BEFORE THE ADDITIONAL LABOUR COURT, VELLORE.

PRESENT: Tmt.S.Uma Maheswari, M.L.,
The Presiding Officer

Tuesday, the 23rd day of June, 2026

I.D. No.71 of 2022
(CNR No.TNVL02-000234-2022)

H.Nawab,
S/o. Hussain Khan,
No.21, Ansa Nagar,
Kathivadi Road,
Melvisharam,
Walajah Taluk,
Ranipet District. . . . Petitioner

Versus

The Management,
M/s. Teeyem Leathers,
No.82, Srinivasanpet Road,
Ranipet. . . . Respondent

This petition came up for final hearing on 11.06.2026 in the presence of Thiru.E.Srinivasan, the Advocate for the Petitioner and Mrs.V.J.Nirmala, the Advocate for the Respondent. Upon hearing the arguments of both sides, upon perusing the material case records and having stood over for consideration till this date, this Court delivered the following:-

AWARD

This is an application filed by the petitioner U/s.2A(2) of the Industrial Disputes Act, 1947 requesting this court to reinstate him with continuity of service along with full back wages and all other attendant benefits.

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

The case of the petitioner is that he was employed as a permanent employee from 03.03.1996 in the respondent tannery. He claims that his service with the respondent was without any break till 23.03.2020 and worked for more than 240 days in each and every year. The petitioner alleged that from the date of joining he worked without giving room for any complaints and his last month salary including overtime wages was Rs.10,650/-.

The petitioner further alleges that the respondent tannery is legally liable to pay wages and other benefits as per the terms of the 12(3) State Vide Settlements. But the respondent did not pay the same to the workmen. Further the respondent did not pay minimum wages fixed under the Minimum Wages Act. Also as per G.O.(2D).No.60, dated 26.06.2018 of Labour and Employment J1 Department, the respondent is liable to pay the minimum basic wages at the rate of Rs.160/- per day. But the respondent failed to pay the above minimum wages and also failed to pay the dearness allowance and other benefits as fixed under 12(3) settlement. The petitioner repeatedly demanded the respondent to pay the above benefits. Consequently, the respondent got irked and decided to terminate him from service.

The petitioner further states that due to COVID-19, the respondent tannery was shut down on 24.03.2020. Thereafter, as per the Government directions the production activities again started in the respondent tannery. The respondent gave employment to some of the workmen, but denied employment to the petitioner as well as to some other workmen, who were all demanding the revised wages as per the settlements. Thereby the petitioner alleged that the continuous denial of employment to him as well to others amount to an illegal retrenchment.

The petitioner continuously reported for duty but the respondent denied employment. Hence, finding no other remedy left, the petitioner raised an Industrial Dispute before the Conciliation Officer, Vellore. In the Conciliation proceedings the respondent appeared and filed their reply with false particulars. Further the respondent did not come forward to give employment to the petitioner and hence no amicable settlement was arrived. Consequently, the conciliation proceedings ended in a failure and the Assistant Commissioner of Labour recorded a failure report. Later this petitioner approached this court by way of this petition and requesting this court to direct the respondent's management to reinstate him with continuity of service along with full back wages and all other attendant benefits, and requests this court to allow this petition.

2. Written Statement averments of respondent in-brief:-

This respondent apart from denying all the allegations averred in the petition, stated that the petition is not maintainable either in law or on facts.

The respondent states that the petitioner was employed as a Helper on a daily wage basis for Rs.355.40/- per day from 01.01.2004. He was not paid on a monthly salary basis and his last drawn salary of Rs.10,650/- as stated in the petition is false. The petitioner failed to reveal the dearness allowance paid by the respondent management. Instead, the petitioner deliberately called the same as overtime wages, which is not acceptable.

The respondent also states that the 12(3) settlement is arrived periodically between the Tannery Owners Associations and Tannery Labour Unions of Tamil Nadu, agreeing upon the wages and other benefits to be paid for the next few years. This settlement will be signed in the presence of Joint Commissioner of Labour at Chennai. The last 12(3) settlement was signed on 21.03.2017 and it was signed between four Tanners Associations of Ranipet, Ambur, Vaniyambadi and Pernampet, and 27 Labour Unions. The applicable period commenced on 01.11.2016 and ended on 31.10.2019. Three Major Tanners Associations in Chennai, Dindugul and Erode did not participate in the 12(3) settlement. The above settlement is binding only upon the signatories to the settlement. The responsibilities and financial commitments outlined in the settlement are binding only upon the participating tanners' associations and its members, and not to the other associations or its members who have not participated. Likewise, the responsibilities and financial commitments outlined in the settlement are binding only upon the participating Labour Unions and its members, and not to other unions who have not participated. Since the petitioner did not submit any proof to show his membership with any of the signatory unions, he is not entitled to claim any benefit under the 12(3) settlement.

