

HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

(1) S. B. Civil Writ Petition No. 13518/2025

Jaipur Syntex Ltd., through Shri M.D. Agarwal, President & Managing Director, B-144 (A), Vijay Path Tilak Nagar, Jaipur (Since Deceased) and now represented through its Authorized Signatory Shri Baldev Raj Kataria, S/o. Shri Tek Chand Kataria, Aged 67 years, R/o 285/5 Vyas Marg, Raja Park, Jaipur (Raj.).

----Petitioner/Non-Claimant

Versus

1. Smt. Badami Devi W/o Motiram (Pass No. 2064), (Binding Department) through Shri Jaswant Singh, Jat Wali Dhani, Manpura, Behror, Distt. Alwar (Raj.)

----Respondent/Claimant

2. The Managing Director, M/s. Siddhi Multi Trade Pvt. Ltd., 601-602, Sukhsagar Society, N.S. Patkar Marg, Chopati, Mumbai (Maharashtra)

3. M/s Siddhi Multi Trade Pvt. Ltd., through Shri Rajesh Nuwal, Director, B-503, Shradha Apartment, Asha Nagar, Near Thakur Complex, Kandiwali (East), Mumbai- 400101

----Respondents/Non-Claimants

4. The Factory Manager, Jaipur Syntex Ltd., National Highway No. 8, Behror, Distt. Alwar (Raj.)

----Proforma Respondents

with

(2) S.B. Civil Writ Petition No. 13606/2025

Jaipur Syntex Ltd., through Shri M.D. Agarwal, President & Managing Director, B-144 (A), Vijay Path Tilak Nagar, Jaipur (Since Deceased) and now represented through its Authorized Signatory Shri Baldev Raj Kataria, S/o. Shri Tek Chand Kataria, Aged 67 years, R/o 285/5 Vyas Marg, Raja Park, Jaipur (Raj.).

----Petitioner/Non-Claimant

Versus

1. Udai Singh S/o Mahipal Singh (Pass No. 3920), (Binding Department) through Shri Jaswant Singh, Jat Wali Dhani, Manpura, Behror, Distt. Alwar (Raj.)

----Respondent/Claimant

2. The Managing Director, M/s. Siddhi Multi Trade Pvt. Ltd., 601-602, Sukhsagar Society, N.S. Patkar Marg, Chopati, Mumbai (Maharashtra)
3. M/s Siddhi Multi Trade Pvt. Ltd., through Shri Rajesh Nuwal, Director, B-503, Shradha Apartment, Asha Nagar, Near Thakur Complex, Kandiwali (East), Mumbai-400101

-----Respondents/Non-Claumants

4. The Factory Manager, Jaipur Syntex Ltd., National Highway No. 8, Behror, Distt. Alwar (Raj.)

-----Proforma Respondents

(3) S.B. Civil Writ Petition No. 14628/2025

Jaipur Syntex Ltd., through Shri M.D. Agarwal, President & Managing Director, B-144 (A), Vijay Path Tilak Nagar, Jaipur (Since Deceased) and now represented through its Authorized Signatory Shri Baldev Raj Kataria, S/o. Shri Tek Chand Kataria, Aged 67 years, R/o 285/5 Vyas Marg, Raja Park, Jaipur (Raj.).

-----Petitioner/Non-Claimant

Versus

1. Kapil Dev S/o Mukharam, (Pass No. 1892) (Ring Frame Department) through Shri Jaswant Singh, Jat Wali Dhani, Manpura, Behror, Distt. Alwar (Raj.)

-----Respondent/Claimant

2. The Managing Director, M/s. Siddhi Multi Trade Pvt. Ltd., 601-602, Sukhsagar Society, N.S. Patkar Marg, Chopati, Mumbai (Maharashtra)
3. M/s Siddhi Multi Trade Pvt. Ltd., through Shri Rajesh Nuwal, Director, B-503, Shradha Apartment, Asha Nagar, Near Thakur Complex, Kandiwali (East), Mumbai- 400101

-----Respondents/Non-Claimants

4. The Factory Manager, Jaipur Syntex Ltd., National Highway No. 8, Behror, Distt. Alwar (Raj.)

-----Proforma Respondents

(4) S.B. Civil Writ Petition No. 13602/2025

Jaipur Syntex Ltd., through Shri M.D. Agarwal, President & Managing Director, B-144 (A), Vijay Path Tilak Nagar, Jaipur (Since Deceased) and now represented through its Authorized Signatory Shri Baldev Raj Kataria, S/o. Shri Tek Chand Kataria, Aged 67 years, R/o 285/5 Vyas Marg, Raja Park, Jaipur (Raj.).

----Petitioner/Non-Claimant

Versus

1. Ramautar Sharma S/o. Hajari Lal Sharma, (Pass No. 2101) (Ring Frame Department) through Shri Jaswant Singh, Jat Wali Dhani, Manpura, Behror, Distt. Alwar (Raj.)

