

MHIC210001352019



Presented on : 16.03.2019

Registered on: 16.03.2019

Decided on : 17.07.2026

*Duration : 09. 01. 07
Yr. M. D.*

BEFORE THE MEMBER, INDUSTRIAL COURT AT JALNA
(Presided over by Smt. Kalyani R. Adake, Member)

Complaint ULP No. 94/2019

Arjun Sahebrao Mohite

Age: 54 Years, Occu.: Nil

R/o: Motigavan Post : Manegaon

Taluka and District : Jalna

... Complainant

Versus

1] The Managing Director

Jalna Sahakari Sakhar Karkhana Ltd.

Ramnagar Taluka and District : Jalna

Through- Liquidator, Regional Joint

Director (Sugar), Bhu-Vikas Bank Bldg.

Kranti Chowk, Aurangabad

2] Jugalkishor Tapdia

Tapdia Terraces, Adalat Road,

Aurangabad

(Purchaser of Property)

3] The Managing Director,

M/s Arjun Sugar Industries Pvt. Ltd.,

(Sanjay Panditrao Khotkar)

Bhagyanagar, Jalna

Taluka and District : Jalna

... Respondents

Advocates :-

Ld. Advocate for Complainant :-

Shri. A. M. Pande

Ld. Advocate for Respondent No. 1 :-

Exparte

Ld. Advocate for Respondent No. 2 :-

Shri. S. V. Dankh

Ld. Advocate for Respondent No. 3 :-

Shri. A. P. Mundhe

In the Matter of Unfair Labour Practice U/S 28(1) r/w. Item No. 9 & 10 of Schedule-IV of M.R.T.U. and P.U.L.P Act, 1971.

J U D G M E N T

(Delivered on 17th July 2026)

1] This is a complaint for declaration that the Respondents have engaged in unfair labour practices under Section 28 (1) read with Item No. 9 and 10 Schedule-IV of the Maharashtra Recognition Trade Union and Prevention of Unfair Labour Practices Act, 1971 (for the sake of brevity hereafter referred to as the M.R.T.U. & P.U.L.P Act) as they failed to pay outstanding salary to the Complainant.

2] **The case of the Complainant in short is as under;**

He was initially appointed by Respondents to the post of Helper. The Complainant's entire service record was unblemished. He made repeated representations to the Respondent sugar factory for claiming an unpaid salary of Rs. 19,03,617/- but to no avail. Respondent No. 3 is a Sugar factory. The Complainant is facing a financial crisis and cannot maintain his family. He further stated that the Maharashtra State Co-operative Bank took charge of Respondent No. 3 sugar factory on 16/02/2009 under The Securitisation Act 2002 and is under the liquidator. Respondent No. 2, Tapdia Constructions, purchased the sugar factory with all the movable and immovable properties in December 2012. Respondent No. 2, Tapdia Constructions, sold the property to Respondent No. 3, i.e. Arjun Sugar. The Complainant has submitted that all the Respondents are liable to pay the unpaid salary and other applicable allowances from

October 1996. The Respondents have indulged in unfair labour practices.

3] In spite of notice the Respondent No. 1, Jalna Sahakari Sakhar Karkhana, failed to appear and file a written statement. Hence, my predecessor was pleased to pass order and directed to proceed *ex parte* against Respondent No. 1.

4] In the present case, the Maharashtra State Co-operative Bank was earlier made a party to proceeding however subsequently it was deleted from the array of the Respondents.

5] Respondent No. 2, Tapdia Constructions appeared in the matter through advocate and filed a written statement resisting contentions of the Complainant. The Respondent No. 2 submitted that it has no concern with the complaint as it purchased the movable and immovable property from the bank in the auction. The bank obtained the possession of the property under the Securitization Act; therefore, this Court has no jurisdiction. The Debt Recovery Tribunal Aurangabad in S. A. No. 13/2012, vide order dated 20/03/2012, had directed the bank to pay the amounts to the secured creditors. Therefore, Respondent No. 2 is not concerned with the dues of the Complainant. The Complainant stands terminated from 03/12/2012 owing to the transfer of undertakings, as per Section 25 (F) of the I. D. Act, 1947. There is no employer-employee relationship between the Complainant and the Respondent, and the complaint is hopelessly barred by limitations. There is no application for condonation of delay. The Complainant has failed to demonstrate his duties. The bank has a surplus amount to settle the dues of

