

IN THE HIGH COURT OF JUDICATURE AT MADRAS
THE HON'BLE MR. JUSTICE M. DHANDAPANI

WP NO. 802 OF 2012 & WMP NO. 1 OF 2012

04.02.2025

The Chairman, Tamil Nadu Electricity Board, 144, Anna Salai, Chennai - 2 & Ors.

... *Petitioners*

v.

The Government of Tamil Nadu, Rep. by its Secretary to Government, Energy Department, Chennai - 9 & Ors.

... *Respondents*

Industrial Disputes Act, 1947 — Contract Labourers — Conferment of permanent status — Whether Labour Court had jurisdiction under Tamil Nadu Industrial Establishment (Conferment of Permanent Status to Workmen) Act, 1981 — Workers claimed requisite service days — Held, Labour Court lacked jurisdiction — Proper remedy lies under Contract Labour (Regulation and Abolition) Act, 1970 or Industrial Disputes Act, 1947 — Labour Court's order set aside — Petition allowed.

Contract Labour (Regulation and Abolition) Act, 1970 — Conferring Permanent Status — Jurisdiction — Contract Labourers — Whether Labour Court has jurisdiction to grant permanent status under Tamil Nadu Industrial Establishment (Conferment of Permanent Status to Workmen) Act, 1981 — Held, No — Dispute to be raised under the Contract Labour (Regulation and Abolition) Act, 1970, or the Industrial Disputes Act, 1947 — Labour Court's order set aside for lack of jurisdiction — Petition allowed — Liberty granted to workers to approach appropriate forum.

Article 226 of the Constitution of India — Writ of Certiorari — Labour Court's jurisdiction — Conferring permanent status on contract workers — TNEB challenged Labour Court's order contending claims must be adjudicated under Contract Labour (Regulation and Abolition) Act, 1970 or Industrial Disputes Act, 1947 — Held, Labour Court lacked jurisdiction under Tamil Nadu Industrial Establishment (Conferment of Permanent Status to Workmen) Act, 1981 — Order set aside — Workers at liberty to raise claims before appropriate forum — Petition allowed.

Tamil Nadu Industrial Establishment (Conferment of Permanent Status to Workmen) Act, 1981 — Jurisdiction of Labour Court — Contract labourers claimed permanent status under §. 3 — Workers completed 480 days in 24 months — Labour Court granted permanency — High Court held Labour Court lacks jurisdiction under 1981 Act — Directed workers to approach proper forum under Contract Labour (Regulation and Abolition) Act, 1970 or Industrial Disputes Act, 1947 — Order of Labour Court set aside — Writ Petition allowed.

FACTS. Certain workers engaged by the Tamil Nadu Electricity Board (TNEB) claimed to have completed sufficient service days to be conferred permanent

status. They approached the Labour Inspector, who directed the TNEB to confer permanent status upon them. The TNEB contended that these individuals were contract laborers and challenged the order before the High Court. Before reaching the High Court, the dispute had been adjudicated by the Labour Court, which ruled in favor of the workers, leading to the present Writ Petition challenging that ruling.

PRAYER. Writ Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorari, calling for the records of the 3rd respondent, relation to his proceedings in the Na.Ka.No.E/3216/2008, dated 29.09.2009 directing the petitioner to confer permanent status to the respondents 4 to 19 as workers in TANGEDCO/Chennai Electricity Distribution Circle/Chennai and quash the same as illegal.

ISSUES OF LAW.

Whether the Labour Court had jurisdiction under the Tamil Nadu Industrial Establishment (Conferment of Permanent Status to Workmen) Act, 1981, to grant permanent status; Whether the workers' claims should be determined under the Contract Labour (Regulation and Abolition) Act, 1970, or the Industrial Disputes Act, 1947.

SUMMARY. The High Court considered a writ petition by the Tamil Nadu Electricity Board challenging a Labour Court order conferring permanent status on contract workers. The court held that the Labour Court lacked jurisdiction under the 1981 Act and set aside the order, allowing workers to raise their claims under the Contract Labour Act or the Industrial Disputes Act. The petition was allowed. Another case reference, The Chairman vs The Government Of Tamil Nadu on 4 February, 2025, was noted without additional factual details.

