IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on	13/8/2025
Pronounced on	20/8/2025

THE HONOURABLE Mr.JUSTICE K. SURENDER

Writ Petition Nos.29045 and 29050 of 2025

and

W.M.P.Nos.32576, 32581, 32583 and 32587 of 2025

Uzhaippor Urimai Iyakkam
(Regn.No.3077 CNI)
rep. By its President K.Bharathi
Thozhar Koodam
19 C, Mariamman Koil Street
Kalyanapuram, Ambattur
Chennai 600 053. ... Petitioner in both the petitions

Vs

1. The Commissioner
   Greater Chennai Corporation
   Rippon Building
   Chennai 600 003.
2. M/s. Delhi MSW Solutions Ltd
   Level 11 B Aurobindo Galaxy Hyderabad
   Knowledge City
   Hitech City Road, Hyderabad
   Telanagana 500 081. ...Respondents in both the petitions

Prayer in W.P.No.29045 of 2025: Petition filed under Article 226 of the Constitution of India praying for the issuance of a writ of certiorari to call for the records in impugned Resolution No.779 of 2025 subject No.75 of Greater Chennai Corporation dated 16/6/2025 to outsource sanitary work of 6th zone to the second respondent and quash the same.

Prayer in W.P.No.29050 of 2025: Petition filed under Article 226 of the Constitution of India praying for the issuance of a writ of certiorari to call for the records in impugned Resolution No.779 of 2025 subject No.75 of Greater Chennai Corporation dated 16/6/2025 to outsource sanitary work of 5th zone to the second respondent and quash the same.

For petitioner	...	Mr.S.Kumaraswamy
For respondents	...	Mr.P.S.Raman Advocate General assisted by Mr.E.C.Ramesh Standing Counsel for R.1 Mr.Vijaynarayanan, senior Advocate for Mr.R.Muthukrishnan for R2

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COMMON ORDER

These writ petitions have been filed to quash the impugned Resolution No.779 of 2025 subject No.75 of Greater Chennai Corporation dated 16/6/2025 to outsource sanitary work of 6^{th} and 5^{th} zones to the second respondent.

2. The petitioner is a General Workers Union, organising the unorganised workers through out the State of Tamil Nadu. The Greater Chennai Corporation (hereinafter referred to as GCC) is divided into 15 zones and in each zone, Sanitary Workers are engaged on a daily basis to do conservancy work. The Self Help Group (hereinafter referred to as (SHG) workers are employed on daily wages by the Corporation. Out of the total 15 zones, Zones from 9 to 15 have outsourced the conservancy work to private concessionaires such as first respondent. The said concessionaires absorbed most of the SHG sanitary workers, who are working with the GCC on daily wages.

3. The petitioner Union is mainly concerned with more than 2000

sanitary workers in Zones 5 and 6 of GCC. The GCC entered into an agreement with the second respondent for outsourcing the conservancy operation in Zones 5 and 6. The other zones where the work was outsourced/privatised, the sanitary workers in the said Zones were recruited by the private concessionaire. Even in the case of Zones 5 and 6, the second respondent has started the work in a phased manner and recruited 1770 new workers. According to the first and second respondents, nearly 341 sanitary workers in the said zones have joined the second respondent.

4. The petitioner Union is fighting for the rights of more than 2000 sanitary workers, who were earlier employed by the GCC on daily basis. It is the case of the petitioner that the said agreement with the private concessionaires to take up the sanitary work would only result in denial of the minimum wages of Rs.793/- per day which they are entitled to and they are offered less than the minimum wages if the workers choose to join the second respondent.

5. According to the petitioner, GCC outsourcing the sanitary work in

the two zones to the second respondent would amount to retrenchment of workers by the GCC, which is contrary to the provisions of Section 25 N of the Industrial Disputes Act, 1947 (hereinafter referred to as I.D.Act), whereby, the workmen shall not be retrenched by the employer unless the workmen was given notice as contemplated under the Act. The petitioner requested the first respondent GCC to refer their grievance of outsourcing by the GCC to the Industrial Tribunal and also to make them permanent employees. The reference had to be made to the Industrial Tribunal for passing an order under Section 10 B of the I.D.Act. Under Section 10 B of the I.D.Act, the Industrial Tribunal has the power to issue order regarding the terms and conditions of service pending any dispute. Under clause (1) of Section 10 B the I.D.Act, if the Government is of the opinion that any industrial dispute exists, it may refer the dispute to the Industrial Tribunal.