The respondent further states that the petitioner strangely on one hand asked for the minimum wages as per the Government Order dated 26.06.2018 and on another hand demanding dearness allowance as per the 12(3) settlement. The petitioner is not demanding dearness allowance as per the above Government Order, for the reason that as per the 12(3) settlement the dearness allowance amount is higher than the dearness allowance amount fixed under the above Government Order. The petitioner should select only one scheme either 12(3) settlement or Government Order and not to try to choose the best of both the schemes.

The respondent also alleges that they are paying what was beneficial to the worker and there was absolutely no question of either petitioner demanding any other benefits or the respondent getting irked on it or deciding to terminate the petitioner from service owing to it. These allegations are the cooked-up stories of the petitioner.

The respondent also states that their tannery was locked from 24.03.2020 due to Covid-19 pandemic. A year later the respondent had no orders and thereby asked the petitioner to come and do whatever little works available, like cleaning and sample development. The said work was mostly unconnected to production. The respondent tried to offer the above works equally among all those workers who were willing to come and hence, they have not made any discrimination among the workers. The petitioner who employed gainfully elsewhere has suppressed his real intent that he never wanted to work in the management. As stated in the petition, the respondent after the lock down never started production activities in the tannery. The respondent after Covid-19 pandemic had not received any orders from its customers. Therefore, the respondent was unable to open the factory.

The respondent further states that the petitioner's averment that he continuously reported for duty after pandemic is not acceptable. The petitioner used to come once in 15 days to get the advance amount and there is a balance of Rs.47,000/- from the petitioner. There was no production in the factory and the EI Section of the factory was closed for the past four and half years. Therefore, the relief of reinstatement as prayed in the petition becomes infructuous. The Section 2A has no application to the facts of the case. There are no merits in the claim and requests for the dismissal of the petition.

3. On the side of Petitioner, he examined himself as WW1 and through him Ex.W1 was marked. Subsequently, in his cross-examination Ex.M1 to M3 were marked. On the side of respondent, one Mr.A.Abdul Rahim, the Owner of the respondent company examined himself as MW1 and through him Ex.M4 to M6 were marked. Subsequently, in his cross-examination Ex.W2 and W3 were marked.

4. **Issues arise for consideration:-**

Whether the petitioner is entitled for an order of reinstatement in the respondent's management with continuity of service, along with full back wages and all other attendant benefits as prayed by him or not?

5. Issue:-

After perusing the pleadings filed by the respective parties, the evidences recorded and the documents filed in this case, this court comes to know that the respondent company is a Tannery and the petitioner had joined in the respondent's factory as a permanent employee on 03.03.1996 as a Helper.

The petitioner alleged that the respondent company has failed to pay the wages and other benefits as per 12(3) settlement – Ex.W2 signed between the Tanners Associations and the Labour Unions. Further the petitioner alleged that the respondent has also failed to pay the minimum wages as fixed under G.O.(2D).No.60, dated 26.06.2018 of Labour and Employment J1 Department, which has been marked as Ex.M5. The respondent has also failed to pay the dearness allowance as calculated by the Government under Ex.W3.

Therefore, the petitioner repeatedly has demanded the management to disburse the above benefits. The management which had disliked the continuous demands made by the petitioner has decided to terminate the petitioner. In the meantime, due to Covid-19 Pandemic, the respondent factory had been shut down, but subsequently it has been reopened and functioned as per the restrictions announced by the Government. During that time the respondent has provided work for those employees who supported the management, but denied employment to the petitioner and other workmen, who had demanded benefits from the respondent. The petitioner repeatedly has reported for work, in spite of it the respondent continuously denied employment and the same amounts to illegal retrenchment. Hence the petitioner has raised an Industrial Dispute before the Assistant Commissioner of Labour. The respondent has also participated in the conciliation proceedings but no settlement was arrived. So, the Assistant Commissioner of Labour has recorded a Failure Report under Ex.W1. On the basis of the report, the petitioner has approached this court demanding reinstatement with continuity of service, back wages and other benefits.

On the other hand, the respondent alleged that the petitioner had worked as a Helper in EI Department and to prove his employment the management has marked the Wage Slip of the petitioner for the month of November 2019 as Ex.M1. The petitioner's name had been registered with the EPF Authorities, the online form for receiving the EPF amount has been marked as Ex.M3 and the details downloaded from EPF Portal has been marked as Ex.M4. The respondent also alleged that they were paying wages to the petitioner as per the G.O.No.60, dated 18.07.2018, which has been marked as Ex.M5.