HELD. The High Court set aside the Labour Court's order for lack of jurisdiction and granted liberty to the workers to raise their claims under the appropriate legislation. The petition was allowed, and future disputes on permanency were directed to the proper forum.

FINAL STATUS. Allowed.

CASES REFERRED

The Chairman vs The Government Of Tamil Nadu on 4 February, 2025
W.A.Nos.273 & 275 of 2020, dated 20.01.2023
W.P.No.4061 of 2013, dated 07.03.2022

COUNSELS

Mr.Anand Gopalan for M/s.T.S.Gopalan & Co. (for Petitioners)
Mr.Bindran, Additional Government Pleader (for Respondent Nos.1 & 2)

Judgment Pronounced on 04.02.2025

The Chairman vs The Government Of Tamil Nadu on 4 February, 2025

Author: M.Dhandapani

Bench: M. Dhandapani

W.P.No.

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 04.02.2025

CORAM :

THE HONOURABLE MR. JUSTICE M. DHANDAPANI

W.P.No.802 of 2012

and

M.P.No.1 of 2012

- 1.The Chairman,
Tamil Nadu Electricity Board,
144, Anna Salai,
Chennai – 2.
- 2.The Chief Engineer/Personnel,
Tamil Nadu Electricity Board,
VII Floor, No.144, Anna Salai,
Chennai – 2.
- 3.The Superintending Engineer,
Tamil Nadu Electricity Board,
Chennai Electricity Distribution Circle/North,
791, Anna Salai,
Chennai – 2.
- 4.The Superintending Engineer,
Tamil Nadu Electricity Board,
CEDC/Central, Valluvarkottam SS Complex,
Nungambakkam,
Chennai – 600 034.
- 5.The Superintending Engineer,
Tamil Nadu Electricity Board,
Chennai Electricity Distribution Circle/West,
Thirumangalam SS Complex, Anna Nagar,
Chennai – 40.

... Petitioners

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Vs.

- 1.The Government of Tamil Nadu,
Rep. by its Secretary to Government,
Energy Department,
Chennai – 9.
- 2.The Government of Tamil Nadu,
Rep. by its Secretary to Labour and Employment Department,
Chennai – 9.
- 3.The Inspector of Labour,
III Circle, Nandanam,
Chennai – 35.
- 4.T.Lawrence
- 5.R.Muthukumar
- 6.G.Bharathi
- 7.A.Gandhi
- 8.P.Gantharao
- 9.S.Saravana Prabu
- 10.P.Yoga Lakshmi
- 11.P.M.Saravanan
- 12.R.Thamaraiselvi
- 13.T.Prabu
- 14.R.Muthukumar
- 15.M.Elangovan
- 16.P.Balaji
- 17.R.Dhanalakshmi
- 18.B.Vani Shree
- 19.G.Rajesh

... Respondent

Prayer : Writ Petition filed under Article 226 of the Constitution India for issuance of a Writ of Certiorari, calling for the records respondent, relation to his proceedings in the Na.Ka.No.E/3216/2008 dated 29.09.2009 directing the petitioner to confer permanent statu

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the respondents 4 to 19 as workers in TANGEDCO/Chennai Electricity Distribution Circle/Chennai and quash the same as illegal.

For Petitioners : Mr.Anand Gopalan
for M/s.T.S.Gopalan & Co

For Respondents : Mr.Bindran
Additional Government
Pleader [R1 & R2]
No appearance [R3 to R11,
R13, R14, R16 to R18]

ORDER

This Writ Petition has been filed seeking for a Writ of Certiorari, to call for the records of the 3rd respondent, relation to his proceedings in the Na.Ka.No.E/3216/2008, dated 29.09.2009 directing the petitioner to confer permanent status to the respondents 4 to 19 as workers in TANGEDCO/Chennai Electricity Distribution Circle/Chennai and quash the same as illegal.

2. The case of the petitioner is that, the private respondents/workmen filed claim petitions under Section 3 of the Tamil Nadu Industrial Establishment (Conferment of Permanent Status to Workmen) Act, 1981 (in short 'the Act') before the third <https://www.mhc.tn.gov.in/judis> respondent/Labour Court. The private respondents are contract labourers under the control of the Superintending Engineer/TANGEDCO/Chennai Electricity Distribution Circle, West/Chennai and they had put in a service of 480 days within a continuous period of 24 calendar months and therefore, they are entitled for conferment of permanent status. The third respondent/Labour Court, inadvertently adjudicated the issue and passed award in favour of the private respondents/workmen that their claim can be entertained in terms of Section 3 of the Act. Challenging the same, the above writ petition has been filed.

