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W.P.Nos.541 of 2023 etc., batch

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on: 22/6/2026

Pronounced on: 9/7/2026

C O R A M

THE HONOURABLE Mr.JUSTICE K. SURENDER

Writ Petition Nos.541, 546, 549, 1320, 1330, 1332, 1326, 4816 of 2023
23299, 23617 and 24392 of 2025
a n d

W.M.P.Nos.497, 499, 501, 1370, 1380, 1385, 1379 and 4840 of 2023

The Management

rep. By its Liquidator

Saram Co-operative Spinning Mill

also known as Villupuram Co-operative Spinning Mill

Then having address at

Salakarai

Cuddalore.

Presently having address at

Tindivanam

Villupuram District.

...

Petitioner in

W.P.Nos.541, 546, 549,

1320, 1330,1332, 1326, 4816 of 2023

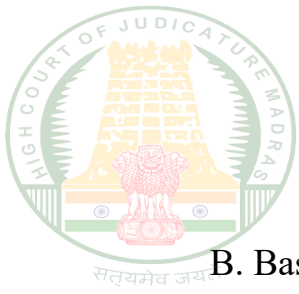
Vs

T. Rajendran

...

Respondent

in W.P.No.541 of 2023



W.P.Nos.541 of 2023 etc., batch

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B. Baskaran

...

Respondent
in W.P.No.546 of 2023

K. Krishnamurthy

...

Respondent
in W.P.No.549 of 2023

G. Kanniyappan

...

Respondent
in W.P.No.1320 of 2023

Subbarayan

...

Respondent
in W.P.No.1330 of 2023

A. Mani

...

Respondent
in W.P.No.1332 of 2023

N. Rangabazha

...

Respondent
in W.P.No.1326 of 2023

V. Selvaraj

...

Respondent
in W.P.No.4816 of 2023

a n d

Arul Selvi

...

First Petitioner
in W.P.No.23299 of 2025

R. Sudharsana Krishnan

...

Second Petitioner
in W.P.No.23299 of 2025

R. Nishanth

...

Third petitioner
in W.P.No.23299 of 2025

P. Anandan

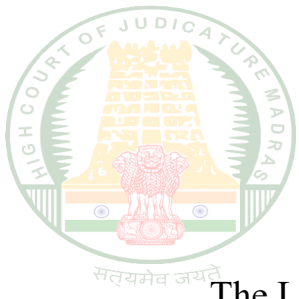
...

Petitioner
in W.P.No.23617 of 2025

P. Palani

...

Petitioner
in W.P.No.24392 of 2025



W.P.Nos.541 of 2023 etc., batch

Vs

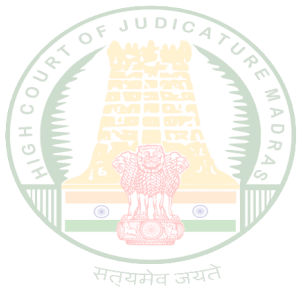
The Liquidator/Management
Saram Co-operative Spinning Mill
Salakarai
Cuddalore 3.

...

Respondent
in W.P.Nos.23299, 24392
and 23617 of 2025

Prayer in W.P.Nos.541, 546, 549, 1320, 1330, 1332, 1326, 4816 of 2023: Petitions filed under Article 226 of the Constitution of India praying for the issuance of writs of certiorari to call for the records of the order dated 24/3/2022 in C.P.Nos.46,44, 38, 41, 40, 36, 45, 39 of 2013 on the file of the labour Court, Cuddalore in so far as awarding and directing the petitioner Mill to pay the closure compensation of Rs.62,092/-, 62,515/-, 71,550/-, 60,796/-, 59,117/-, 61,140/-, 66,056/-, 66,577/- along with interest at the rate of 7.5% and exgratia amount of Rs.1,00,000/- to the respondent workman and quash the same.