the Complainant, and it has no legal right to withhold the said amount. The complaint is filed to pressurize the present Respondent for getting the alleged claims without any legal rights. One M/s Lotus Group Builders and Developers, Aurangabad, has also purchased some portion of the sugar factory, and it is a necessary party. There is no violation of item 9 of Schedule IV of the M.R.T.U. & P.U.L.P Act as there is no privity of contract between the Complainant and the present Respondent. The present Respondent has sold the entire property to M/s Arjun Sugar Pvt. Ltd. The property is not purchased as a going concern, and it has not taken any liability of whatsoever nature, including employment, wages, gratuity, etc. The government dues do not include the worker's liability. The Respondent never restarted the factory and never intended to do so. The Complainant or other employees never reported to work after 03/12/2012. The Complainant has not given any particulars or calculations of his claims. The Complainant has been occupying the quarters on the factory premises even though they were terminated from employment on 03/12/2012. The Complainant is gainfully employed. As per clause 4 of the sale deed with Respondent No. 3, Arjun Sugar, all responsibilities re-entered from the tender are shifted to Arjun Sugar Industries. The Respondent has denied that the Complainant was working in the sugar factory and that the amount of Rs. 19,03,617/- is due. Further, the Complainant is entitled to get his dues, if any, from the balance amount of the sale proceeds. It has been submitted that the complaint is liable to be dismissed.

appeared in the matter through advocate and filed a written statement. The Respondent No. 3 submitted that the complaint is not tenable as there is no employer-employee relationship. The Respondent is not a necessary party, as it purchased the property in 2014. It has been submitted that some movable and immovable properties of the Respondent No. 3 sugar factory were purchased by Tapdia Constructions on 03/12/2012 and by M/s Lotus Group Builders and Developers, Aurangabad. The present Respondent purchased the property from Tapdia Constructions on 03/05/2014. The properties are bought before the Sub-Registrar, Jalna and not under the SARFESI Act or any other law. The auction proceeding rules are not binding on the present Respondent. The statutory dues are liable to be paid by the earlier possessor and owner. This Court has no jurisdiction to try the present complaint. The Complainant has not challenged the auction tender issued by the bank. The bank has a surplus amount and is liable to pay the Complainant's dues. The Respondent also wants to clear the dues of Jalna Sahakari Sakhar Karhana's workman, and the issue has already been decided by the Hon'ble Debt Recovery Tribunal, Aurangabad, in S. A. No. 13/2012, the bank is liable to pay the dues. The complaint is not filed within the limitation and is bad for the misjoinder of the parties. Hence, it has been submitted that the complaint is liable to be dismissed.

7] Following issues are framed by my learned predecessor at Exhibit O-2 and I have given my findings against those issues for the reason stated thereunder ;

SR. No.	ISSUES	FINDINGS
1)	Whether the Complainant prove that there exists employer-employee relationship between the Complainant and the Respondents?	“In the Affirmative”
2)	Whether the complaint is barred by limitation?	“In the Negative”
3)	Does the Complainant prove that the Respondents engaged in and have been engaging in unfair labour practice contemplated under Items 9 and 10 of Schedule IV of the M.R.T.U. & P.U.L.P Act, 1971?	“In the Affirmative”
4)	Does the Respondent No. 2 prove that the Complainant stands terminated with effect from 03/12/2012, owing to the transfer of the undertaking / sugar factory to Respondent No. 3?	“In the Negative”
5)	Whether the Complainant is entitled for reliefs sought for? If yes, against which Respondents?	“Partly In the Affirmative”
6)	What Order?	“As per final order”

REASONS

8] The Complainant has adduced his evidence at Exhibit U-11 and closed the same by filing pursis at Exhibit U-14. The Respondent No. 2 M/s Jugalkishor Tapdia, has adduced their evidence through Dharmraj Achut Ingale at Exhibit C-17 and closed the same by filing pursis at Exhibit C-18. The Respondent No. 3 Arjun Sugar Industries Pvt. Ltd., has adduced their evidence through Manohar Trimbakrao Pathrikar at Exhibit C-12 and closed the same by filing pursis at Exhibit C-16.

9] Heard learned advocate for the Complainant and learned advocate for Respondents. In support of argument advanced advocate Shri. A. M. Pande for the Complainant and Shri. S. V. Dankh for Respondent No. 2 Tapdia Construction have relied upon citations. Considering the facts and circumstances, evidence adduced, documents on record and guidelines of Hon'ble High Court and Hon'ble Supreme Court, I am answering the issues as under.