3. Learned counsel for the petitioner submits that, the private respondents/workmen are contractor labourers and their claim can be adjudicated either under the Contract Labour (Regulation and Abolition) Act, 1970 or under the Industrial Disputes Act, 1947. In the present case, the third respondent/Labour Court, without jurisdiction, adjudicated the issue under the Tamil Nadu Industrial Establishment (Conferment of Permanent Status to Workmen) Act, 1981, which is not sustainable. In support of his contention, he relied upon the judgment of this Court in W.A.Nos.273 & 275 of 2020, dated 20.01.2023. Accordingly, he prays for allowing the above writ petition.

<https://www.mhc.tn.gov.in/judis>

4. Heard the learned counsel for the petitioner and the learned Additional Government pleader appearing for the respondents 1 and 2 and perused the materials available on records.

5. The Division Bench of this Court, in W.A.Nos.273 & 275 of 2020, has passed the following judgment on 20.01.2023 :

“Learned counsel appearing for the appellants-workmen would submit that the issue involved in these appeals is squarely covered by a Division Bench decision of this Court in W.P.No.4061 of 2013 and Batch, dated 07.03.2022.

2. Paragraph 34 of the above said decision reads as under :

“34. We have considered the submission aforesaid and find that the order passed by the Labour Inspector needs to be interfered with remand of the case. It is, however, to be made clear that the Labour Inspector would not cause enquiry beyond the powers given under the Act of 1981 and thereby would not be having jurisdiction to adjudicate the complicated questions of fact and law in reference to any other statute than the Act of 1981. The Labour Inspector may, for the purpose of conducting summary enquiry, allow the parties to produce documents and if any of the workmen has completed 480 days of <https://www.mhc.tn.gov.in/judis> continuous service in 24 calendar months, appropriate directions can be issued for granting permanency. However, even if such an order is issued, it should be with a clear finding about each workman and the number of working days by referring to the period of 24 calendar months. The benefit as to the consequences thereupon would be only for the period of employment and if any of the workmen is discontinued or not in service, he would be entitled to the benefit only for the period of service and not beyond that and, that too, after the completion of continuous service of 480 days in 24 calendar months, and not for a prior period. The direction aforesaid is not driven by the settlement for the reason that the workmen herein are those who were not extended the benefit of settlement and, therefore, sought claims by maintaining claim separately. However, it would not preclude both the sides from entering into settlement, if they so choose, during the period of summary enquiry by the Labour Inspector. The issue as to whether the respondents fall within the definition of “workman” is however decided against the petitioner Corporation, as not only a settlement was entered, but adjudication about claim to seek permanency has been decided earlier in reference to similarly placed.”

3. In view of the above said decision of this Court, these Writ Appeals are also disposed of. However, we make it clear that the authority can go into the question as to whether the contract is sham and nominal and, if it is sham and nominal, he has no authority to decide the issue and the matter has got to <https://www.mhc.tn.gov.in/judis> be decided either before the Industrial Adjudicator or the authority under the Contract Labour (Regulation and Abolition) Act, 1970. The authority is expected to decide the issue as early as possible on day-to-day basis, without adjourning the matter beyond seven working days at any point of time, as the same is pending for more than 25 years. No costs.”

6. In view of the above said decision of this Court, the impugned order passed by the third respondent/Labour Court, dated 29.09.2009 is set aside. The private respondents/workmen are at liberty to raise a dispute either under Section 2(k) of the Industrial Disputes Act, 1947 or under the Contract Labour (Regulation and Abolition) Act, 1970 before the Industrial Tribunal in the manner known to law.

7. Accordingly, the Writ Petition is allowed. No costs. Consequently, the connected miscellaneous petition is closed.

Index : Yes / No
Speaking order / Non-speaking order
Neutral Citation Case : Yes / No
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M.DHANDAPANI, J.

To

1.The Secretary to Government,
Energy Department,
Chennai – 9.

2.The Secretary to Labour and Employment Department, Chennai – 9.

3.The Inspector of Labour, III Circle, Nandanam, Chennai – 35.

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