Prayer in W.P.Nos.23299, 23617 and 24392 of 2025: Petitions filed under Article 226 of the Constitution of India praying for the issuance of writs of certiorarified mandamus to call for the records of Labour Court, Cuddalore, order dated 18/2/2021 passed in Unnumbered C.P.No.--- of 2021 (19 register Nos.39, 41 and 42/2021) quash the same and consequently remand back the matter to the Labour Court to pass fresh orders on merit.



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W.P.Nos.541 of 2023 etc., batch

For petitioner

... Mr.Haja Naziruddin
Senior Counsel
for Mr.U.Baranidharan
(W.P.Nos.541, 546, 549, 1320, 1330,
1332, 1326, 4816 of 2023)

Mr.S.T.Varadarajulu
(W.P.Nos.23299, 23617 and
24392 of 2025)

For respondents

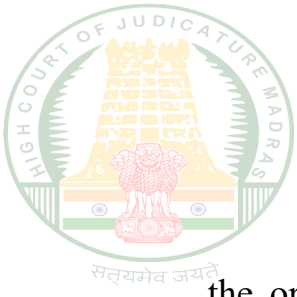
... Mr.S.T.Varadarajulu
(W.P.Nos.541, 546, 549, 1320, 1330,
1332, 1326, 4816 of 2023)

Mr.Haja Naziruddin
Senior Counsel
for Mr.U.Baranidharan
(W.P.Nos.23299, 23617 and
24392 of 2025)

- - - - -

COMMON ORDER

W.P.Nos.541, 546, 549, 1320, 1330, 1332, 1326, 4816 of 2023 have been filed to quash the order dated 24/3/2022 made in C.P.Nos.46,44, 38, 41, 40, 36, 45 and 39 of 2013, respectively, on the file of the labour Court, Cuddalore in so far as awarding and directing the petitioner Mill to pay the closure compensation of Rs.62,092/-, 62,515/-, 71,550/-, 60,796/-, 59,117/-, 61,140/-, 66,056/-, 66,577/-, respectively, along with interest at the rate of 7.5% and exgratia amount of Rs.1,00,000/- to the respondent workmen.



W.P.Nos.541 of 2023 etc., batch

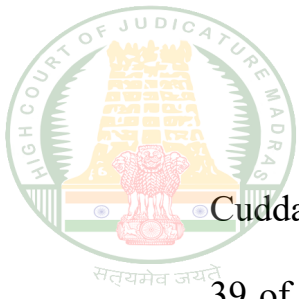
2. **W.P.Nos.23299, 23617 and 24392 of 2025** have been filed to quash

the order dated 18/2/2021 passed in Unnumbered C.P.No.--- of 2021 (19 register Nos.39, 41 and 42/2021) by the Labour Court, Cuddalore and consequently remand the matters to the Labour Court to pass fresh orders on merit.

3. After the arguments were heard, it was brought to the knowledge of this Court that W.M.P.No.26170 of 2025 in W.P.No.23299 of 2025 is pending, seeking leave of this Court to permit the petitioners to pay a single Court fee for W.P.No.23299 of 2025. Considering that the petitioners are the legal heirs of the deceased, **this Court is inclined to allow W.M.P.No.26170 of 2025.**

4. Briefly, the facts of the case are that the Management closed the mill on 13/1/1999, without any due process being followed under the Industrial Disputes Act (hereinafter referred to as 'The Act'). During March 2002, Management offered the workers to opt for Voluntary Retirement Scheme and 98% of the workers accepted the proposal. The respondents in **W.P.Nos.541, 546, 549, 1320, 1330, 1332, 1326, 4816 of 2023** have refused the offer of Voluntary Retirement Scheme and approached the Labour Court,

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Cuddalore by filing Claim Petitions in C.P.Nos.46,44, 38, 41, 40, 36, 45 and

39 of 2013, respectively and the same were disposed of on 24/3/2022, with

direction of payment of closure compensation along with 7.5% interest and exgratia amount.

