Officer this retrenchment could not have been done.

29. Therefore, the question that arises for our consideration is whether the section 33 of Industrial Disputes Act has any application to retrenchment proceedings?

The Apex Court in the case of L. Robert D'Souza *vs.* The Executive Engineer, Southern Railway and another (AIR 1982 Supreme Court 854) at para No. 9 it is held as under:

"It was obligatory upon the employer, who wants to retrench the workmen to give notice as contemplated by clause (2) of section 25. When a workman is retrenched it cannot be said that change in his conditions of service is effected. The conditions of service are set out in the Fourth Schedule. No item in Fourth Schedule covers the case of retrenchment. In fact, the retrenchment is specifically covered by Item 10 of the Third Schedule. Now, if retrenchment which connotes termination of service, cannot constitute change in conditions of service in respect of any item mentioned in Fourth Schedule Section 9-A would not be attracted. In order to attract section 9-A, the employer must be desirous of effecting a change in conditions of service in respect of any matter specified in Fourth Schedule. If, the change proposed does not cover any matter in Fourth Schedule Section 9-A is not attracted and no notice is necessary. Thus, if section 9-A is not attracted, the question of seeking exemption from it

in the case falling under the proviso would hardly arise. Therefore, neither section 9-A nor the proviso was attracted to this case. The basic fallacy in the submission is, that notice of change contemplated by section 9-A and notice for a valid retrenchment under section 25 F are two different aspects of notice, one having no correlation with the other. It is therefore, futile to urge that even if, termination of services of the petitioner constitute retrenchment, it would nevertheless be valid because the notice contemplated by section 25F would be dispensed with in view of the provision contained in section 9A proviso (b). That apart, it is an indisputable position that none of the other 3 conditions of a valid retrenchment have been complied with in this case. Because, the very termination of service shows that services were deemed to have been terminated from a back date, which clearly indicate that no notice being given, no compensation being paid and no notice being given to the prescribed authority. Therefore, termination of service being retrenchment for failure to comply with section 25 F would be *void ab initio*."

30. From the aforesaid judgment of the Apex Court it is clear that, whenever the employer wants to alter the conditions of service of an employee a notice under section 9A of Industrial Disputes Act is mandatory. Similarly, the express permission in writing under section 33(3) (a) (b) is also mandatory. Similarly, under section 33(1)(b) for any misconduct connected with the dispute discharge or punishment whether by dismissal or otherwise, such express permission in writing is required. In the instant case, admittedly this is not a case which falls under section 33 (1)(b). There is no discharge or termination or dismissal involved. The question is, whether there is any alteration of the conditions of service. The Apex Court has categorically held that retrenchment does not amount to alteration in the conditions of service. If, retrenchment does not fall within the mischief of alteration of conditions of service, there was no obligation cast on the management to obtain any express permission in writing from the authority before retrenching the workmen. Therefore, the contention of the petitioner Union that the retrenchment is vitiated for not obtaining express permission from the authority concerned before retrenching the workmen is found to be untenable.

31. This Tribunal in supra has held that the respondent management has not complied the mandatory requirement as contemplated under section 25 F (b) of Industrial Disputes Act. Hence, in the said context the retrenchment of 29 workmen mentioned in the Annexure-1 if found to be void and thereby they would be entitled for reinstatement with all consequential benefits. However, since in this case as the respondent company has already under gone liquidation process, the possibility of reinstatement of the workmen involved in this dispute is not feasible. Therefore, in the circumstances it would be appropriate to direct to pay the retrenchment compensation as per the due procedure and the other statutory payments in a time bound manner. Thus, the points are answered accordingly.

In the result, this petition is disposed with modification and the industrial dispute raised by the petitioner Union against the respondent management restricting to retrenchment of 29 workmen as listed in Annexure-1 is justified and the Award is passed by directing to pay retrenchment compensation and statutory payments as per due procedure within a period of one month from the date of this Award. There is no order as to cost.

Partly typed by the Stenographer, Partly typed by me in my laptop, corrected and pronounced by me in open Court on this the 25th day of August, 2025.