The respondent alleged that due to Covid-19 pandemic the management had been forced to lock down the factory. A year later it had started to function slowly by following the restrictions issued by the Government. In the meantime, the respondent has not received any orders from its customers. Hence, the respondent found it difficult to run the factory and therefore they had no production related work, but they got only some non-production related works. The management considering the plight of the employees had equally distributed the non-production works to its employees. Further it has also disbursed advance amount to them. The petitioner has also received the advance amount from the respondent. To substantiate the above fact the respondent has marked the Advance Receipts signed by the petitioner as Ex.M2 series.

Further to show that the management has reduced its production, the respondent is relying upon the EB Receipts of the respondent factory. This court perused the Ex.M6 current consumption particulars produced by the respondent. On perusal of it, this court comes to know that the respondent has not carried out their production post Covid-19 lockdown.

The management further alleged that since they were finding it difficult to run the factory, they had decided to close down the factory and the management has also submitted a Closure Report to the Joint Director of Industrial Safety and Health. The management further contended that since they have closed down the factory, it is not possible for them to reinstate the petitioner into service.

Further the management contended that they have decided to disburse a sum of Rs.1,75,000/- as compensation to the petitioner. The respondent during Covid-19 period had already disbursed an advance amount of Rs.47,000/- and after deducting the same they are ready to pay the remaining amount of Rs.1,28,000/- to the petitioner herein.

The owner of the respondent company who examined himself as MW1 during his cross examination has admitted the above proposed disbursement. In continuance of it, the respondent has also entered into a compromise with the petitioner and the petitioner has also agreed for the amount as fixed by the management. Both the parties have filed their joint compromise memo at the time of arguments. The said compromise memo filed by both the parties has been marked as Ex.C1.

Pending the petition both the parties have amicably settled the dispute and also filed a Joint Compromise Memo before this court. Under such circumstances, it is not fair on the part of this court to decide about the reliefs claimed by the petitioner in this petition. The respondent has fairly admitted to pay a sum of Rs. 1,28,000 /- as the balance admitted claim of the petitioner. The petitioner has also admitted the above claim. Hence this court is of the view that the petitioner is entitled for the above monetary claim of Rs. 1,28,000 /- alone from the respondent and the petitioner is not entitled for any other reliefs as claimed in the petition.

Issue is answered accordingly.

In the result, this petition is partly-allowed in respect of monetary claim of Rs. 1,28,000 /- and the petition is partly-dismissed in respect of the other claims. The respondent is directed to disburse the above amount of Rs.1,28,000 /- to the petitioner on or before 25.06.2026 either by way of cash, DD or through NEFT, failing which the petitioner is entitled to 12% interest amount per annum from the date of denial of employment i.e., on 24.03.2020 till its realization and no order as to costs.

Dictated to the Steno-Typist directly, typed directly in the computer, corrected and pronounced by me in the Open Court, on this the 23rd day of June, 2026.

S UMAMAHESWARI

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Date: 2026.06.23 13:10:25 +0530

Presiding Officer,
Additional Labour Court,
Vellore.

Annexure:-

1. **List of Witnesses and Exhibits on the side of the Petitioner:-**

WW1 – Thiru.H.Nawab

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

Ex-W1 – 28.12.2021 – Copy of Failure Report
Ex-W2 – 21.03.2017 – Copy of 12(3) Settlement

Ex.W3	–	-----	– Copy of document for calculation of Dearness Allowance

3. **<u>List of Witnesses examined on the side of the Respondent</u>**:-

MW1 – Mr.A.Abdul Rahim

4. **<u>List of Exhibits marked on the side of the Respondent</u>**:-

Ex-M1	–	10.12.2019	– Copy of Petitioner's Wage Slip
Ex-M2	–	-----	– Copy of Slips for Advance Amount received by the petitioner (26 numbers)
Ex-M3	–	-----	Copy of proof that petitioner joined in PF account
Ex-M4	–	-----	– Copy of Petitioner's name in the EPF Account
Ex-M5	–	18.07.2018	– Copy of Gazette Publication issued by Labour and Employment Department's Tamilnadu Government
Ex-M6	–	-----	– Copy of Respondent Company's Electricity Bills from 2017 to 2024

<u>5. List of Court Documents:-</u>

Ex-C1	–	-----	– Joint Compromise Memo

S UMAMAHESWARI

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Presiding Officer,
Additional Labour Court,
Vellore.