BEFORE THE PRINCIPAL LABOUR COURT, VELLORE,
VELLORE DISTRICT.

PRESENT : Tmt. A.Packia Jothi, M.L.,
Presiding Officer.

Friday, the 31st day of July, 2026

I.D. No.10 of 2026
(CNR No.TNVL02-000040-2026)

North Arcot General Labour Federation,
Regn.No.285/NAT,
No.27, Padmanaban Complex,
Dinakaran Bus Stop,
Arni Road,
Vellore – 632 001. . . . Petitioner

Versus

The Management,
Lupin Limited,
No.3/A3(2A/3), Second Floor,
Cenotaph Road 1st Street,
Alwarpet,
Chennai – 600 018. . . . Respondents

This above reference came up for final hearing on 28.07.2026 in the presence of Thiru.A.Suresh Babu, the Authorized Representative for the Petitioner and Thiru.R.Jayaprakash, the Advocate for the Respondent, upon hearing the arguments of both side and upon perusing the entire material case records and having stood over for consideration till this date, this Court delivered the following:-

AWARD

The Government reference made under Section 10(1)(c) and 10(1)(d) of Industrial Disputes Act 1947 as given in G.O. (D).No.222, Labour Welfare and Skill Development (B2) Department, dated 13.03.2026.

The Union raised the Industrial Dispute before the Assistant Commissioner of Labour. In the conciliation proceedings no settlement was arrived, hence the Assistant Commissioner of Labour, Vellore recorded a failure report and sent the report to the Government. In continuation of the same, The Labour Welfare and Skill Development (B2) Department by its G.O.(D). No.222, dated 13.03.2026, referred the issue for adjudication by this court.

The Government by the above order has requested the court to decide the validity of the demand of the Union. The demand of the petitioner Union was that one Mr.N.V.Narasimhan being a Medical Representative of the respondent company has retired on 31.10.2021, as per the agreement signed on 28.02.2023 under Section 18(1) of the Industrial Disputes Act, 1947, directing the respondent to disburse the revised salary increment and other monetary benefits for the period from 01.07.2018 to 31.10.2021 to him is valid or not?

On receipt of the Government Order this court issued notices to both the parties. Both the parties filed their claim petition and written statement respectively.

1. **Claim Statement averments in brief:-**

The petitioner union has filed this petition stating that one of its member Mr.N.V.Narasimhan has joined duty in the respondent company on 06.07.1988 as Medical Representative at Tanjore. From the date of joining he had done his job properly and lastly on attaining superannuation on 31.10.2021 he retired from service at Vellore. His last salary is Rs.55,442/-. The respondent company was registered under the Companies Act, 1956 and it is an industry. In respect of any queries or demands about salary and other monetary benefits of the medical representatives of the respondent company had been solved on discussion between their Union and the respondent company, an agreement would be signed under Section 18(1) of the Industrial Disputes Act, 1947, on 28.02.2023. In the agreement it is mentioned that the agreement period is from 01.07.2018 to 30.06.2023. Even though the agreement is signed on 28.02.2023 the monetary benefits and other pending dues were calculated and disbursed to the workers from 01.07.2018.

The claimant retired on 31.10.2021 before signing the agreement, he came to know that all the monetary benefits were disbursed from 01.07.2018, thereby he sent a letter dated 16.03.2023 and requested to disburse monetary benefits to him from 01.07.2018, but the respondent has not replied to the claimant. Hence, the claimant sent another letter dated 03.04.2023 for that on behalf of the respondent one Mr.Sanjay Misra, General Manager sent a reply through e-mail dated 11.04.2023 stating that the benefits are payable only to those employees who are on the company's pay role on the date of signing of the settlement. The act of the respondent is an unfair labour practice.

The contractual benefits are to be received by the workers who are working on the date of contract signed. In addition, for the workers who were in service the cash benefits have to be paid retrospectively. The contractual clauses 1-A and 18-h stipulate that they are not entitled to the revised wage increase and other cash benefits provided for in the contract even though they have worked during the period of implementation of the contact which an act of discrimination among the workers. The act of the respondent is denial of equal pay for equal work. Thus the contractual clauses 1-A and 18-h are against the Industrial Disputes Act. Due to refusal to disburse monetary benefits as per the agreement by the respondent, the claimant has suffered a lot due to financial and psychological damages.

