



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY,  
NAGPUR BENCH, NAGPUR.**

**WRIT PETITION NO. 4069 OF 2025**

Indoworth India Limited, B-130, MIDC Industrial Area, Butibori, District Nagpur-441108. Through its Authorized Signatory.

**PETITIONER**

**VERSUS**

1. The State of Maharashtra, Department of Industries, Labour and Energy, Mantralaya, Mumbai-32 Through its Authorized Signatory.
2. Pradeep Bhimcharan Mohanti, Age:Major, Occ: Not Known.
3. Gajanan Sitaram Maskar, Aged Major, Occ: Not Known.
4. Sushil Sheshmani Tiwari, Aged Major, Occ: Not Known.
5. Dinbandhu Vashishta, Aged Major, Occ: Not Known.
6. Pradeep Ramdas Lokhare, Aged Major, Occ: Not Known.

Respondents 2 to 6, C/o Pradeep Bhimcharan Mohanti, Plot No.280, Rathod Layout, Anant Nagar, Nagpur.

**RESPONDENTS**

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Shri R.B. Puranik, Senior Advocate with Shri M.R. Puranik, counsel for the petitioner.

Ms PT. Joshi, Assistant Government Pleader for the respondent no.1.

Shri S.B. Dhande, counsel for the respondent nos.2 to 6.

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**CORAM : PRAFULLA S. KHUBALKAR, J.**

**DATE ON WHICH ARGUMENTS WERE HEARD : MARCH 07, 2026**

**DATE ON WHICH JUDGMENT IS PRONOUNCED : MAY 07, 2026**

**JUDGMENT**

Heard. **RULE.**

2. By this petition, the petitioner-Company has challenged the order dated 11.04.2025 passed by the respondent no.1-Government of Maharashtra by which the application submitted by the petitioner for closure of its establishment under Section 25-O of the Industrial Disputes Act, 1947 (for short, 'the Act') is rejected.



3. The brief facts of the case are as follows:-

- i. The petitioner-Company is a textile industry which was involved in the business of manufacturing and sale of wool yarn and poly wool which was situated at MIDC, Industrial Area Butibori, Nagpur and it claimed itself to be an export oriented unit.
- ii. It is the petitioner's case that due to the outbreak of COVID-19 pandemic, the manufacturing activity was completely stopped from 21.03.2020 and therefore the petitioner was forced to stop exporting its products to various countries.
- iii. It is the petitioner's case that it had displayed a notice on the notice board dated 02.05.2020 with respect to suspension of work of its plant for an indefinite period. It is the petitioner's case that even after the lockdown was over the petitioner-Company was not in a position to resume its manufacturing activities for reasons beyond its control.
- iv. As the wages of the employees were not paid and since even the conciliation proceedings failed, a dispute was referred to the Industrial Court, Nagpur which is registered as Ref. B.I.R.no.6 of 2021 which is pending before the Industrial Court, Nagpur. The respondent Nos.2 to 6 herein who are the elected representatives of the employees filed a complaint under Sections 28 and 30 of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 challenging the notice dated 02.05.2020 and Complaint ULP no.135 of 2021 is pending before the Industrial Court, Nagpur.
- v. During pendency of the complaint, there was a settlement dated 04.10.2022 between the petitioner-Company and the respondent nos.2 to 6 by which the petitioner-Company agreed to restart its establishment in a phased manner however the company was not started.
- vi. It is the petitioner's case that despite its best efforts the establishment was not started and therefore it decided to close down the establishment and accordingly filed an application dated 30/31.01.2025



before the respondent no.1 under Section 25-O of the Act seeking permission to effect closure of its establishment. The said application was sent by the petitioner by Registered Post Acknowledgment Due. It is the petitioner's case that the application was received by the respondent no.1 on 03.02.2025. It is also the petitioner's contention that the said application was sent to the Commissioner of Labour Mumbai, Additional Commissioner of Labour Nagpur, Industrial Commissioner, Mumbai and Joint Director of Industries at Nagpur so also to the respondent nos.2 to 6 by Registered Post Acknowledgment Due.