AS TO ISSUE No. 1 :

10] So far as issue No. 1 is concerned it relates to employer-employee relationship and the burden is saddal on the Complainant to prove the same. The advocate for Respondent No. 2 has vehemently submitted that the Complainant was not its employee and, therefore, the complaint is not maintainable. The advocate for Respondent No. 2 has relied upon many decisions to buttress his contention. I have carefully perused the ratio laid down in the cited cases, and it is about contract labour; therefore, in the cited cases, it was held that there was no employer-employee relationship. In the present case, the Complainant has not come up with the case that he was directly recruited by Respondents No. 2 and 3. The Complainant has submitted that, as Respondents Nos. 2 and 3 purchased the property of Respondent No. 1, Sugar factory, they are liable to pay the outstanding dues of the Complainant. Hence, as already discussed, there is a notional extension of the relationship between the Complainant and Respondents Nos. 2 and 3 regarding the liability to pay the wages. Respondents Nos. 2 and 3 are liable as they have purchased the movable and immovable

property of the Respondent No. 1 Sugar factory. Respondent No. 2 has mentioned in the sale deed that it had carried out its due diligence at the time of the purchase of the property. The exercise of such due diligence establishes that it has verified the dues attached to the property purchased by it in the auction. Further, in 2014, the bank issued a letter to Respondent No. 2 informing them to pay the labour wages. To this date, Respondent No. 2 has not come out with any documents to show that it had replied to the said letter informing the bank that it was not liable to make any payment to the labour, nor are there any allegations against the bank that it has withheld the information about the labour and its dues. Therefore, the contentions of Respondent No. 2 and Respondent No. 3 about the absence of an employer-employee relationship will not help their cause, as they had stepped into the employer's shoes. They cannot take shelter of the terms of the sale deed to deny the statutory rights of the labour. The Respondents may exercise their rights against each other, but that does not take away the rights of the workmen to seek relief from them, as they have purchased the properties. The workmen have been pursuing their cause for a long time. Considering the facts and circumstances and documents on record, I am of the opinion that the Complainant has duly proved that an employer-employee relationship exist between the Complainant and the Respondents. Hence, I answer issue No. 1 "In the Affirmative".

AS TO ISSUE NO. 2 :

11] Issue No. 2 relates to limitation. According to advocate Shri. Dankh for Respondent No. 2 the complaint is barred by limitation as there is no continuous cause of action.

The Complainant had a cause of action when he was refused the salary but he has belatedly approached the Court. According to advocate Shri. Pande for the Complainant the limitation will not apply to unfair practices under item 9 of Schedule IV of the M.R.T.U. and P.U.L.P. Act. The Complainant has also relied upon the decision in the case of ***Sudhakar Rao Patil and others V/s P. K. Anna Patil Janta Sahakari Bank (supra) in Writ Petition No. 8885/2016 and 8886/2016*** wherein the Hon'ble High Court has held that :

"It is trite law that the claims regarding unpaid wages or any component of wages or any such amounts which the employer was under a legal obligation to pay, would amount to a recurring cause of action. The failure to pay such amounts can be rectified by the employer by making the payment even after a passage of time from the date the amount was due and payable. Item 9 of Schedule IV of the MRTU & PULP Act, 1971 can, therefore, be invoked in matters of such nature.

In the light of the above, the impugned judgment by which Complaint ULP No. 37/2010, 39/2010, 47/2010, 55/2011 and 57/2011 were dismissed by the Industrial Court only for the reason of delay, is an erroneous order. Increments, bonuses, dearness allowances, or any component of wages will have to be paid by the employer as long as it is due and payable, and failure to pay over a considerable period of time would give the aggrieved employees a cause of action. As such, the second Writ Petition is allowed. The judgment of the Industrial Court dated 27/04/2015 is quashed and set aside and Complaint ULP No. 37/2010, 39/2010, 47/2010, 55/2011 and 57/2011 and others are remitted to the Industrial Court on the conditions which I would set out in the later part of this judgment."

of both advocates and guidelines of Hon'ble High Court, I am of the opinion that the Complainant has rightly proved that, failure to pay unpaid wages or any component of wages amounts to recurring cause of action and therefore the present complaint is not barred by limitation. Hence, I answer issue No. 2 "In the Negative".

AS TO ISSUE NO. 4 :-

13] Issue No. 3 relates to unfair labour practice and issue No. 4 relates to whether the Respondent No. 2 proves that the Complainant stands terminated w.e.f. 03/12/2012, owing to transfer of the undertaking/ sugar factory to the Respondent No. 1. I am of the opinion that it is necessary to first decide the status of the Complainant on account of issue framed by my predecessor before deciding the issue relating to unfair labour practice and therefore, I am answering issue No. 4 before issue No. 3.