Then, industrial dispute has been filed before the Assistant Commissioner of Labour, Vellore in which the respondent has not participated, thereby the Assistant Commissioner of Labour recorded failure report and sent it to the Labour Welfare and Skill Development Department. The Tamil Nadu Government referred the matter to this court to adjudicate it in a proper manner.

Hence, the petitioner union has filed this petition to cancel the clause under 1-a and 18-h in the agreement dated 28.02.2023, to direct the respondent to disburse the monetary benefits from 01.07.2018 to 31.10.2021 to the claimant.

2. **Written Statement averments in brief:-**

This respondent has filed written statement stating that the dispute raised by the petitioner union is not maintainable either in law or on facts, as there existed no employer and employee relationship between the respondent and claimaint and that he had retired from service on attaining the age of superannuation on 31.10.2021 much earlier to raising this dispute and prior to the execution of settlement relied upon by the petitioner union. Upon retirement, the claimaint received all terminal benefits including gratuity and full and final settlement dues and thereby ceased to be a workman within the meaning of Section 2(s) or worker under Section 2(zr) of the Industrial Disputes Act. On this ground alone this petition is liable to be dismissed.

Further the settlement under Section 18(1) of the Industrial Disputes Act binds only the parties to the settlement and the employees who were on the rolls of the company on the date of signing of the settlement and does not extend to persons who are not parties to the settlement or who had already retired from service prior to its execution. Thereby the claimaint is not entitled to claim any monetary benefits.

Further the Medical Representatives employed by the respondent, represented through a Negotiating Committee entered into settlement on behalf of all the sales promotion employees with the management on 28.02.2023 under Section 18(1) of the Industrial Disputes Act, with regard to the wages and conditions of service of the Medical Representatives employed with the respondent and on the rolls of the company on the date of signing of the settlement.

The settlement specifically stipulates the category of the employees who are eligible for the benefits arising thereunder, including arrears, clause 1(a) and 14(h) of the settlement expressly provide that the settlement shall apply only to Confirmed Medical Representatives who were on the rolls of the company as on the date of signing of the settlement and who accept the settlement in the prescribed manner.

Further the claimant retired from service on 31.10.2021 on attaining the age of superannuation, much prior to the execution of the settlement dated 28.02.2023. The claimant received a sum of Rs.12,51,875/- towards provident fund settlement, Rs.8,35,840/- towards gratuity, Rs.6,38,076/- towards full and final settlement and totaling to Rs.27,25,791/-. Despite the clear and unambiguous provisions contained in the settlement, the claimant raised this dispute through the petitioner union and seeking relief is not maintainable and the same has to be dismissed.

3. On the side of Petitioner, endorsed no oral evidence and no documents were marked. On the side of respondent, endorsed no oral evidence and Ex.M1 was marked with consent.

4. The issue to be decided as stated in the Government reference is as follows:-

Whether the demand of the petitioner union to direct the respondent to disburse the revised salary increment and other monetary benefits for the period from 01.07.2018 to 31.10.2021 as per the agreement signed on 28.02.2023 under Section 18(1) of the Industrial Disputes Act, 1947, to Mr.N.V.Narasimhan being a Medical Representative of the respondent company who has retired on 31.10.2021 is valid or not?

5. <u>Issue :-</u>

It is the case of the petitioner that the claimant joined as Medical Representative on 06.07.1988 in Lupin Limited, Tanjore Division. He retired on 31.10.2021, his monthly salary was Rs.55,442/-. There was an agreement reached under Section 18(1) of Industrial Disputes Act with regard to monthly wages and other monetary benefits, it was signed on 28.02.2023. The period of agreement is from 01.07.2018 to 30.06.2023 and agreement was to be implemented retrospectively from 01.07.2018. The claimant retired on 31.10.2021, but the settlement was entered on 01.07.2018. He has given representation with the management on 16.03.2023, the management has not given reply. Again on 03.04.2023 another letter was sent through post and the management has replied through e-mail dated 11.04.2023 and Thiru.Sanjay Misra, who is the General Manager - HR of Lupin Limited has given a reply stating that the benefits are payable only to those employees who are on the company's pay roll on the date of signing of the settlement. It is an unfair labour practice, it is discriminatory and equal pay for equal work has not been given. Hence, the Clause 18-h and 1-a have to be striken down. The dispute was raised before the Assistant Commissioner of Labour, the management has not participated in the enquiry and so failure report was sent to the Government and the Government had referred the dispute to this court.

