IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 17.08.2026

Pronounced on : 24.08.2026

CORAM

THE HON'BLE DR JUSTICE G. JAYACHANDRAN

AND

THE HON'BLE MR.JUSTICE E.MANOHARAN

WA No. 2609 of 2025
and
CMP.No.20847 of 2025

K.M.Nagaraj,
No.2/117, Pilliyar Koil Street,
M.A.Nagar, Red Hills,
Chennai -600 052.

..Appellant(s)

Vs

M/s.R.R.Donnelley India Out Source Private Ltd.,
Rep. by its Authorized Signatory,
No.43A, 1st Main Road,
Chennai -600 028.

..Respondent(s)

Appeal filed under Section 15 of the Letter Patent Act, praying to allow the above Writ Appeal and thereby set aside the order dated 24.01.2025 passed by the Learned Judge, in W.P.No.12478 of 2021.

For Appellant(s): Mr.M.Nallathambi

For Respondent(s): Mr.P.Raghunathan
for M/s.T.S.Gopalan & Co

JUDGMENT

(Judgment of the Court was delivered by E.Manoharan J.)

The appellant herein has filed the present Writ Appeal, challenging the order passed by the learned Single Judge in W.P.No.12478 of 2021 dated 24.01.2025.

2. The factual background of the case is as follows:

2.1. The Appellant herein joined the services of the respondent Management as a Document Specialist in FeDEx Team on 24.10.2005 and got promoted to the position of Graphic Designer on 28.01.2008. In May 2010, he was moved to the Allen and Overy Team as type setter and thereafter, based on his performance, he was promoted as Senior Graphic Designer on 28.01.2011. On 25.08.2011, while the appellant was returning from duty to his residence in the car provided by the Company, at about 3.00 am., the vehicle carrying the appellant met with an accident and the appellant sustained injuries in his head. The appellant states that due to the injuries sustained, he was suffering from "word finding difficulty", dysphasia and difficulty in articulation of words while speaking to others. It is stated that the Respondent Management bore the hospitalization expenses.

2.2. The appellant had resumed to duty on 13.12.2011 after completing his treatment. His full salary was also paid during the interregnum period. In the light of the difficulties faced by the appellant, he was assigned / shifted to type-setting service line instead of designer job, as it was less complex and he worked therein for 1 ½ years. In the meantime, the Overseas client, who awarded the project, (in which the Appellant was working) to the respondent Management had withdrawn the work order on 13.07.2013 and due to the same, there was no work available for the appellant. The respondent Management had directed the appellant thereafter to undergo an assessment test so that he may be inducted back into the Creative Service Team and FeDEx Office Team. It is stated that the appellant was unable to meet the expected level required for the said assignment. It is also stated by the respondent Management that the appellant thereafter expressed his willingness to attend the general pool team and that he was also given training to qualify in his assignment in the FeDEx Office Team. But unfortunately, there was no positive result in the assessment as the petitioner was unable to show any improvement. The appellant has countered this statement and has denied of being unable to clear the designing assignments but has stated that he was indeed given time to prepare and appear for the assessment on PowerPoint Presentation [PPT] related works. He has stated that he failed to clear the assessment. The appellant has denied for having received any training for assessment works in FeDEx Team. It is also stated that the Respondent management had offered a job in L1 position for a lesser monthly salary of Rs.

11,000/-. It is seen that the Appellant and Respondent management were not able to come to a consensus to find a suitable position for the former. In the light of the circumstances prevailing, it is seen that vide letter dated 13.02.2014, the respondent Management had given a detailed reasoning and terminated the appellant's services. The respondent Management had settled all the dues payable viz., EPF, Grautity and Full Final Settlement to the appellant. The appellant raised conciliation proceedings which ended in failure. Ultimately, the dispute was carried to the learned III Additional Labout Court, Chennai in I.D.N.238 of 2014.

2.3. Before the III Additional Labour Court, Chennai the appellant had filed I.D. No. 238 of 2014 to set aside the termination order dated 13.02.2014 and to direct the respondent Management to reinstate the appellant to duty with all benefits, including back wages and continuity of service and other benefits.The III Additional Labour Court took up the industrial dispute and the appellant workman examined himself as W.W.1 and Exs.W.2 to W.25 were marked. On behalf of the Management, one S.Porchelvan was examined as L.W.1 and Exs.M.1 to M.6 were marked.

2.4. The Labour Court considered the case of the parties and framed five points for consideration, which are as follows:-

"1. Whether the termination of the service of the petitioner

by the respondent on 13.02.2014 is unfair and unsustainable?

2. Whether the respondents have extended all possible and suitable alternate service opportunities for the petitioner to continue the employment?