14] On perusal of record it is reflected that there is a sale deed between Respondent No. 2 and the Bank mentioning the liability of the dues. Section 25 of the Industrial Dispute Act was never complied with, even though there was a transfer of the Undertaking. There was no retrenchment of the workers, nor was there any lock-out. The advocate for Respondent No. 2 has relied upon the decision in the case of **Anakapalla Co-operative Agricultural & Industrial Society Ltd. (supra)** to submit about Section 25 (F) of the Industrial Dispute Act, that by enacting the said provision the legislature has made it clear that if industrial undertakings are transferred the employees of such transferred undertaking should be entitled to compensation, unless, of

course, the continuity in their service or employment is not disturbed and that can happen if the transfer satisfies the three requirements of the proviso. In the present case, the conditions enumerated in Section 25 (F) proviso are not satisfied. Hence, the said decision will not help the case of Respondent No. 2. In the circumstances, the arguments of Respondent No. 2 cannot be accepted that on the transfer of the undertaking, the employee stands terminated. Considering the facts and circumstances, submission of both the advocates and guidelines of relied citations, I am of the opinion that the Respondent No. 2 has only pleaded that the Complainant stands terminated w.e.f 03.12.2012 due to transfer of undertaking / sugar factory to the Respondent No. 3 but failed to prove the same by leading cogent evidence. Hence, I answer issue No. 4 “In the Negative”.

AS TO ISSUE NO. 3 :

15] The learned advocate for the Complainant has vehemently submitted that the Complainant was working in the sugar factory. He has rendered his service for years together, and the sugar factory did not regularly pay him his salary due to a paucity of funds. The Complainant, for want of employment, continued to work with the sugar factory. The bank seized the movable and immovable property of the sugar factory and sold it in auction proceedings to Respondent No. 2, Tapdia Constructions Pvt. Ltd. The property was purchased as a going concern, as both movable and immovable properties were purchased. Respondent No. 2 Tapdia has undertaken all the liabilities of the workmen, and therefore, Respondent No. 2 is liable to pay all the pending dues of the Complainant.

Respondent No. 3 has further sold the movable and immovable property of the sugar factory to Respondent No. 3, Arjun Sugar. Respondent No. 3 has undertaken the liability for the dues of the workmen. In the circumstances, all the Respondents are liable, and by refusing to discharge the liability, they all have indulged in unfair labour practices.

16] The advocate for the Complainant submitted that the complaints were allowed in identical matters, and the Writ Petitions preferred against the said judgments have been dismissed. The workmen are poor and illiterate, and they did not approach this court under the assurance that payment would be made. Item No. 9 of Schedule IV does not provide for any limitation. The Complainant has claimed a minimum amount even though he is entitled to the entire salary. The documents were available with Respondent No. 3, but it failed to appear and contest the case as the liquidator was appointed. None of the Respondents has come out with the documents to show that the present Complainant was never employed and that he is not entitled to the amount claimed. In support of his said arguments, the Complainant has relied upon the citations filed along with list.

17] The advocate for Respondent No. 2 has vehemently submitted that the Complainant has not proved his claim before this Court. There is no documentary evidence to show that the Complainant was working, and the amount he stated was outstanding. He has submitted that the Complainant has not stated his salary and how he has calculated the amount he has

claimed. There is no employer-employee relationship between the Complainant and the Respondent. The Complainant was an employee of the sugar factory. The Respondent has purchased only the immovable property at an auction under the SARFESI Act. The sugar factory is not purchased as a going concern, and the Respondent has never undertaken any production activities. As there is a transfer of undertaking, the employee stands terminated from the date of transfer as per Section 25 (F) of the I.D. Act. The Hon'ble High Court has also restricted the claim to three years. The Complainant has failed to plead about his duties, and the averments in the complaint and evidence are vague. The Debt Recovery Tribunal, Aurangabad, in S.A. No. 13/2012 has passed the specific order directing the bank to pay the workman's dues. There is a surplus amount in the hands of the bank, and it is liable to pay the dues. M/s. Lotus Group Builders, also a purchaser, has not been joined as a party. The Respondent purchased the property at an auction and is not liable to make any salary payment to the Complainant. The sale deed between the bank and the Respondent does not show that the Respondent is liable to pay labour dues. All the responsibilities re-entered from the tender have been shifted to Arjun Sugar Industries. It has, therefore, been submitted that the complaint is liable to be dismissed. In support of his said arguments, the Respondent No. 2 has relied upon the citations filed along with list.

18] The advocate for Respondent No. 3 has submitted that the court has to verify whether the Complainant has proved that he was working with the sugar factory and that the wages are due. The Complainant's evidence does not reflect the said

fact. The Complainant never called upon the Respondents to produce the documents. The Complainant was required to file pay slips on record. Respondent No. 3 has never taken any liability for employees of the sugar factory. It was the liability of the Respondent No. 2, Tapdia Constructions. The bank was liable to make the payment. The complaint is barred by limitation and is not tenable against the present Respondent, as it is a subsequent purchaser.