It is the case of the respondent that there is no employer - employee relationship between the management and Narasimhan at the time of raising the dispute. He retired on 31.10.2021. The claimant received all terminal benefits including gratuity and ceased to be a workman within the meaning of Section 2(s) of the Industrial Disputes Act or worker under

Section 2(zr) of the Industrial Relations Code 2020. The Section 18(1) of the Industrial Disputes Act binds only the parties to the settlement and the employees who were on the rolls of the company on the date of signing of the settlement and does not extend to persons who are not parties to the settlement or who have retired from service prior to its execution. Narasimhan has retired long before the settlement dated 28.02.2023. The petitioner union has no locus standi to espouse the cause of Mr.N.V.Narasimhan. The Medical Representatives entered into settlement on behalf of all the sales promotion employees, with the management on 28.02.2023, the settlement expressly provide that settlement shall apply only to confirmed Medical Representatives who were on the rolls of the company on the date of signing of the settlement.

The Government has raised the issue as to whether Thiru.N.V.Narasimhan, who retired on 31.10.2021 is entitled to benefits of Section 18(1) agreement from 01.07.2018 to 31.10.2021

According to the Section 18(1) of the Industrial Disputes Act, 1981, ***"A settlement arrived at by agreement between the employer and workman otherwise than in the course of conciliation proceeding shall be binding on the parties to the agreement."***

The authorized representative of petitioner union has relied upon the decision pertaining to fixation of date for implementation of the 5th pay commission recommendations. Section 18(1) settlement is binding only on the specific parties who sign it. The pay commission recommendations are formulated by the Government appointed person of public sector. So this decision cannot apply to the facts of this case. The 18(1) settlement is marked as Ex.M1. This settlement has been executed by Mr.Rajeev Sibal - President - IRF, Mr.Sanjay Mishra - General Manager - HR, Mr.Vidyanand Joshi - Head Employee Relations and Mr.K.N.Sivadasan - Sr.Manager - HR. and on behalf of the Medical Representative of India Mr.G.Manohar - All India Convener, Mr.Hemant Sharma - Zonal Convener and Mr.Snehal Desal - Zonal Convener and according to clause 1(a) ***I't is agreed between the Negotiating Committee and the Company that this Settlement shall be binding and applicable only to those Confirmed Medical Representatives who are on the Company's payroll as on the date of signing of this Settlement all over the country and are confirmed subsequently, and who accept this Settlement in the manner provided herein by duly signing and returning the acceptance letter as per Annexure - B of this Settlement to the Company within the time limit specified in this Settlement."***

So only confirmed Medical Representatives who are on the company's payroll on the date of signing the settlement all over the country and are confirmed subsequently and who have accepted the settlement by signing and returning the acceptance letter are entitled to the benefits under the settlement. As on the date of the settlement dated 28.02.2023 the claimant has retired from service on 31.10.2021, he is not an employee on the date of settlement. So, he is not entitled the benefits of the settlement. **The Hon'ble Madras High Court in W.P.No.36505 / 2015 dated 08.03.2023 - S.Thangavelu Vs. The Management, Lakshmi Machine Works Limited, Periyanaickenpalayam, S.R.K.V. Post, Coimbatore and 2 others** reported in para 14 and 15 states as follows:

> "14. As held by the Authorities/Respondents 2 and 3, the Settlement is not applicable to the petitioner, as he had retired prior to the Agreement date i.e. on 31.03.2010. On the date of signing of the 18(1) settlement i.e. 02.04.2010, the petitioner was not an employee of the Company. Therefore, during the operation of the settlement, the petitioner was not an employee, so, the agreement did not bind the parties.
>
> 15. That apart, the Settlement states that only 777 permanent signatory employees to the Settlement on the date of signing the settlement i.e. 02.04.2010, are entitled to the benefits of the Settlement. In such a situation, the consideration of the petitioner's claim would be wholly extraneous. The authorities under the Act, carefully gone into the claim of the petitioner and also the terms of the settlement entered into parties and rightly, rejected the petitioner's claim as not sustainable. The reasons set out in the orders passed by the Authorities do not show any error. Further when the terms of the settlement in no way refer the consideration of petitioner's .... https://www.mhc.tn.gov.in/judis claim, throwing additional financial burden on the management in violation of clause entered into settlement would only makes the claim unjustified. Accordingly, the writ petition is devoid of merits and finding no grounds to interfere with the impugned order, the writ petition is dismissed. No costs."

So the claimant who has retired on 31.10.2021 cannot claim the benefits of the Memorandum of Settlement executed under Section 18(1) of the Industrial Disputes Act, 1947.

