



**THE LABOUR COURT OF SOUTH AFRICA, JOHANNESBURG**

Not Reportable  
Case No: JS 106/25

In the matter between:

**RAVESHAN PILLAY**

**Plaintiff**

and

**MPC MANAGED SOLUTIONS (PTY) LTD**

**Defendant**

**Heard: 2 July 2025**

**Delivered: 22 August 2025**

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**JUDGMENT**

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**EDWARDS, AJ**

Introduction

[1] The defendant raised two special pleas in response to the plaintiff's statement of claim in which he alleged that the termination of his contract of employment by the defendant was unlawful.

[2] The first is that the plaintiff failed to refer the dispute to the Commission for Conciliation, Mediation and Arbitration ('the CCMA') prior to referring this matter to this Court for adjudication. The second is that the matter was settled in terms of a settlement agreement. On both bases, the defendant submits that this Court does not have jurisdiction to entertain the plaintiff's claim.

[3] In his submissions at the hearing of the matter, counsel for the defendant submitted that the second special plea is dispositive of the matter. The Court will deal with the second special plea first.

[4] It is common cause that the parties agreed on 26 November 2024 that the plaintiff's employment would terminate on 31 December 2024. In terms of the settlement agreement, he was paid one month's notice pay, his accrued annual leave, and a severance package on or about 21 December 2024.

[5] It is also common cause that the settlement agreement was in full and final settlement of all claims between the parties of any nature whatsoever arising out of the employment relationship between them.

[6] The defendant's case is that it has complied with all of its obligations under the settlement agreement and, as the agreement is therefore binding on the parties, the plaintiff is not entitled to approach this Court with any claim which arises from the employment relationship between him and the defendant.

[7] It submits that the settlement agreement remains binding on the parties until such time as it is set aside by a competent court.

[8] In response to this special plea, the plaintiff admits that he entered into a settlement agreement with the defendant but submits that he was misled by the defendant when the agreement was negotiated in that he was led to believe that his position was redundant while it was not. He alleges that he entered into the settlement agreement on the basis of this intentional misinformation and that, as

such, the settlement agreement is void and the defendant cannot rely on the terms thereof.

[9] The Labour Appeal Court ('the LAC') has confirmed that contractual principles apply to any agreement between an employer and an employee, including an agreement of compromise in terms of which parties agree to settle any dispute, or claims, that may exist between them.<sup>1</sup>

[10] Although the plaintiff alleges that the settlement agreement is void *ab initio*, this is incorrect in terms of our law of contract. A contract that is void *ab initio* is one that does not satisfy all of the requirements for a valid contract and is thus unenforceable. An example of this is where the terms of the contract are illegal. In contrast, a contract that has been induced by misrepresentation is voidable rather than void *ab initio*, that is, the consequences thereof may be avoided. In order to avoid the consequences of such an agreement, the agreement must be set aside.<sup>2</sup> On the plaintiff's case therefore, the settlement agreement is voidable.

[11] In *Nkosi v SSG Security Solutions (Pty) Ltd*,<sup>3</sup> this Court succinctly set out the legal principles relating to agreements in full and final settlement of disputes as follows:

'In *SA Municipal Workers Union & others v City of Johannesburg Metropolitan Municipality*,<sup>4</sup> the LAC considered the nature of an agreement in full and final settlement and held that:

'An agreement more often is a product of compromise between two or more parties. In most cases, it is embodied in a written document which records the compromise made and is held up as an enforceable deal. The written agreement is therefore conclusive as to the rights and obligations of the parties.'

In *Buthlezi v Liberty Group Ltd*<sup>5</sup> this court held that:

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<sup>1</sup> *Gbenga-Oluwatoye v Reckitt Benckiser SA (Pty) Ltd & Another* (2016) 37 ILJ 902 (LAC) at para 12. This judgment was upheld on appeal to the Constitutional Court in *Gbenga-Oluwatoye v Reckitt Benckiser SA (Pty) Ltd & another* (2016) 37 ILJ 2723 (CC).

<sup>2</sup> *Bowditch v Peel and Magill* 1921 AD 561 at 572.

<sup>3</sup> (2020) 41 ILJ 1408 (LC) at para 12.

<sup>4</sup> (2013) 34 ILJ 1944 (LAC) at para 20.

<sup>5</sup> (2012) 33 ILJ 607 (LC) at para 7.