5. The facts which are not in dispute are as under:

(i). Mill was closed on 13/1/1999, without following the due procedure as contemplated under Sections 25 F, 25 FF and 25 FFF of the Act.

(ii). Many workers had availed the facility of Voluntary Retirement Scheme which was offered by the Management in the year 2002.

(iii). The workmen before this court in Writ Petition Nos.541, 546, 549, 1320, 1330, 1332, 1326, 4816 of 2023 have not taken up any alternate employment.

(iv). The Presiding Officer, labour Court, Cuddalore found that since the workmen have worked for more than one year and the Company had not followed the procedure laid down for closure, workers are entitled for closure



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compensation as contemplated under Section 25 FFF of the Act. Accordingly, the labour Court, calculated the closure compensation in accordance with 25 FFF of the Act and awarded closure compensation with ex-gratia amount of Rs.1 lakh, as offered by the Management.

6. Heard Mr.Haja Nazirudeen, Senior Counsel for the Management and Mr.S.T.Varadarajalu, learned counsel for the workmen.

7. The learned counsel appearing for the petitioner/Management would submit that the claim petitions of the workmen, who have filed claim petitions with a delay of more than 17 years, ought to have been rejected on the ground of laches and delay. The learned counsel further argued that the labour Court erred in deciding questions of fact in claim petitions filed under Section 33 C (2) of the Act. Further, unless an Industrial Dispute was filed and decided, question of entertaining the claim petitions does not arise. For the said reasons, order passed by the Presiding Officer, Labour Court, Cuddalore, computing the compensation where there was disputed question of facts regarding the last drawn salary is concerned, the order suffers from illegality and liable to be set aside.



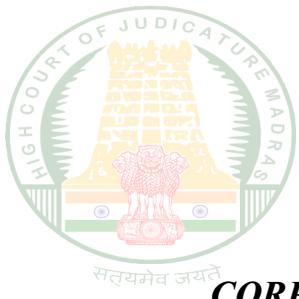
W.P.Nos.541 of 2023 etc., batch

8. On the other hand, learned counsel appearing for the workmen

would submit that once it is not disputed that the Mill was closed without any notice without following the procedure prescribed under the Act, there is no necessity for the workmen to initially file an Industrial Dispute and thereafter, file an application claiming outstanding amount. The labour Court has rightly calculated the amounts which are outstanding to the respondent/workmen in Writ Petition Nos.541, 546, 549, 1320, 1330, 1332, 1326, 4816 of 2023 and accordingly, order of labour Court needs no interference.

9. Perused the materials available on record.

10. It is not in dispute that petitions under Section 33 C (2) of the Act can only be filed when there is a pre-existing right accrued to the workmen and in the absence of any such right, petition filed under Section 33 C (2) cannot be entertained. There cannot be any adjudication on facts of a case during the consideration of 33 C (2) petitions, however, the labour Court would act as a Court entertaining an Execution Petition. The said law is clear from the following judgments.



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(i). (1995) 1 SUPREME COURT CASES – 235 (MUNICIPAL

CORPORATION OF DELHI Vs. GANESH RAZAK AND ANOTHER) and

(ii). MANAGEMENT OF TAMIL NADU STATE TRANSPORT

CORPORATION (COIMBATORE DIVISION) LTD., Vs. THE

PRESIDING OFFICER, LABOUR COURT, COIMBATORE and

ANOTHER.; W.P. No. 1611 of 2015.

11. The Hon'ble Supreme Court in **BOMBAY CHEMICAL INDUSTRIES Vs. DEPUTY LABOUR COMMISSIONER AND ANOTHER (2022) 5 SUPREME COURT CASES 629**, held that disputed claims cannot be adjudicated in a petition filed under Section 33 C (2) of the Act.

12. The contention of the learned counsel for the petitioner that the closure date has to be considered from the date of appointment of Liquidator cannot be accepted. It is not in dispute that Mill was closed on 13/1/1999, without following the due procedure. The labour Court, considered the closure date as 13/1/1999 and the said finding needs no interference.