The learned counsel for the respondent alleges that the claimant's dispute can becomes an industrial dispute, when the dispute is sponsored by his union or a number of fellow workers. The learned counsel has relied upon the decisions of the **Hon'ble High Court of Madras in W.P.Nos. 14970, 14971, 35244, 21075 to 21077 of 2012 - Management, RSL 'B' Tannery Vs. Presiding Officer, Principal Labour Court and Others** and also the decision of the **Hon'ble High Court of Andhra Pradesh in W.P.No. 365 of 1959 - Kripa Printing Press, Putli Bowli, Hyderabad Vs. Presiding Officer, Labour Court, Hyderabad and Others.**

In fact, a workman who had retired is also considered as a workman under Section 2(s) and 2(k) of the Industrial Disputes Act, as held by the **Hon'ble High Court of Madras in W.P.No.995 of 2015 - Parry Retired Employees Welfare Association Vs. The Government of Tamil Nadu and 3 others** in para 17 is stated as follows:

> 17. Thus, from the above said pronouncements, this Court is of the view that both Sections 2(k) and 2(s) of the Industrial Disputes Act, 1947, to be given wider interpretation to include a workman, who is retired as well. After all, a workman retires by contingency, as on fact, he was indeed working under the management. The learned counsel appearing for the petitioner has made reliance on the decision of the Mumbai High Court in ICI India Ltd., V. Presiding Officer, Bombay (DB) (dated 19.06.1994), wherein it has been held as follows:
>
> The expression 'Industrial dispute', asSection 2(k) of the Act, means any dispute or difference between employers and employees which is connected with the employment or non- employment or the terms of

> employment or with the conditions of labour, of any persons. It was urged that Section 2(s) defines 'workman' as any person employed in any industry for hire or reward, and a pensioner, who is retired from employment, cannot be treated as 'any person employed. We are unable to find any merit in the contention. The expression 'any person' in Section 2(s) must be interpreted liberally so as to include past and present about revision of pensioners benefit cannot be raised by the existing workmen and which dispute takes in its sweep the benefit which is available even to a retired employee.

So considering the decision of the Hon'ble High Court of Madras the claimant can be considered as a workman under Section 2(s) and 2(k) of the Industrial Disputes Act and there exists relationship of employer and employee between the claimant and the respondent. But in deciding whether there is espousal of the dispute, the petitioner has not produced any documents to prove that the claimant has approached the union and asked the union to take up the cause and the union had pass resolution to take up the cause of the claimant. Even the office bearers of this union have not come before this court to speak about the espousal of the cause of the claimant.

> The Hon'ble Supreme Court of India in AIR 1970 SC 737 - The Workmen of Indian Express Newspaper (Pvt.) Ltd. v. Management of Indian Express Newspaper Private Ltd., in para 10 to 14 has held:

> 10. Thus, in order to give jurisdiction to the appropriate Government to refer the dispute and to the Tribunal/Labour Court to adjudicate the dispute, it was essential for the workman to show that his individual dispute for regularization was sponsored or espoused by a union of the workmen.

11. The Tribunal had considered the evidence led before it and came to conclusion that there was no espousal of the dispute of the workman. The workman has challenged this decision of the Labour Court on the ground that the Labour Court had not considered the fact that demand notice of regularization of services of the workman was issued by All India TDC Mazdoor Janta Union and the proceedings were initiated before the Conciliation Officer by the same union, which clearly showed that the cause of the workman was properly espoused by the union. The General Secretary of the union had deposed before the Labour Court that he had requested the management number of times to pay house rent to the petitioner on par with other employees and to issue him an appointment letter, but the Labour Court had not considered this evidence and given perverse findings on issue No. 1.

12. The dispute between an individual workman and the employer can be treated as an industrial dispute only where the workmen as a body or a considerable section of them, make common cause with the individual workman and espoused his demand. The question arises how the espousal can be inferred. Espousal means that the dispute of an individual workman is adapted by union as its own dispute or a large number of workmen give support to the cause of an individual workman. In the instant case, the only evidence available on record about espousal of the cause is the statement of the Secretary of the Union made before the Tribunal. In his statement, he stated that he requested the management to treat workman Hira Singh at par with other employees and grant him regular pay scale and he met the management for this purpose and on his pursuance, the management started deducting provident fund from salary of the workman Hira Singh. There is no evidence apart from this