G.T. Ambika,
Presiding Officer,
Industrial Tribunal-*cum*-
Labour Court, Puducherry.

List of petitioner's witness :

PW1 — 15-11-2017 Thiru T. Prakash

List of petitioner's side exhibits :

Ex. P1 — 08-09-2015 Photocopy of the Complaint to Chief Inspector of Factories for non-payment salary dues to members of the petitioner union (Pg. No. 1-4).

Ex. P2 — 26-09-2015 Photocopy of the Complaint from petitioner union to chief inspector of factories (Pg. No. 5-6).

Ex. P3 — 06-11-2015 Photocopy of the Letter from respondent to Labour officer (Conciliation) regarding non-payment of salary to the workers (Pg. No. 7-8).

Ex. P4 Series — 12-01-2016 Photocopy of the retrenchment notice issued to the members of the petitioner union (Pg. No. 9- 86).

Ex. P5 — 27-04-2016 Photocopy of the method of calculating retrenchment compensation and statutory payments by the respondent (Pg. No.87 - 90).

Ex. P6 — 19-05-2016 Photocopy of the rejoinder to the management counter (Pg. No. 91 - 93).

Ex. P7 — 18-08-2016 Photocopy of the conciliation failure report issued by the Labour Officer (Conciliation) (Pg. No. 94-102).

List of respondent's witnesses :

RW1 — 07-02-2018 Thiru L. Thiyagarajan. (Eshewed on 11-11-2019)

List of respondent's side exhibits :

Ex. R1 — 31-12-2012 Photocopy of the letter sent by Power Grid Corporation of India Limited to M/s. Deepak Cables (India) Limited.

Ex. R2 — 05-09-2014 Photocopy of the letter sent by Power Grid Corporation of India Limited to M/s. Deepak Cables (India) Limited.

Ex. R3 — 23-09-2015 Photocopy of the notice sent by Deputy Commissioner of Income Tax to M/s. Deepak Cables (India) Limited.

Ex. R4 — 03-10-2015 Photocopy of the letter sent by AXIS Bank to M/s. Deepak Cables (India) Limited.

Ex. R5 — 12-01-2016 Photocopy of the Notice of retrenchment sent by Deepak Cables (India) Limited to Mr. Ramalingam.

Ex. R6 — 12-01-2016 Photocopy of the notice of retrenchment, dated 12-01-2016 sent by Deepak Cables (India) Limited to Mr. M. Ramalingam.

Ex. R7 — 13-04-2016 Photocopy of the reply submitted by M/s. Deepak Cables (India) Limited to the Labour Officer (Conciliation).

Ex. R8 — 21-08-2017 Photocopy of the sent by State Bank of India to M/s. Deepak Cables (India) Limited along with a) Possession notice, b) Publication in the New Indian Express in English and c) Publication in Dinamani in Tamil.

Ex. R9 — 15-09-2017 Photocopy of the letter order, dated 15-09-2017 under Section 8F of the EPF and MP Act, 1952 by the Assistant PF Commissioner, Regional Office, Puducherry.

Ex. R10 — 22-09-2017 Photocopy of the notice sent by Employees State Insurance Corporation, Puducherry to M/s. Deepak Cables (India) Limited.

Ex. R11 — 10-01-2018 Photocopy of the enery consumption bill issued by Electrian Department, Puducherry to M/s. Deepak Cables (India) Limited.

G.T. AMBIKA,
Presiding Officer,
Industrial Tribunal-*cum*-
Labour Court, Puducherry.

GOVERNMENT OF PUDUCHERRY

DEPARTMENT OF ART AND CULTURE

(G.O. Ms. No. 02, Puducherry, dated 19th March 2026)

NOTIFICATION

The Hon'ble Lieutenant-Governor, Puducherry, is pleased to constitute the State Level Standing Committee and District Level Standing Committee for the effective implementation of the Gyan Bharatam Mission, with the objective of surveying, documenting, conserving, digitizing and disseminating India's manuscript heritage.

State Level Standing Committee :

Sl. No.	Designation	Position
(1)	(2)	(3)
1	The Chief Secretary to Government, Puducherry.	. . Chairman