

Workmen of Coimbatore Pioneer 'B' Mills Ltd.

Vs

Presiding Officer, Labour Court, Coimbatore and Others

Civil Appeal No. 3156 of 1979

(D. A. Desai, E. S. Venkataramiah JJ)

10.01.1980

JUDGMENT

SARKARIA, J. –

1. Eighty-seven workmen were retrenched by the Coimbatore Pioneer Mills Ltd. - respondent 2 herein. The retrenchment was announced on October 19, 1970, but simultaneously with the announcement of the retrenchment, compensation was not tendered. But the notice further stated that "the workers concerned have been/Will be paid compensation as required by and in accordance with clause (b) of Section 25-F of the Industrial Disputes Act, 1947" (hereinafter referred to as the Act). The retrenchment compensation was in fact paid on October 20, 1970. Out of the said 87 workers, 47 accepted the compensation and went away. The remaining 40 workers raised an industrial dispute which was referred to the Labour Court for adjudication. The Labour Court held by its judgment dated November 18, 1971 that the retrenchment was bona fide and that the reason given for such retrenchment were also legal and valid. But it further held that there was non-compliance with the provisions of clause (b) of Section 25-F inasmuch as the retrenchment compensation and notice pay was not paid before or simultaneously with the notice of retrenchment on October 19, 1970, and, therefore, the retrenchment was not valid. In the result while refusing reinstatement, the labour Court awarded to each of the 39 workers (excepting No. 39) a month's wages in lieu of reinstatement apart from the amounts specified in Ex. M6 and lay off compensation for 30 days agreed to before the labour officer.

2. On appeal, the High Court upheld the Labour Court's refusal to grant reinstatement of the workers, but modified the labour Court's award by substituting "two months' pay" for "a month's pay" payable to the workers in lieu of reinstatement apart from other amounts awarded by the Labour Court. In other words, the High Court awarded Rs. 375 to each of the said workers over and above the amounts directed to be paid by the Labour Court.

3. The special leave to appeal under Article 136 was granted by this Court confined to "the question of back wages payable and compensation in lieu of reinstatement and other directions regarding absorption of the workmen when there is scope for re-absorption". Thus the validity of the retrenchment as such is no longer open to question in this appeal. After hearing learned counsel on both sides we think it fair and reasonable to raise the compensation payable to each of the 40 workers, in lieu of reinstatement, by another sum of Rs. 750. With regard to workman No. 40, Smt. Meenakshi, it has been stated at the bar that she has since died. The amount payable to her shall be paid to her legal representatives as ascertained by the Labour Court, Coimbatore. The additional amount directed by us shall be deposited in the Labour Court, Coimbatore, within six weeks from today, which deposit shall be disbursed by the Labour Court to the individual workers including the

legal representatives of Smt. Meenakshi, as directed above. The costs of this Court, which are assessed at Rs. 1000 shall be paid to the counsel for the appellants or deposited in this Court to the credit of the appellants, within two weeks from today. The appeal thus stands partly allowed.

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