evidence about the espousal of the cause. Does mere lending of name of the union by the union Secretary while raising the conciliation proceedings or for issuing notice amount to "espousal" of cause? Union is a representative body of the workmen. The cause of any workman can be espoused collectively by the Executive Body of the union by taking a decision in this respect. This decision may not be taken in a formal manner but can be taken in an informal manner but it has to be a collective decision of the executive body of the union. An individual member of the executive body cannot take the character of the entire union and cannot bind the union. Merely because the union Secretary met the management and requested for giving a regular appointment letter to the workman, would not amount to espousal of the cause. In this case, this is the only evidence available on record in respect of espousal. In J.H. Jadhav's case (supra), the Supreme Court observed that the union must formally express itself in the form of a resolution which should be approved by its members. However, the number of supporting members of the union may be relevant depending upon facts of each case. In 1961 II LLJ 436, Bombay Union of Journalists v. Hindu Bombay, the Supreme Court observed that an individual dispute can take the character of an industrial dispute only if it was proved that it was, before it was referred, supported by union of employees. In each case, for ascertaining whether an individual dispute has assumed character of an industrial dispute, the test is whether on the date of reference, the dispute was taken up and supported by the union of the workmen of the employer against whom the dispute is raised by the individual workman or by an appreciable number of employees. In this case, the Supreme Court observed that notice of the meeting for the purpose of considering request by the members for tenable cause of concerned workmen was not given to the employees of the Hindu Board which were not the members of the union at the relevant time. Hence, by mere passing of a resolution by other members of the union, the case of the appellant that the cause of concern workmen was supported by the other employees of Hindu Board, could not be supported. The Supreme Court observed that unless an individual dispute was taken up by union of employees of the employer or by appreciable number of employees of the union, it remains as an individual dispute and does not become an industrial dispute. In 2001 (89) FLR 458, Prakash v. Superintending Engineer (ELEL), the Karnataka High Court observed that an individual can raise a dispute, only for removal, termination or dismissal. If the workman wants to raise a dispute for his absorption and regularization, that can only be done through the union on behalf of workman or workmen.

13. In the instant case, there is no evidence on record of espousal of the dispute of the petitioner. There was no evidence that either the aggrieved workman had approached the union and asked the union to take up his cause or that union, at any point of time, or any appreciable number of employees, had taken up the cause of the workman with the management. If the union had passed a resolution or appreciable number of workmen had approached the union and raised the demand in respect of regularization of the workmen, it could be said that there was an espousal of the cause of the workman. Espousal can be expressed in many ways. The Secretary of the union, who appeared as a witness has not uttered a single word that the union or any appreciable number of workmen had espoused the cause of the workmen. He simple stated that he had met the management (in his individual capacity). Under these circumstances, it could not be held that an industrial dispute existed between the employer and the workmen to enable the appropriate Government to make an order under Section 10 of the Industrial Disputes Act for referring it for adjudication to the Labour Court.

> 14. The award of the Tribunal is per se perverse. The Tribunal has jurisdiction to adjudicate only an industrial dispute. The Tribunal came to conclusion that the cause of the workmen was not espoused. Once the Tribunal decided the issue of espousal against the workman, the Tribunal lost its jurisdiction to adjudicate the dispute since no industrial dispute existed.

This decision squarely applies to the case on hand. Failure to prove espousal why union will amount to dismissal of the dispute. The dispute cannot be an industrial one, hence, the dispute is dismissed.

Issue is answered accordingly.

The above reference made by the Government is answered accordingly.

In the result, the demand of the petitioner's union is rejected by this court and there is no order as to costs.

Dictated to the Steno-Typist, typed directly in the Computer, corrected and pronounced by me in the Open Court, on this the 31st day of July, 2026.

PACKIAJOTHI Digitally signed by PACKIAJOTHI Date: 2026.08.01 18:59:33 +0530

Presiding Officer,
Principal Labour Court,
Vellore.

1. **List of Witnesses on the side of the Petitioner**:-
– NIL –

2. **List of Exhibits on the side of the Petitioner**:-
– NIL –

3. **List of Witnesses on the side of the Respondent**:-
– NIL –

4. **List of Exhibits on the side of the Respondent:**

Ex-M1 – 28.02.2023 – Copy of Memorandum of Settlement

PACKIAJOTHI Digitally signed by PACKIAJOTHI Date: 2026.08.01 18:59:41 +0530

Presiding Officer,
Principal Labour Court,
Vellore.