‘Is the settlement agreement valid and binding between the parties? If yes *cadit quaestio*. It is correct as submitted by the respondent’s representative that as a general rule a person is bound by the terms of a signed agreement — the caveat rule. The rule applies even where the signatory has not read the agreement. ... A party seeking to resile from the agreement has to prove that the agreement is not binding on him or her.’

In *Gbenga-Oluwatoye v Reckitt Benckiser SA (Pty) Ltd & another*,<sup>6</sup> the Constitutional Court also considered a full and final settlement and held that:

‘The public, and indeed our courts, have a powerful interest in enforcing agreements of this sort. The applicant must be held bound. When parties settle an existing dispute in full and final settlement, none should be lightly released from an undertaking seriously and willingly embraced. This is particularly so if the agreement was, as here, for the benefit of the party seeking to escape the consequences of his own conduct. Even if the clause excluding access to courts were on its own invalid and unenforceable, the applicant must still fail. This is because he concluded an enforceable agreement that finally settled his dispute with his employer.’

In summary, the legal position is that a person is bound by the terms of a signed agreement and the signed agreement is conclusive as to the rights and the obligations of the parties.”<sup>7</sup>

[12] It is common cause that the plaintiff has not taken any steps to challenge the settlement agreement and has not applied to have it set aside. This was confirmed by counsel for the plaintiff at the hearing of this matter. He is therefore bound by the terms of the settlement agreement.

[13] Furthermore, it is not in dispute that the defendant has paid the plaintiff the amounts referred to in the agreement and it was confirmed by the plaintiff’s counsel at the hearing of the matter that he has not tendered the return of such monies to the defendant.

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<sup>6</sup> *Supra*, footnote 1, at para 24.

<sup>7</sup> At para 12 – 15.

[14] In *Makiwane v International Healthcare Distributors*,<sup>8</sup> this Court dealt with the effect of an agreement where payment was effected as full and final settlement of all claims an employee might have against his employer. It was held as follows:

[18] It is common cause between the parties that the applicant has been paid all the monies set out in the settlement agreement, that he has kept such monies and has made no tender to return them to the respondent. To my mind this clearly signifies his acceptance of such monies in full and final settlement of his claims against the respondent.

[19] Our law is trite that where a party accepts the benefits under any settlement agreement in full and final settlement of the benefits owing to him by his former employer arising from the termination of his employment relationship with such employer, and has abided by such acceptance of those benefits, he has placed himself beyond the jurisdiction of this court.

[20] Similarly, in the present case I am of the view that when the applicant signed the agreement, thereby signifying his acceptance of its terms, and later accepted the benefits paid to him in terms thereof, the dispute between him and the respondent was finally settled. From that time onwards there was no live dispute between the parties. There being no live dispute for this court to determine, it follows that this court has no jurisdiction to deal with this matter.'

[15] The plaintiff accepted and has retained the benefits under the settlement agreement. In my view, he cannot now seek to escape its consequences (the full and final settlement of the dispute between himself and the defendant) by alleging that he entered into it due to the misrepresentation of the defendant.

[16] The plaintiff is bound by the clause in the settlement agreement in terms of which the parties agreed that they could not pursue any claims of any nature arising from the employment relationship between them, whether in terms of the contract of employment, delict, contract, statutory entitlement, equity or otherwise. He therefore cannot pursue this claim as it arises out of the employment relationship between him and the defendant.

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<sup>8</sup> (2003) 24 ILJ 2150 (LC).

[17] There is no live dispute between the parties and this Court therefore has no jurisdiction to deal with this matter.

[18] For this reason, the Court must uphold the defendant's second special plea. It is not necessary in the circumstances to consider the first special plea.

[19] Turning to the issue of costs, counsel for the plaintiff submitted that costs should be awarded against the defendant as the two special pleas should be dismissed. Counsel for the defendant left the issue of costs to the discretion of this Court while submitting that the second special plea was well made.

[20] While the Court has upheld the second special plea, the Court is of the view that there is no compelling reason for it to deviate from the norm in this Court that costs do not follow the result.

[21] In the premises the following order is made:

Order

1. The plaintiff's claim is dismissed for lack of jurisdiction.
2. There is no order as to costs.

M. Edwards

Acting Judge of the Labour Court of South Africa

Appearances:

For the Plaintiffs:

M A Lennox

Instructed by:

Botoulas Krause & Da Silva Inc

For the Defendant:

KT Ramela

Instructed by:

ODBB Attorneys