6. W.P.Nos.1856 and 420 of 2025, were filed before this Court seeking a writ of mandamus to direct the Government of Tamil Nadu to refer the dispute of the sanitary workers, under Section 10 (1) of the I.D Act to the Industrial Tribunal and further, not to go ahead with the outsourcing

of the sanitary work in Zones 5 and 6. This Court, by an order dated 23/1/2025, directed the State Government to refer the dispute raised by the petitioner/Trade Union for adjudication to the Industrial Tribunal, Chennai with reference to the three issues which are mentioned in the petitioner Union's representation dated 3/9/2024, with reference to the two zones.

7. The Government filed W.A.No.1516 of 2025 questioning the orders passed by the learned Single Judge in directing the Government to refer the dispute raised by the petitioner Union for determination by the Industrial Tribunal at Chennai.

8. The Honourable Division Bench upheld the order of the learned Single Judge, vide order dated 12/6/2025. The Hon'ble Division Bench did not find favour with the Government's appeal and did not interfere with the mandamus issued by the learned Single Judge.

9. Though the order of the learned Single Judge was upheld in Writ

Appeal, the Government failed to refer the dispute to the Industrial Tribunal for determination. The petitioner filed a petition which was listed under the caption "for being mentioned" before the learned Single Judge. The learned Single Judge, by order dated 24/7/2025, posted the case on 28/7/2025 for hearing the parties.

10. In the meanwhile on 28/7/2025, the Labour Welfare and Skill Development (A1) Department, by G.O.(D)No.412, analysed the recommendations of the Labour Commissioner regarding the industrial dispute between the first respondent herein and the petitioner Union, and decided to refer the demands in accordance with the directions of this Court dated 23/1/2025 passed in W.P.Nos.1856 and 420 of 2025. The issues are extracted hereunder:-

> ***Demand No.1:*** *If the demand of the union that the management of the GCC should not outsource sanitary works of the 6th zone justified? If yes, to pass appropriate orders.*
>
> ***Demand No.2:*** *Is the demand of the union that the GCC should pay wages payable to 403 sanitary workers for 1/6/2024 and 2/6/2024 justified? If yes, to pass appropriate orders.*

Demand No.3: *Is the demand of the union that 403 workers of the union working in 6th zone on temporary basis for years together be made permanent on the date they have completed 480 days of service justified? If yes to pass appropriate orders.*

11. In accordance with Section 10 (2) (2A) of the I.D.Act, it is for the Industrial Tribunal to pass an order within three months of the receipt of G.O.(D) No.412 dated 28/7/2025.

12. In view of the reference made by the Government to the Industrial Tribunal, W.P.Nos.1856 and 420 of 2025 which were directed to be listed under the caption 'For Being Mentioned', by order dated 24/7/2025 and to be heard on 28/7/2025, the learned Single Judge, on 31/7/2025 recorded that no further orders would be necessary in W.P.Nos.1856 and 420 of 2025 since G.O.(D) No.411 dated 28/7/2025 was issued by the Government and the rights of the parties would get crystalised, as per law. On the very same day, i.e., on 31/7/2025, the petitioner moved the present writ petitions and the learned Single Judge having granted lunch motion, on 1/8/2025, directed the respondents to file their counter by 11/8/2025,

however, no interim orders were passed by the learned Single Judge.

13. Mr.S.Kumaraswamy, learned counsel appearing on behalf of the petitioner would submit that:-

(1) Since the dispute was referred by the Government to the Industrial Tribunal, it is necessary that the first respondent seeks prior permission for outsourcing the work in Zones 5 and 6 to the second respondent.

(2). The said outsourcing by the first respondent has affected more than 2000 workers who are part of the petitioner Union and the livelihood of the workers and their families are in jeopardy.

(3). the outsourcing arrangement which is done in agreement with the second respondent would amount to retrenchment of more than 2000 sanitary workers. In such a situation, sanitary workers who are workmen have to be given three months notice and the conditions laid down in Section 25 N of the I.D.Act have to be followed.

(4). Under Section 33 (1) (a) of the I.D.Act, first respondent is barred from doing any such act which prejudices the workmen in the dispute

(5). Under the 4th Schedule of the I.D.Act, when conditions of service change, notice has to be given.

(6). The first respondent disregarded the statutory provisions of Sections 33 (1) (a) and no such agreement in between the first and second respondents can be continued unless the industrial dispute concludes.