19] I have gone through record and proceeding. On perusal of of record it is pleaded that the Complainant was working with the sugar factory, i.e. Respondent No. 3. The said sugar factory had obtained a loan from the Maharashtra State Cooperative Bank Limited. The said Bank was made a party to the present complaint and was deleted from the array of the Respondents as per the order passed by this court. The sugar factory continuously suffered losses and defaulted on its loan payments. The bank had issued a notice to the sugar factory under section 132 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Act 2002 (The SARFAESI Act, in short). The bank took possession of the sugar factory under a panchnama dated 16/02/2009. The Bank issued a public notice for auction on 9 January 2012 in the local newspaper, Sakal. The auction notice was again published on 14 February 2012 in the same newspaper. Respondent No. 2 Tapdia Constructions purchased the properties of Respondent No. 3 sugar factory after accepting all the terms and conditions of the tender notice. Other workmen of the sugar factory had already

filed complaints before the auction sale. Respondent No. 2 sold the property of the sugar factory to Respondent No. 3, M/S Arjun Sugar Industries Ltd., Aurangabad. It has come in the evidence of the witness of Respondent No. 2, i.e. Dharmaji Achyut Ingale that the Tapdia Construction has not paid money to any workers. It has come in the evidence of witness of Respondent No. 3 i.e. Manohar Trimbakrao Patharikar that they have purchased sugar factory from Tapdia Construction and not through auction. He further admitted that he has seen sale deed between Respondent Tapdia Construction and Arjun Sugar Industries. There is mentioned in the sale deed that salary of employees is to be paid by us. They have not paid salary and other allowances to the employees. This Court cannot go into the reasons for the same, but it can be considered for the parties' conduct. Respondent No. 3 sugar factory was running till the bank seized it, as the Bank gave it a larger loan amount for the crushing season. It has also come on record that there were sugar bags in the factory.

20] In the present case, the Bank had taken possession of the movable and immovable properties of the sugar factory as it was a secured creditor. The auction sale was carried out per the SARFAESI Act's provisions. The earlier complaints filed by the workmen, who were similarly placed, were allowed by the Industrial Court against the Bank and Respondents Nos. 1 to 3. Respondents 2 and 3 and the Bank challenged the judgment and order before the Hon'ble High Court by filing multiple Writ Petitions bearing no. 5901/ 2016 and others. The Hon'ble High Court passed the following order in the said Writ Petitions:

"A) Writ Petitions preferred by the Bank (detailed in

paragraph 3 above) are allowed. The impugned judgments and orders qua the Bank are quashed and set aside.

B) Writ Petitions preferred by the Auction purchaser (detailed in paragraph 4 above) are partly allowed. The impugned judgments and orders qua the auction purchaser are partly modified only to the extent of restricting the outstanding wages and applicable allowances to a period of three years immediately preceding the filing of the complaints. The rest of the impugned judgments and orders stand as it is.

C) Jalna SSK and Tapdia Construction Ltd are jointly and severally liable to pay the outstanding wages and other applicable allowance (for the period stated above) within a period of three months from the date of this order along with interest @ 6 % per annum from the date of instituting the complaints till payment of realization.

D) Writ Petition by Arjun Sugar Industries Pvt Ltd, the transferee from the auction purchaser, stands dismissed.

21] As the Hon'ble High Court has held that the bank is not liable, considering the statutory bar under the SARFAESI Act, this court deleted the bank from the proceedings. The order of the Hon'ble High Court was challenged before the Hon'ble Supreme Court, and the same has been stayed.

22] The pleadings of Respondents Nos. 2 and 3 reflect that the Bank has stated that Respondent No. 2 is liable to pay the dues as it has undertaken to pay all the dues, and the stipulation to that effect is there in the sale deed. Then, Respondent No. 2 says that the bank is liable to pay the outstanding wages of the workers as it has excess money from the auction of the properties of the sugar factory. It has also been submitted that as Respondent No. 3 has purchased the property and as per clause No. 4 in the sale deed, all the responsibilities from the tender are shifted to Respondent No. 3. Respondent No.

3 has submitted that it is the subsequent purchaser and hence not liable to pay. In this background, it would be apt to produce the relevant clauses of the sale deed between the bank and Respondent No. 2 and the sale deed between Respondent No. 2 and 3. The clause of the sale deed between the bank and Respondent No. 2 is as follows:-

“The sale of Secured Assets is on “ AS IS WHERE IS, AS IS WHAT IS AND WHATEVER THERE IS BASIS WHICH IS WITHOUT ANY WARRANTY, GUARANTEE, ASSURANCE and UNDERTAKING OR REPRESENTATION OF ANY KIND WHATSOEVER”. The AO does not take or assume any responsibility for any shortfall of the movable/immovable assets, for procuring any permissions etc. or for any dues, statutory or otherwise of any otherwise of any authority established by law. Such dues, if any, will have to be borne/paid by the purchaser.”