vi. The petitioner-Company thereafter received a letter dated 12.03.2025 from the Additional Commissioner, Nagpur about hearing to be held before the Hon'ble Minister for labour on 24.03.2025 and accordingly representative of the petitioner-Company attended the proceedings before the Hon'ble Labour Minister. On 24.03.2025 the matter was heard and it was closed for orders. On 11.04.2025 the respondent no.1 passed an order and rejected the permission for closure. The petitioner-Company has challenged this order by way of instant petition.

4. Shri R.B. Puranik, learned Senior Advocate for the petitioner primarily submitted that the impugned order passed by the respondent no.1 after expiry of sixty days is unsustainable in view of the provisions of Section 25-O(3) of the Act which provided for a deemed permission to effect closure after expiry of sixty days from the date of submission of the application. He therefore submitted that in view of the deeming provision, the permission of closure was granted on 05.04.2025 and the impugned order passed on 11.04.2025 is *non est* in the eyes of law. He therefore submitted that since the permission for closure is deemed to have been



granted there is no question of seeking any review before the Tribunal for adjudication of any controversy and the petitioner-Company is not required to invoke the remedy under Section 25-O(5) of the Act. He also submitted that considering the scheme of Section 25 of the Act and particularly Section 25-O(3), the Hon'ble Minister who passed the impugned order had no power, authority or jurisdiction to reject the permission by order dated 11.04.2025 as after expiry of sixty days the respondent no.1 became *functious officio*. His primary contentions are with respect to the effect of the deeming provision under Section 25-O(3) of the Act and neither the memorandum of petition nor the arguments canvassed have dealt with the reasons for refusal of permission to close down the establishment.

5. In support of his submissions, the learned Senior Advocate placed reliance on the following judgments:-

- i. *State of Haryana & Another Versus Hitkari Potteries Ltd. & Another* [(2001) 10 SCC 74].
- ii. *Harinagar Sugar Mills Limited (Biscuit Division) & Another Versus State of Maharashtra & Others* [(2025) 10 SCC 286].
- iii. *Excel Wear Versus Union of India & Others* [(1978) 4 SCC 224].
- iv. *Orissa Textile & Steel Ltd. Versus State of Orissa & Others* [(2002) 2 SCC 578].
- v. *Britannia Industries Ltd. Versus Maharashtra General Kamgar Union & Another* [2009(3) Mh.L.J. 968].
- vi. *Ashok Leyland Ltd. Versus State of T.N. & Another* [(2004) 3 SCC 1].



By highlighting the legal position from these judgments, he submitted that a deeming provision in a statute must be given full effect and on failure of the respondent no.1 to pass any order within sixty days, the deeming provision got triggered and permission for closure is deemed to have been granted. By Relying on the judgment in *Hitkari Potteries Ltd. & Another* (supra), he submitted that the scheme of Section 25 of the Act with the deeming provision in sub-section 3 has to be given its full effect as ordered by the Hon'ble Supreme Court in this judgment. He also placed reliance on the judgments of the Constitution Bench in *Excel Wear* and *Orissa Textiles and Steel Ltd.* (supra) which has clarified the position of law with regard to the scope of Section 25 of the Act and has dealt with the issue of constitutionality of the said provision so also there is discussion about effect of provision of deeming fiction. For highlighting the scope of the powers of review by the Tribunal, he placed reliance on the judgment of the Full Bench *Britannia Industries Limited* (supra), which has dealt with the scope of review under sub-section 5 of Section 25-O of the Act and the judgment in *Ashok Leyland Ltd.* (supra) for highlighting the position of law with regard to the effect of provision containing a deeming fiction.

6. Per Contra Ms P.T. Joshi, learned Assistant Government Pleader and Shri S.B. Dhande, learned counsel for the respondent nos.2 to 6 advanced their submissions and opposed the petition.