(7). Though the first and second respondents have offered jobs to the sanitary workers, salary offered is less than the minimum wages. Further, the benefits that the first and second respondents claim to extend to the sanitary workers if they join the second respondent, were already given in the Government Schemes and there is nothing new or beneficial to the sanitary workers if they join the second respondent. In fact the monthly salary offered is less than what the worker was being paid prior to privatisation.

14. The learned counsel appearing on behalf of the petitioner, relied on the following judgments:-

(i). ***THE WORKMEN OF THE FOOD CORPORATION OF INDIA Vs. M/s.FOOD CORPORATION OF INDIA (AIR 1985***

SUPREME COURT – 670)

(ii). ***ANAIMALAI NATIONAL ESTATE WORKERS UNION (rep. BY ITS GENERAL SECRETARY), VALPARAI AND OTHERS Vs. PLANTERS' ASSOCIATION OF TAMIL NADU, COIMBATORE AND OTHERS {2002 (4) L.L.N – 530}***

(iii) ***JAIPUR ZILA SAHAKARI BHOOMI VIKAS BANK LTD Vs. RAM GOPAL SHARMA AND OTHERS (2002) 2 SUPREME COURT CASES - 244***

15. The learned Advocate General appearing on behalf of the first respondent and the learned senior counsel appearing for the second respondent would submit that interests of the sanitary workers of the petitioner Union are safeguarded. The privatisation of work in zone 5 and 6 is the Government decision and policy. The Hon'ble Supreme Court in ***BALCO EMPLOYEES" UNION (REGD) Vs. UNION OF INDIA AND OTHERS (2002) 2 SUPREME COURT CASES – 333,*** held that the Courts cannot interfere in the economic policies of the Government. The privatisation of sanitary work in all the fifteen zones of Tamil Nadu is the policy decision of the Government and accordingly, the Government

entered into an agreement with the second respondent for zone 5 and 6, and other private concessionaires for other zones.

16. The learned counsel appearing for the petitioner fairly conceded that in view of the Balco's case, the Government is at liberty to take policy decisions, however the rights of the sanitary workers are affected due to the agreement in favour of the second respondent.

17. Counters were filed by both the first and second respondents. According to the counters, the following benefits would be extended to the sanitary workers who were appointed as sweepers/helpers. The relevant portion is extracted hereunder.

"(I). The appointment orders issued to the workers mentioning the salary who work as Sweeper or Helper are tabulated hereunder:-

Sweeper/Helper (per day Rs.565/-)	
Basic	*10,483*
HRA	*6,467*
Flex.All	*0*
Gross	*16,950*

Sweeper/Helper (per day Rs.565/-)	
ER PF	1,258
ER ESIC	551
Bonus	873
Gratuity	504
Total	3,186
CTC	20,136
CTC in year	
Deductions	
EE PF	1,258
EE ESIC	127
P.Tax	208
Total	1,593
Net pay	15,357

A Welcome bonus of an amount of Rs. 3000 per employee is provided for those who join on or before 31 July, 2025 and subsequently extended upto 07.08.2025 vide common affidavit dated: 31.07 2025. ***This will be extended upto 31.08.2025.****(Hand written in the second respondent's counter after this Court questioned about the benefit of 3000/- which would lapse, since the arguments are heard on 13.08.2025)*

(II). When the above mentioned workers are joining with the 2nd respondent Organisation, the following benefits are ensured to be provided.

S.No.	Benefits	Amount covered (INR)
1.	*Weekly Off Wages*	565
2.	*Casual Leave (CL) one day per month*	565
3.	*Monthly Earned Leave (EL) one day per month*	565
4.	*Holiday wages (Government holidays if they work) (56x2), i.e double wages*	1130
5.	*Yearly Bonus*	873
6.	*Employer Pension Fund Contribution (Monthly)*	1258
7.	*Employees State Insurance Corporation (Monthly)*	551
8.	*Gratuity (Monthly-reimbursed continuity service of minimum 5 years/retirement)*	504
9.	*Labour Welfare Fund (Yearly)*	40

(III). If any untoward incident occurs, the following benefits will be provided to the employee's dependents:-

A	*Natural Death*	*Rs.55,000*
B	*Accidental Death*	*Rs.2,05,000*
C	*Group Personal Accident Insurance*	*Rs.11,52,000*
D	*Group Term Life Insurance*	*Rs.1,00,000*
E	*Employees Deposit Linked*	*Rs.3,00,000*

A	*Natural Death*	*Rs.55,000*
	Scheme	

(IV). There is a total number of 35 days as Leave and holidays for the absorbed workers. They are: i) Casual Leave-12 days, ii) Earned Leave 12 days and National Holidays-11 days. There are a total number of 11 National Holidays annually and the Employees who work on those days are entitled to double the normal wages and the Employees who do not work on those days will receive their regular Pay and there will be no deduction of their regular pay.