By this condition, Respondent No. 2 has accepted the liabilities of all types of dues of Respondent No. 1, the sugar factory.

Respondent No. 2 sold out the said property of Respondent No. 1 to Respondent No. 3 , M/s Arjun Sugar Industries Pvt. Ltd. and Clause No. 04 of the Deed of Sale is as under:-

"That the vendor has transferred and sold the same to Vendee WHERE IS, AS WHAT IS AND WHATEVER THERE IS BASIS WHICH IS WITHOUT ANY, WARRANTY, GUARANTEE, ASSURANCE and UNDERTAKING OR REPRESENTATION AS ANY KIND WHATSOEVER" and with all the risk, liability and responsibilities including VAT or Provident Fund of old labours, liabilities of any other person or financial institutions etc."

23] So, perusal of the averments and documents, it can be seen that there is not much dispute raised about the rights of the workmen, but only about who is liable to pay. All the Respondents, including the Bank, are denying liability and

shifting the burden on each other. Still, at the same time, there are no averments or evidence that there was misrepresentation at the time of sale by not disclosing the dues of the workmen and the pendency of the cases before the court. Respondents No. 2 and 3 have submitted that after the Bank took the action against the Sugar Factory under the Securitisation Act, one of the creditors of the sugar factory, namely, Dnyaneshwar Sahakari Sakhar Karkhana Limited, Bhenda, had filed S. A. Application against Bank and the Sugar Factory before The Debt Recovery Tribunal, Aurangabad, vide No. 13/2012. The Debt Recovery Tribunal had passed the order on 20/03/2012 and held that:

- 1) *"S. A. stands dismissed with no order as to costs.*
- 2) *The Respondent bank (secured creditor) is hereby directed to deposit the balance amount of the sale proceeds in this Tribunal after adjustment of its loan liability in full from such sale proceeds on confirmation of the sale in accordance with law. In turn, the said balance of the sale proceeds shall be kept in a fixed deposit with any Nationalised Bank until an Order from the appropriate forum for its disbursement.*

The said balance amount of the sale proceeds be disbursed to those who shall be declared by the appropriate forum as "entitled to get their proportionate share" as per order of preference and priority, i.e. first the secured creditor/ crown debts and other Government dues, second the workmen dues and lastly the unsecured creditors, if any.

24] Respondents Nos. 2 and 3 submitted that the bank is liable to pay the workmen's dues from the balance amount of the sale proceeds. On perusal of the admitted factual aspect, it can be seen that the earlier complaints have been allowed, and the writ petitions preferred against said judgments have been partly

allowed. The Hon'ble High Court has held that the sugar factory and Respondent No. 2 are liable to pay the Complainants therein. Respondent No. 3 was not held liable as it was a party to only one case.

25] Respondent No. 2 has submitted that it is not liable to pay as it has not purchased the sugar factory as a Going Concern. Now, admittedly, Respondent No. 2 has bought the movable and immovable property of Respondent No. 1 from the bank. It has not adduced any evidence to show that the movable and immovable were not purchased for running a sugar factory. So, based on mere averments, it cannot be said that the factory was not purchased as a Going Concern by the Respondent No. 2. The Respondent No. 3 is a sugar factory. It bought the movable and immovable property from Respondent No. 2. The record reflects that it had taken steps to start the factory. So, the evidence on record establishes that the sugar factory was a Going Concern.

26] The documentary and oral evidence on the record reflect that when Respondent No. 2 purchased the property, the litigation between the other workmen, the bank and the sugar factory was *subjudice*. Neither Respondent No. 2 nor Respondent No. 3 stated that they were unaware of the litigation, nor were there any allegations against the Bank that it had suppressed the said fact. There is no communication addressed to the Bank by Respondents No. 2 and 3 about the liabilities on the properties not being disclosed to them. In fact, there is a letter from the Bank informing Respondent No. 2 that it was liable to pay the workmen's dues. It was for Respondent No. 2 to get clarification from the bank about the liability of the workmen. Respondents

Nos. 2 and 3 have not alleged fraud or misrepresentation against the bank. So, it can be very well held that Respondents No. 2 and 3 were very well aware that complaints were pending in the court about the workmen's dues and liabilities. Hence, they are estopped from saying they were not liable to make any payments.