By relying on the affidavit-in-reply dated 21.01.2026 filed on behalf of the Additional Commissioner of Labour, Nagpur, the learned Assistant



Government Pleader for the respondent no.1 submitted that the impugned order is passed by the respondent no.1 by considering all the necessary factors and the same warrants no interference on any count. By pointing out the affidavit-in-reply in the petition, she submitted that the application dated 31.01.2025 sent by the petitioner seeking permission for closure was actually received by the Principal Secretary on 06.02.2025. She submitted that since the application was not complete, a communication was sent by the Government on 12.02.2025 asking the petitioner to submit an application in triplicate as required by Rules, however, the petitioner did not comply with those requirements. She submitted that in accordance with the Government Resolution dated 25.06.2013, the competent authority for all matters under Section 25-O of the Act is the Hon'ble Minister for Labour, Government of Maharashtra which has received the application on 14.02.2025 and as such the period of sixty days began from 14.02.2025. She therefore submitted that the impugned order passed on 11.04.2025 is not at all beyond sixty days and the deeming provision cannot be attracted.

7. Shri S.B. Dhande, learned counsel for the respondent nos.2 to 6 also opposed the petition and submitted that retrospective closure is not at all permitted under Section 25-O(1) of the Act and the application for closure as submitted by the petitioner was without complying with the provisions of Rule 82-B of the Industrial Disputes (Maharashtra) Rules 1957 (for short 'the Rules of 1957') which mandatorily required the submission



of the application in English as well as in Marathi in triplicate and on failure of the petitioner to comply with this provision, the application deserved to be rejected. He also submitted that the petitioner also failed to issue ninety days prior notice as required by Section 25-O of the Act and as such the application for closure deserved to be rejected on this count also. He also submitted that the petitioner failed to approach the Tribunal by seeking review under Section 25-O(5) of the Act and as such without taking recourse to this provision, the petition is not maintainable. He stressed that the petitioner-Company is liable to pay the dues of the employees to the extent of Rupees 47 Crores and the company cannot avoid the said liability.

8. In the backdrop of these submissions, rival contentions fall for my consideration.

9. There is no dispute that the provisions of Section 25-O of the Act with respect to the procedure for closing down of an establishment has to be complied with by the petitioner. As such, while dealing with the controversy, the contentions about the effect of deeming provisions under Section 25-O(3) of the Act needs to be dealt with first.

10. It is the petitioner's case that the application for closure was sent by Registered Post Acknowledgment Due on 31.01.2025 by which the permission was sought to close down the establishment with effect from 20.01.2025. It is claimed that this application was received by the



respondent no.1 i.e. Principal Secretary of the Department of Industries, Labour, Energy, Mantralaya, Mumbai on 03.02.2025 and it is therefore petitioner's contention that the period of sixty days shall start from this date. However, in this regard, it is crucial to note that the respondent no.1 has itself stated on affidavit that the application dated 31.01.2025 was physically received by the Central Registry Unit of the Mantralaya on 03.02.2025 and it was received by the Principal Secretary on 06.02.2025. It is also stated on affidavit by the respondent no.1 that a letter dated 12.02.2025 was sent by the Government addressed to the petitioner to submit an application in triplicate as required by Rule 82-B of the Rules of 1957. In response to this application, the petitioner did not submit an application in triplicate and as such the application cannot be considered to be complete in all respects. Apart from this, the respondent no.1 has categorically stated in its affidavit that the Government Notification dated 25.06.2013 had notified that the competent authority under Section 25-O of the Act will be the Hon'ble Minister for Labour, Government of Maharashtra and as such the date on which the application is received by the Principal Secretary to the Hon'ble Minister for Labour becomes important. The respondent no.1 has stated on oath that the application dated 31.01.2025 was submitted to the Principal Secretary of the Hon'ble Minister for Labour on 14.02.2025 and thus the period of sixty days shall commence from this date. It has to be noted that there is no rejoinder filed by the petitioner to controvert or dispute these statements on affidavit.