3. If not, whether the termination of the petitioner has to be set aside?

4. If so, whether the petitioner is entitled for reinstatement with full back wages, continuity of service and all other attendant benefits?

5. What are all the other reliefs for which the petitioner is entitled for?"

2.5. After hearing the parties and appreciating the evidence and materials placed before them, the Labour Court had held as follows:-

"In the result,

1)the order of termination of the petitioner dated 13.02.2014 is held as sustainable, and

2)the claim of the petitioner for reinstatement, back wages, continuity of service and other attendant benefits is rejected, and

3)the petitioner is awarded a monetary compensation of Rs.4,45,000/- as other relief and this industrial dispute is awarded as such."

2.6. It is also pertinent to note that in paragraph 18 of the Award , the Labour Court has held as follows:

"18.According to the Ex.W17 payslip for the month of January, 2014, the gross pay of the petitioner is Rs.26,079/- and the

net pay after deductions is Rs.23,818/-. This Court is inclined to take up the gross pay of two months for every completed year to compute the compensation. Accordingly, the gross pay of Rs.26,079/- x 2 = Rs.52,158/- x 8 completed years = Rs.4,17,264/-. For the remaining period of 4 months, one month gross pay is added and the total compensation is fixed as Rs.4,43,343/-, rounded to Rs.4,45,000/-."

2.7. Against the aforesaid award, the appellant herein had filed a Writ Petition in W.P.No.12478 of 2021. The respondent Management had also filed a writ petition challenging the said award vide WP.No.34856 of 2019. These two Writ Petitions were heard together and disposed of by way of a common order by the learned Single Judge vide order dated 24.01.2025 on the following terms:

"(i) The award passed in I.D.No.238 of 2014 dated 15.02.2019 passed by the Presiding Officer – III, Additional Labour Court, Chennai is set aside;

(ii) The non-employment of the workman by the order of termination dated 13.02.2014 is held as unjustified;

(iii) The Workman will be entitled to compensation in lieu of reinstatement and back wages;

(iv) The Management, M/s. R.R.Donnel ley India Outsource Private Ltd. shall pay a sum of Rs.4,45,000/-, to the Workman – K.M.Nagaraj;

(v) 50% of the compensation amount has already been deposited to the credit of I.D.No.238 of 2014 and the Workman will be entitled to withdraw the same along with accrued interest if any;

(vi) The balance 50 % of the compensation shall be paid by the Management to the Workman within a period of eight weeks from

the date of receipt/production of a website uploaded copy of this order without waiting for the certified copy of the order;

(vii) No costs. Consequently, the connected miscellaneous petition is closed."

3. Aggrieved by the order of the learned Single Judge, the appellant alone has preferred the present Writ Appeal. The Appellant in this intra Court appeal has stated that the act of the Management was a violation of his fundamental rights and no proper enquiry was conducted. He has also stated that proper authority had not conducted the enquiry and that his long service were not considered while deciding his grievances raised by him.

4. Heard the learned counsels for both parties and considered the submissions placed before this Court.

5. The Learned Single Judge has held that while the management has a right to simpliciter terminate the appellant, they ought not to have raised allegations against the appellant that he had made unreasonable demands and acted against the company's interest, violating the Rules and Regulations of the company and then terminated him without giving an opportunity or an enquiry. A perusal of the Termination Order dated 13.02.2014 also brings to light that the termination has been done according to the Appellant's Offer Letter dated May 01, 2006. While this Court takes note of the finding of the Learned Single Judge

holding that the termination is improper on the sole ground that an opportunity could have been given before issuing the termination, it is relevant to note that these aspects have been considered by the Labour Court who has indeed gone into the issue and found that the Respondent management has not shown any victimisation and in fact the Learned Single Judge has also observed that the appellant had made allegations throughout against the management and its officials which were far fetched and without any proof. This is also not the right approach on the part of the Appellant. We also find strength in the finding of the Labour Court that if it was the intention of the Respondent to terminate the appellant they would have done so as early as 13.12.2011, after the appellant had reported for duty.

6. Nevertheless, the above observations aside for the moment, it is also independantly analysed as to whether the Respondent Management could have been directed to reinstate the Appellant in his earlier post. The Respondent Administration have stated that they are a business processing organisation with clients across USA and UK, and are expected to provide 95% error free work in terms of the contract entered with their clients and therefore, the performance of the employees are expected to be at higher rate i.e., more than 95%. Hence, the efficiency level of the employee have to be maintained in order to ensure error free work. A perusal of the records shows that the respondent Management has indeed tried to accommodate the Appellant in an alternate and less demanding

post and also taken efforts to see if he can be brought back to the earlier Creative Team that he was working in. This is also found true from perusal of the statements of the Appellant before the earlier forums. Even the Appellant himself has admitted that he was given time to prepare and appear for the PPT related works. Despite the same, he could not clear the assessments of the Respondent Management. In these circumstances, while the interest of the Appellant has to be taken into consideration, it cannot be at the instance of jeopardizing the performance rate of the Respondent Management, especially, in this highly competitive market.