27] The sugar factory was a Going Concern when the bank seized it. So, there were workmen employed by the sugar factory, and the records of the workmen were available for verification. Respondent No. 2 cannot take a plea that it is not liable to pay the workmen any salary dues. The contention of Respondent No. 2 is that the bank has excess money from the auction sale and is liable to pay the workman's dues. It has also been stated about the order passed by the Debt Recovery Tribunal. The said order is dated 20/03/2012. So, it is before the purchase by the Respondents No. 2 and 3. There is a specific mention of workmen's dues in the order. So, Respondents No. 2 and 3 were aware of the workmen's dues before purchasing the property. Respondent No. 2 also mentioned in the sale certificate that it had carried out verification as per its due diligence. Hence, considering this factual aspect, the contentions of Respondents No. 2 and 3 fail as they had purchased the property knowing the liabilities thereon fully well. No clause is added to the sale deed between the bank and Respondent No. 2 that the bank will be responsible for paying workmen's dues. This court cannot inquire whether excess money is lying with the bank. The Hon'ble High Court has considered the said aspect and held that whether workmen's dues are required to be satisfied out of the sale

proceeds with the Bank is an issue that must be adjudicated in an appropriate forum. Respondents Nos. 2 and 3 can very well recover the amount paid towards the workmen's dues, as per the principle of pay and recover, if the bank has excess money in its hands and as per the order of the Debt Recovery Tribunal. The Complainant claims unfair labour practices as the Respondent No. 3 sugar factory did not pay his dues. The factory was purchased by Respondent No. 2 and, subsequently, by Respondent No. 3. Respondent No. 2 has pleaded that Respondent No. 3 is liable to pay as all responsibilities are shifted upon them because of clause 4 of the sale deed. So, Respondent No. 3 was aware of the liability of the workmen. Respondent No. 2 was aware of the proceedings between the workmen and the Respondents being subjudice before the court, as there is a specific clause in the sale deed about the liability of the workmen. Hence, as Respondent No. 2 is a subsequent purchaser, it cannot absolve it from liability, as it had purchased the property of the sugar factory. Respondents Nos. 2 and 3 are liable by notional extension of the relationship due to the purchase of the sugar factory and the terms of the sale deed. There is no documentary evidence about M/s Lotus Group Builders and Developers, Aurangabad and therefore, a plea of non-joining of the necessary party fails.

28] The Complainant has deposed that he was working with the sugar factory. He has also deposed that he was not regularly paid a salary, and he has made regular demands. He has also stated that Rs. 19,03,617/- is the outstanding amount towards salary. He has categorically deposed that all the

Respondents are liable to pay their dues and interest @ 18%. In para No. 6 of the Cross-examination he has specifically stated that he has not received salary of ten years. In spite of repeated demands he had not received any salary. The evidence of Respondents 2 and 3 mainly concerns that they are not liable to pay. The evidence of the Complainant that he was working with Respondent No. 2 appears to be truthful. The advocate for Respondent No. 2 has vehemently submitted that the Complainant was not coming to the factory after it was purchased by Respondent No. 2. However, that fact will not absolve the Respondents of their liability. The advocate also argued for Respondent No. 3 that the Complainant did not explain how he survived, as he was not getting any salary. The Complainant has stated that he was maintaining his family by doing labour work. The Complainant's evidence reflects that he was not paid a wage by Respondent No. 1. Respondent No. 1 did not appear and was proceeded *exparte*. Respondent No. 1 did not pay the salaries of the workmen regularly and thereby breached the provisions of the Payment of Wages Act. Nonpayment of the dues certainly amounts to unfair labour practices as per item 9 of Schedule IV of the Act. Respondent No. 3 failed to follow the legal provisions, resulting in unfair labour practice on the part of Respondent No. 3. Respondents Nos. 2 and 3 purchased the properties, being fully aware of the liabilities and that they had to follow the legal provisions concerning labour, as the same is beneficial legislation and therefore, I am of the opinion that Respondent No. 2 and 3 have also engaged in unfair labour practice.

29] The Complainant has deposed that Rs. 19,03,617/- is due against the Respondent towards salary, and he is entitled to recovery. The Hon'ble High Court, in the Writ Petition against the judgment and order in other complaints, after considering the legal position, has held that the workman will be entitled to the salary for the three years preceding the complaint.

30] If the workmen succeed, then the Complainant can claim said relief. The advocate for the Complainant has relied upon the decision in the case of *M/s Warden and Company (India)* to submit that the claim relating to non-payment of wages is covered under unfair labour practice Item No. 9 Schedule-IV of the act i., e. failure to implement of the award, settlement or agreement. It is also held therein that Section 28 of the M.R.T.U. and P.U.L.P. Act enables a Complainant to file the complaint "if any person has engaged in or is engaging in unfair labour practice". It is also held that every time wages are not paid when due, it can be averred that the employer is engaging in unfair labour practice under Item 9 of Schedule IV.