11. Thus, considering the fact that the application submitted by the petitioner under Section 25-O of the Act was received by the competent authority on 14.02.2025, the final order passed on 11.04.2025 is within period of sixty days. It is also crucial to note that Rule 82-B of the Rules of 1957 prescribes procedure for submission of application under Section 25-O of the Act for closure of an undertaking, which is not complied by the petitioner and as such the petitioner's application cannot be considered to be complete in all respects.

12. In view of these vital aspects about the fact that the application for closure was not complete in all respects and about the date on which the application was received by the competent authority, the petitioner cannot claim any benefit of the deeming provision of Section 25-O(3) of the Act since the same could be invoked only on submission of a proper application in the prescribed format, complete in all respects and on completion of sixty days. In the case in hand, the application was not complete in all respects, neither it is decided beyond period of sixty days and as such the contentions on behalf of the petitioner are not acceptable.

13. While considering the controversy, it has also to be noted that the application submitted by the petitioner under Section 25-O of the Act mentions that the petitioner has decided to close down the undertaking with effect from 20.01.2025 although the application is sent by Registered Post Acknowledgment Due on 31.01.2025. As such, the petitioner's



application for closure of the undertaking is in fact an attempt to seek retrospective closure which is not contemplated by the provisions of Section 25-O of the Act. Rather it has to be noted that Section 25-O(1) of the Act requires an employer to submit an application in the prescribed manner at least ninety days before the date on which it is intended to close the undertaking. Since the application in the instant matter is not at all in compliance with the provisions of Section 25-O of the Act, the petitioner cannot claim the effect of deeming provision.

14. The provision of Section 25-O(5) providing for review of the order passed by the appropriate Government and reference of the matter to the Tribunal for adjudication are also relevant to be noted. Since the application submitted by the petitioner is rejected by the appropriate Government, the petitioner was entitled to invoke provisions of Section 25-O(5) of the Act to seek review or adjudication by the Tribunal. Instead the petitioner has filed the instant petition by only contending that the permission was deemed to have been granted, which submission also does not stand to reason.

15. As regards the judgments relied upon by the counsel for the petitioner, the position of law as laid down therein with regard to the effect of deeming provision is not at all disputed. It is settled position of law that a deeming provision must be given its full effect and the consequences of deeming provision necessarily follow. However, in the instant case for the reasons mentioned above, I am of the opinion that the



deeming provision under Section 25-O(3) of the Act could not be attracted and hence the judgments are of no assistance to the petitioner.

16. A perusal of the impugned order passed by the respondent no.1 reveals that due consideration is given to all the relevant aspects and having found that the petitioner-Company has not taken any efforts to resume its manufacturing activity the reasons put forth by the petitioner are found not acceptable for allowing the application. The respondent no.1 has also observed that the application under Section 25-O of the Act is not submitted prior to ninety days and hence the application is held to be unsustainable in law. It is crucial to note, the respondent no.1 has also observed that the petitioner-Company has not clarified its stand about payment of wages and arrears of wages to the employees, 275 in number, which is also a relevant factor as far as the rights of the respondent nos.2 to 6 herein are concerned.

17. On perusal of the reasons recorded by the respondent no.1 while rejecting the application and after giving due consideration to the contentions canvassed by the petitioner, I do not find any need to interfere with the impugned order. It has to be noted that the petitioner's challenge in the instant petition is mainly on the basis of the effect of deeming provision and as such, the petition is decided by focusing on this issue only. As regards the reasons put forth by the petitioner-Company for seeking closure of the undertaking and its genuineness, the petitioner is entitled to raise the same before the appropriate authority either by invoking the provisions of Section 25-O(5) of the Act or otherwise.



18. In view of the aforesaid factual and legal aspects, I do not find any necessity to interfere with the impugned order and accordingly the writ petition is dismissed with no order as to costs. Rule stands discharged.

**(PRAFULLA S. KHUBALKAR, J.)**

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