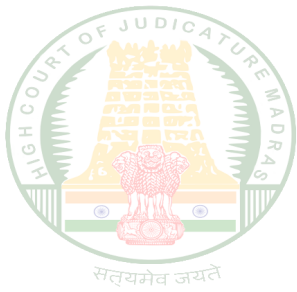
W.P.Nos.541 of 2023 etc., batch

13. Though evidence can be taken during the course of Claim Petition

proceedings before the labour Court, however, the labour Court cannot decide on contentious issues and grant compensation in a proceedings under section 33C(2) of the Act. The claim of the Management was that the workmen were drawing certain specific amounts between the range of Rs.3,900 to Rs.4,100, contrary to the claim of Rs.4,500 as claimed by the workmen. However, the labour Court found that since there was no specific denial about the claim of the workmen, the labour court resorted to deeming the last drawn wage of the workmen as Rs. 4,500/-. Such finding of the labour Court, in fixing the last drawn wage exceeds the scope of adjudication under Section 33 C (2) of the Act. Hence, the labour Court ought to have considered the undisputed last drawn wage.

14. It is not in dispute that the Mill was closed without any notice or due procedure being followed as such closure compensation has to be calculated under 25 FFF of the Act.

14. It is relevant to extract 25 F and FFF of the Act which reads thus:-



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W.P.Nos.541 of 2023 etc., batch

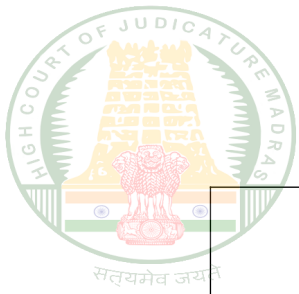
“25F. Conditions precedent to retrenchment of workmen. - No workman employed in any industry who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until-(a)the workman has been given one month 's notice in writing indicating the reasons for 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: [*Proviso omitted by Act 49 of 1984, Section 32 (w.e.f. 18.8.1984).*] (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] [*Substituted by Act 36 of 1964, Section 14, for "for every completed year of service" (w.e.f. 19.12.1964).*] 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.] [*Inserted by Act 36 of 1964, Section 14 (w.e.f. 19.12.1964).*]

25FFF. Compensation to workmen in case of closing down of undertakings.—(1) Where an undertaking is closed down for any reason whatsoever, every workman who has been in continuous service for not less than one year in that undertaking immediately before such closure shall, subject to the provisions of sub-section (2), be entitled to notice and compensation in accordance with the provisions of section 25F, as if the workman had been retrenched: Provided that where the undertaking is closed down on account of unavoidable circumstances beyond the control of the employer, the compensation to be paid to the workman under clause (b) of section 25F shall not exceed his average pay for three months.”



15. Following the mandatory provisions, the impugned orders were passed granting closure compensation, however, wrongly considering the last drawn pay. Accordingly, findings of the labour Court in C.P.Nos..46,44, 38, 41, 40, 36, 45 and 39 of 2013 are partly set aside. Considering that the dispute is age old, and in the interest of justice, this Court deems it unnecessary to remand the matter back simply for the purpose of calculation of the closure compensation afresh on the basis of last drawn wages. The closure compensation awarded by the labour court is hereby partly set aside and calculated on the basis of accepted last drawn wages of workmen as tabulated below.