(V). The Labour Welfare Fund (LWF) Benefits and Schemes for the said Workers are briefly stated below:

<u>Labour Welfare Fund (LWF) Benefits & Schemes</u>

1. Marriage Assistance

**20,000 for employee/self or their children's marriage (legal age required)*

2. Scholarship Benefits

** PG Degree (Engg/Medical/Law/Agriculture/PE): ?12,000*

** UG Degree (same fields): 28,000*

** Diploma (Engg/Medical/PE): 15,000*

** Higher Secondary & ITI: 24,000*

3. Spectacle Reimbursement

Rs.1,000 reimbursement on doctor's prescription

4. Academic Excellence Awards

. *10th Std – Rs.22,000 Top 10 Rankers*

. *12th Std – Rs.3,000 Top 10 Rankers*

5. Computer Training Support

. *Rs.1,000 reimbursement for basic computer training*

. Limited to 5 persons per district.

6. Death & Funeral Support

** Natural Death: Rs.50,000 + Rs.5,000 (funeral)*

** Accidental Death: Rs2,00,000+ Rs.5,000 (funeral)*

7. Book Allowances

** HSC - Rs.1,000*

** Diploma - Rs.1,500*

** UG – Rs.2,000*

** PG - Rs.3,000*

(VI). The Employees' State Insurance Corporation Benefits for the said Employees are stated below:

***Medical & Family Support:** (Employee, Wife, Children, Father and Mother are covered)*

1) Free OPD/IPD treatment for employees and dependants

2) Specialist consultations, diagnostics and medication

3) Super speciality treatment through empanelled hospitals

Financial Benefits:

1) Sickness benefit: 70% wage for up to 91 days per year

2) Maternity Benefit: 100% wage for 26 weeks

3) Disablement Benefit: Up to 90% wage for temporary/permanent disability

4) Dependents' Benefit: Monthly Pension in case of work related death

5) Funeral Aid: Rs. 15,000

(VI). The Employees' Provident Fund Organisation benefits for the said Employees are stated below:

1) Monthly savings with Employer Contribution

2) Pension Scheme (EPS) Monthly pension after retirement

3) EDLI Insurance: Rs. 3-7 lakh to nominee in case of death

4) Partial Withdrawals. Permitted for marriage, education, illness, home, *etc.*

5) Tax Exemption: Contributions and interest are tax free after S years.

(VII). The said Employees are being provided with the Medical Health Camp Benefits and as an organisation, the second respondent is committed to create a supportive and thriving environment for their workforce, and believe this focus contributes significantly to the success and quality of the services and also committed to the well-being of the employees and believe that a healthy workforce is the cornerstone of a better organisation and the Medical Health Camp Benefits are mentioned below:

1) General Health Check-up and blood test camp

2) TB Screening and consultation

3) Hepatitis B Vaccination (3 doses)

4) Medical Camps through GREATER CHENNAI CORPORATION Health Department"

18. It is stated by both the counsel appearing for the first and second respondents that the respondents 1 and 2 will be bound by the orders of the Industrial Tribunal, even if the sanitary workers join the second respondent and their 'legal status' would be as it were on 31/7/2025 for all purposes including the proceeding of 'reference' made by the Government that is pending before the Industrial Tribunal.

19. The prayer in the instant writ petitions is to call for the records in the Resolution No.779 of 2025 Subject No.75 of the first respondent dated 16/6/2025 to outsource the sanitary work of the sixth zone and fifth zone, respectively to the second respondent.

20. According to the impugned Resolution No.779/2025, Subject 75 in T.K.M.D.Na.Ka.No.A7/4640/2023 dated 16/6/2025, it was approved that the sanitation operations in Zones 5 and 6 would be privatised and the work would be handed over to the second respondent. The said Resolution is the decision taken in the interest of the sanitation operations, more particularly, in Zones 5 and 6 of City of Chennai. The purpose of privatising the sanitary work in Zones 5 and 6 was to improve the quality of sanitation and Solid Waste Management. Earlier, the waste was being dumped at various places causing environmental hazards. However, steps would be taken by the second respondent to improve the Solid Waste Management in the jurisdiction of GCC and the solid waste would be recycled to ensure that it does not cause any harm and pollution.