31] The advocate for Respondent No. 1 has relied upon the decision in the case of *Dalal Engineering Pvt. Ltd.* to submit that however wide the sweep of the jurisdiction of the court to prevent unfair labour practices under the Act, however deep and pervasive the doctrine of social justice, the labour court and the Industrial Court are both creatures of a statute and have only so much jurisdiction as is conferred upon them there under. The decision was rendered when the exparte interim order was passed without notice. There cannot be a dispute when the court

can exercise the jurisdiction as conferred upon it. The decision in the case of *The State of Maharashtra & Others V/s Murarao Malojirao Ghorpade* is regarding the law of precedent to submit that whether the precedent is binding and effective itself is to be considered by the Court.

32] The decision in the case of *Shankar Chakarvarti* is for preliminary enquiry and does not apply to the facts of the present case. *Maruti Udyog Ltd.* relied upon by Respondent No. 1 to submit that sympathy has no role to play while construing the statute. It is also held that the court cannot interpret the provisions of the Act, ignoring the binding decisions of the constitution bench of this court, only by sympathy for the concerned workmen. Now, there cannot be a dispute about the said decision. The decision in *Lokmat Shramik Sanghatana* does not apply to the facts of the present case, as it is about relief of permanency.

33] Considering the facts and circumstances, evidence adduced, documents on record and the decision of the Hon'ble High Court in Writ Petition No. 5901/2016 and other Writ Petitions, I have no hesitation in concluding that there was indulgence in unfair labour practices by the Respondents. I am of the opinion that the Complainant worked in a sugar factory and was denied wages; therefore, this court has jurisdiction. Respondents Nos. 2 and 3 have purchased the property of the Sugar factory with all the liabilities thereon with full knowledge. Therefore, the complaint is maintainable against the Respondents Nos. 2 and 3. There is no retrenchment or lockout as per the

provisions of the Industrial Dispute Act. Hence, there is a continuation of the employer-employee relationship. The complaint is not barred by limitation as the Respondents indulged in unfair labour practices, and it is a continuous cause of action. Considering the facts and circumstances, evidence adduced and documents on record, the Complainant has proved that the Respondents have engaged in and have been engaging in unfair labour practice contemplated under Section 9 and 10 of Schedule-IV of M.R.T.U. and P.U.L.P Act and hence, I answer issue No. 3 "In the Affirmative".

AS TO ISSUE NO. 5 : -

34] So far as issue No. 5 is concerned it relates to relief prayed for by the Complainant. The Hon'ble High Court while deciding Writ Petition No. 6901/2016 has observed that, the cause of action for wages was considered a recurring cause of action, and the employee was held liable to pay the salary if they failed to pay for a considerable time. Considering the ratio in the cases cited by the Complainant and the decision of the Hon'ble High Court in a similar factual aspect, in view of the legal position, I find that the Complainant is entitled to the recovery of salary for the preceding three years from the date of the complaint. The Complainant has claimed wages of Rs. 19,03,617/- in the complaint and has deposed on oath that said amount is due. He is entitled to wages for the three years preceding the complaint. Considering the facts and circumstances, evidence of the Complainant and the documents, as well as observations of Hon'ble High Court and Hon'ble Supreme Court, I am of the opinion that the Complainant is

entitled to the outstanding salaries of Rs. 2,50,000/-, which includes applicable allowances for three years immediately preceding the complaint filing. The Complainant has been fighting for his cause for a long time, and his legal rights were denied when there were transactions for the sale of the properties of Respondent No. 1. Hence, I am of the opinion that the Complainant is also entitled to costs of Rs. 30,000/- (Thirty Thousand Only) of the proceedings. Hence, I answer issue No. 5 “Partly In the Affirmative” and proceed to pass the following order.

ORDER

- (I) The complaint is partly allowed.
- (ii) It is hereby declared that all the Respondents have engaged in are engaging in unfair labour practices under Section 28 of Item No. 9, Schedule IV of the Maharashtra Recognition Trade Union and Prevention of Unfair Labour Practices Act, 1971.
- (iii) The Respondents are hereby directed to cease and desist from engaging in unfair labour practice under Section 28 of Item 9, Schedule IV of the Maharashtra Recognition Trade Union and Prevention of Unfair Labour Practices Act, 1971.
- (iv) The Respondents Nos. 2 to 3 are held jointly and severally liable and are hereby directed to pay an amount of Rs. 2,50,000/- (Two Lakh Fifty Thousand Only) towards unpaid wages to the Complainant along with the interest at the rate of 10 % p.a. from the date of complaint till realisation and Rs. 30,000/- (Thirty Thousand Only) cost within 2 months from the date of order.
- (v) Proceeding is finally closed.

Jalna
Date 17.07.2026

Kalyani R. Adake
Member
Industrial Court Jalna

Argument closed on: 15.07.2026

Judgment dictated on: 17.07.2026

Judgment checked and signed on : 17.07.2026