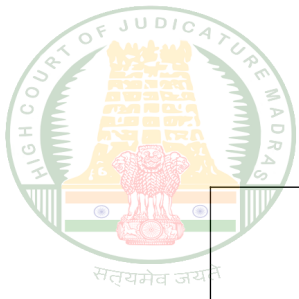
W.P. Nos.	Last Drawn Wage as per the Petitioners	Original Closure Compensation of the Labour Court	Closure Compensation hereby crystallised on the basis of admitted last drawn wages
541/2023	4073.95 (Rounded off to 4074)	44,115/-	39,957/-
546/2023	4025.31 (Rounded off to 4026)	44,115/-	39,486/-
549/2023	4039.89 (Rounded off to 4040)	44,115/-	39,624/-
1320/2023	4064.87	44,115/-	39,869/-



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	(Rounded off to 4065)		
1330/2023	4068.44 (Rounded off to 4069)	44,115/-	39,908/-
1332/2023	3985.44 (Rounded off to 3986)	44,115/-	39,094/-
1326/2023	4073.95 (Rounded off to 4074)	44,115/-	39,957/-
4816/2023	4073.95 (Rounded off to 4074)	44,115/-	39,957/-

16. These closure compensations that are crystallised herein above are done taking into account the last drawn wages, as claimed by the Management. Further, though the labour Court cannot add any kind of ex gratia, however, since the Management themselves voluntarily offered ex gratia compensation of Rs.1 lakh, the same has to be given to the workmen, along with closure compensation and other benefits admitted by the management. Accordingly, the Petitioner-Management shall pay to the respective respondent-workmen, the below compensation within one month from the date of receipt of a copy of this order along with interest at 9% . from the date of award passed by the labour Court.



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W.P. Nos.	Closure Compensation hereby crystallised (CC)	Other benefits admitted by the management, before the Labour Court (OB)	Total Compensation to be paid to the workmen in the respective writs (CC + OB + Notice Pay of One Month Wage + Exgratia of 1 Lakh)
541/2023	39,957/-	13,477/-	1,53,434/-
546/2023	39,486/-	13,900/-	1,53,386/-
549/2023	39,624/-	22,935/-	1,62,559/-
1320/2023	39,869/-	12,181/-	1,52,050/-
1330/2023	39,908/-	10,502/-	1,50,410/-
1332/2023	39,094/-	12,525/-	1,51,619/-
1326/2023	39,957/-	17,441/-	1,57,398/-
4816/2023	39,957/-	17,962/-	1,57,919/-

17. In so far as the writs by the workmen, in W.P.Nos.23299, 23617 and 24392 of 2025 are concerned, the main ground on which the workmen were refused compensation is that there was no proof furnished by them, that they were employed continuously for not less than one year period before the Mill was closed on 13/1/1999. Under Section 25 FFF of the Act, closure compensation has to be calculated as per Section 25 F of the Act. The condition precedent for calculating the compensation under Section 25 F of the Act is that the workmen should have been employed with continuous



W.P.Nos.541 of 2023 etc., batch

service for not less than one year as on date of closure. Hence, this court does not find any irregularity with the order impugned in the said three writ petitions, and hence the impugned orders in W.P.Nos.23299, 23617 and 24392 of 2025 needs no interference.

18. Accordingly,

(i). Writ Petition Nos.541, 546, 549, 1320, 1330, 1332, 1326, 4816 of 2023 are partly allowed;

(ii). Writ Petition Nos.23299, 23617 and 24392 of 2025 are dismissed.

There shall be no orders as to costs. Consequently, connected Miscellaneous Petitions are closed.

(K.SURENDER,J)
9/7/2026

mvs.

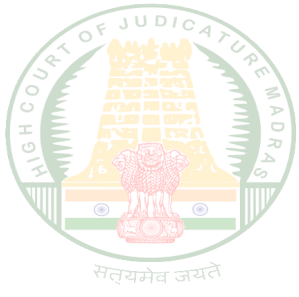
Index: Yes

Neutral Citation: Yes

To:

The Presiding Officer, Labour Court, Cuddalore.

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W.P.Nos.541 of 2023 etc., batch

K.SURENDER, J

mvs.

Pre-delivery common order made in
Writ Petition Nos.541, 546, 549, 1320,
1330, 1332, 1326, 4816 of 2023,
23299, 23617 and 24392 of 2025

9/7/2026