7 . At this juncture, we are therefore inclined to agree with the finding of the Learned Single Judge that in the current circumstances, reinstatement with back wages cannot be the remedy and the appropriate compensation would suffice. The Respondent Counsel appearing for the management, has also stated, across the bar, that the appellant is currently gainfully employed with another organisation.

8. Before we embark on deciding the issue of compensation, it is relevant to note that the Labour Court in its award has observed that the accident took place while the Appellant was returning home, from work, in a car arranged by the respondent Management. In this regard, it is relevant to note that Section 51C of the Employees' State Insurance Act, 1948, treats accidents that happen in

employer-arranged transport while travelling to or from work as work-related injuries. Section 51E treats accidents during an employee's commute to and from work as employment injuries, provided a clear link in time, place, and circumstance is established relating to the travel and the employment. Therefore, the accident met by the Appellant can be held to have occurred during the course of Appellant's employment with the Respondent management.

9. It is also relevant to refer to ***Daivshala & Others Vs. Oriental Insurance Company Ltd., & Another [Civil Appeal No.6986 of 2015 dated 28.07.2025]*** reported in ***2025 SCC OnLine SC 1534*** wherein the Hon'ble Apex Court has held the following:

> *"55.Applying the above principle, we interpret the phrase "accident arising out of and in the course of his employment" occurring in Section 3 of the EC Act to include accident occurring to an employee while commuting from his residence to the place of employment for duty or from the place of employment to his residence after performing duty, provided the nexus between the circumstances, time and place in which the accident occurred and the employment is established."*

10. The Labour Court while observing that the Appellant had not filed any claim petition under Workman Compensation Act or before the Motor Accident Claims Tribunal, awarded him the compensation based on the period of service already completed. This finding of the Labour Court is seen in paragraph No. 18 of the Labour Court's Award, extracted *supra*. It is to be noted that the Learned

Single Judge has also recorded the statement of the Respondent Counsel that apart from the Hospital Bill, the Appellant has also been paid a compensation of Rs. 12,35,103/- by the Respondent Management.

11. Even under the Employee's Compensation Act 1923 under Schedule IV, it is seen that the younger employees received a higher rate of compensation (multiplier) which is assigned taking view of the fact that the greater number of loss in earning years. The Appellant had filed an industrial dispute when he was 30 years old and the accident had occurred when he was around 28 years old. Considering the fact that the Appellant had incurred the accident and injury during the course of his employment and this prevented him from executing his specialised work and this also led him losing his employment with the Respondent Management and incurring loss in his earning years, it is necessary that the Appellant is appropriately compensated.

12. In light of the above facts and discussions, we deem it necessary to interfere with the order of the learned Single Judge only insofar as it relates to compensation and we do hold that the compensation amount in light of the accident suffered by the Appellant can be increased by taking into consideration the loss of earning years, his age, his family and financial circumstances. Therefore, instead of taking the gross pay of two months for every completed year to compute the compensation, we direct that gross pay of three months be

taken for every completed year to compute the compensation. From Ex.W17, in the month of January 2014, it is seen that the gross pay of the Appellant is Rs.26,079/- and the net pay after deductions is Rs.23,818/-. Keeping this in view, the amended calculation would be Rs.26,079 x 3 = Rs.78,237/- x 8 completed years = Rs.6,25,896/-. For the remaining period of four months, one month gross pay is added and the total compensation is fixed as Rs.6,51,975/- which is rounded off to Rs.6,52,000/-.

13. From the order of the learned Single Judge, it is seen that 50% of the earlier compensation amount awarded has already been deposited to the credit of I.D.No.238 of 2014 of the Appellant for which he will be entitled to withdraw with accrued interest if any. The balance amount of Rs.4,28,500/- shall be paid by the Respondent Management to the Appellant within a period of eight (8) weeks from the date of receipt and production of the uploaded copy of the website without waiting for the certified copy of this order.

14. With the above discussions and direction, this Writ Appeal stands disposed of. Consequently, connected Miscellaneous Petition is closed, if any. There shall be no order as to costs.

(G.J.,J.) (E.M.,J.)
24-08-2026

Index: Yes/No

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

DP

To

The III Additional Labour Court,
Chennai.

DR.G.JAYACHANDRAN, J.
AND
E.MANOHARAN, J.

DP

JUDGMENT MADE IN
WA No. 2609 of 2025

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2026