21. A Full Bench of the Hon'ble Supreme Court in Balco's case, referred to supra held that in any democracy, it is the prerogative of the elected Government to follow its own policy unless any illegality is committed in execution of the policy or such policy is contrary to the law or mala fide. The change brought in by the Government as a policy decision cannot be interfered with by the Courts. Further, such economic policies are not amenable to judicial review unless such policy is contrary to any statutory provision or Constitution.

22. Privatising the sanitary work of the Zones in GCC is a policy decision taken in the interest of improvement of sanitary conditions and also waste management. In the present scenario, when the Government has taken decision to privatise the acts of Solid Waste Management and sanitary work for keeping the city clean, such Resolution which does not violate any provision of law nor unconstitutional, the question of quashing the impugned Resolution does not arise.

23. The grievance of the sanitary workers is pending adjudication on the basis of reference by the Government, before the Industrial Tribunal. In the present scenario, when a policy decision is taken by the Government, this Court finds that such decision is not amenable to the jurisdiction, of the Industrial Tribunal under Section 33 (1) (a) of the ID Act.

24. However, the first respondent ought to have taken steps while entering into agreement with the second respondent to ensure that the sanitary worker rights are not infringed in any manner whatsoever: The Hon'ble Supreme Court in Peoples Union for domestic Rights and others Vs UOI and others, reported in (1982) SCC 235 held that the State has supervening responsibility to see that benefits under the labour laws, which touch upon fundamental rights are not infringed by private contractors. It was further held that the state has the constitutional obligation to take such necessary steps for the purpose of interdicting such violation and ensure observance of fundamental rights and the existing laws.

25. Article 23 of the Constitution of India prohibits forced labour and protects the fundamental rights, dignity and exploitation of the individuals.

26. Article 226 empowers the High Courts not only to enforce fundamental rights but also issue Writs for 'any other purpose'. The High Court can step in to give appropriate directions not only to the instrumentalities of the state but also such individuals or authority to enfore existing laws to dispense justice.

27. The second respondent having entered into an agreement with the first respondent is bound to do the work in accordance with the agreement. The second respondent requires labour and offering work to the 2000 and odd sanitary daily wage workers of GCC in zone 5 and 6, is not a favour extended by the 2nd respondent. Workers are already trained and working since several years for the GCC. They are living in the limits of GCC and attending to their work on daily basis.

28. In a democracy, the elected government is at liberty to take such policy decisions in the interests of public and administration, however has a bounden duty to not only ensure that such decisions are not violative of the Constitution and the existing laws, but also to see to that no section of the people are adversely affected by such decisions.

29. The first respondent ought to have ensured that the sanitary workers who would work for the second respondent would be paid the minimum wages and also their last paid wages by GCC, if not more for the time being. The sanitary workers were paid Rs.793/- per day. Any reduction would adversely affect the budgeting of their day to day needs and would create problems for the workers and their families.

30.i) The state/first respondent shall negotiate with the second respondent and ensure that the sanitary workers are paid their last drawn wages if they intend to join the second respondent.

ii) The prayer to quash the impugned resolution outsourcing the conservancy operation in Zone 5 and 6 of the GCC to the second respondent is refused, placing reliance on Balco's case.

iii) The said refusal will not in any manner affect the rights of the sanitary workers or the pending adjudication before the Industrial Tribunal in the reference made by the Government, other than issue/demand No.1 of the reference.

iv) Since, the services` of the sanitary workers were not terminated by the GCC nor any such clause is present in the agreement entered into with the second respondent, in such a scenario of outsourcing of conservancy operations, which is a policy decision of the Government, the steps taken to engage second respondent will not amount to 'Retrenchment' of the sanitary workers, moreso when all the sanitary workers were offered jobs by the second respondent.

v)The welcome bonus of Rs.3,000/-, which the second respondent undertakes to give to the sanitary workers, who join the second respondent, shall be given till 10.09.2025.

vi) The sanitary workers are at liberty to agitate their rights in accordance with the existing laws before the appropriate forum, though they agree to join the second respondent. Their status would be the same as on

31.07.2025 for all purposes including proceedings before any Court or any statutory body.

31. With the said directions and observations, these writ petitions are disposed of. No costs. Consequently, connected Miscellaneous Petitions are closed.

(K.SURENDER,J)
20/8/2025

mvs/jai

Index: Yes/No
Neutral Citation: Yes/No

To

1. The Commissioner
   Greater Chennai Corporation
   Rippon Building

K.SURENDER, J.

mvs/jai

Pre-delivery common order made in
W.P.Nos.29045 and 29050 of 2025

20/8/2025