----Respondent/Claimant

2. The Managing Director, M/s. Siddhi Multi Trade Pvt. Ltd., 601-602, Sukhsagar Society, N.S. Patkar Marg, Chopati, Mumbai (Maharashtra)

3. M/s Siddhi Multi Trade Pvt. Ltd., through Shri Rajesh Nuwal, Director, B-503, Shradha Apartment, Asha Nagar, Near Thakur Complex, Kandiwali (East), Mumbai-400101

----Respondents/Non-Claimants

4. The Factory Manager, Jaipur Syntex Ltd., National Highway No. 8, Behror, Distt. Alwar (Raj.)

----Proforma Respondents

For Petitioner : Ms. Pallavi Mehta Advocate.

HON'BLE MR. JUSTICE ANAND SHARMA

Judgment

11/02/2026

1. All the above writ petitions have been filed by the petitioner-Company assailing common awards dated 22.08.2024/29.08.2024 passed by the Industrial Tribunal-cum-Labour Court, Alwar (hereinafter to be referred as 'the Labour

Court') in different Labour Court References, whereby the learned Labour Court held that the termination of respondents workmen w.e.f. 08.12.1996 was illegal and accordingly directed payment of compensation of Rs.3,00,000/- to each workman to be paid jointly by the petitioner-Company and M/s Siddhi Multi Trade Pvt. Ltd. (for short 'SMPL'). As the facts, cause of action and points of consideration in all the above writ petitions are same, therefore, the writ petitions were heard together and are being decided by this common judgment.

2. For the sake of convenience, facts stated in S. B. Civil Writ Petition No. 13518/2025 are being taken into consideration for adjudication of the dispute involved in the above writ petitions.

3. The facts, in brief, are that feeling aggrieved by the termination of service, the respondent-workman raised industrial dispute before the Conciliation Officer and after failure of conciliation proceedings, the State Government referred the industrial dispute for adjudication, where the terms of reference were relating to two issues: firstly, as to who was the employer of the respondent-workman; and secondly, whether the services of workman were terminated w.e.f. 08.12.1996 and if so, whether such termination was legal and if not, then to what relief workman was entitled to?

4. Respondent-workman claimed that she was employed in the Doubling Department of Jaipur Syntex Limited at Behror since 1987 and that the factory was locked on 08.12.1996. Workman alleged that the so-called retrenchment w.e.f. 08.12.1996 was illegal and prayed for reinstatement with consequential benefits.

5. The petitioner-Company contested the claim inter alia on the grounds that the factory was subjected to an illegal strike from 14.11.1996 compelling the management to declare a lockout on 08.12.1996 and subsequently, the Company was declared sick by the Board for Industrial and Financial Reconstruction (for short 'BIFR') and proceedings culminated in winding up of the petitioner-Company. Such order passed by the BIFR was unsuccessfully challenged by the petitioner-Company in Appeal. However, in the meanwhile, in pursuance of recovery proceedings before the Debt Recovery Tribunal and with approval of secured creditors, the assets of the Behror unit of the petitioner-Company were transferred by registered Sale Deed dated 14.03.2007 to SMPL under a One Time Settlement. As per the terms and conditions of settlement, all liabilities relating to wages and dues of workers were to be borne by SMPL. It was further contended that 98% of the workmen accepted compensation pursuant to settlement dated 12.05.2007 entered into between SMPL and three recognised unions, which settlement was upheld by the Labour Court and this Court in earlier proceedings. According to the petitioner, after 14.03.2007, it ceased to have any relationship with the Behror unit or its employees.

6. The learned Labour Court, after recording evidence, held that the workman's services stood terminated w.e.f. 08.12.1996 and such termination was illegal. Instead of granting reinstatement, compensation of Rs.3,00,000/- was awarded, fastening liability jointly and severally upon both the petitioner Company and SMPL.

7. While assailing the awards, learned counsel for the petitioner has raised following multiple contentions:

(i) There was no evidence on record to establish employer-employee relationship between the petitioner and respondents-workmen.

(ii) The Labour Court committed serious error of law and jurisdiction in treating the lockout as termination without recording a finding as to its legality.

(iii) The long lapse of time from the date of alleged lock-out and raising the dispute by the workmen and weeding out of records in the meanwhile has prejudiced the petitioner.

(iv) In view of Sale Deed dated 14.03.2007 and settlement dated 12.05.2007, any liability, if at all, was of SMPL under Section 25-FF of the Industrial Disputes Act, 1947 (hereinafter to be referred as 'the Act of 1947').

(v) The awards are contrary to law laid down by the Hon'ble Supreme Court in **Feroz Din & Others vs. State of West Bengal, 1959 SCC OnLine SC 78** and **Laxmi Devi Sugar Mills Limited vs. Pt. Ram Sarup & Others (1956) 2 SCC 455**.

8. I have heard learned counsel for the petitioner and perused the material on record.

9. It is settled proposition of law that the scope of interference with an award passed by the Labour Court is limited. This Court does not sit in appeal over the findings of facts recorded by the Labour Court. Unless the findings are perverse, based on no evidence, or suffer from patent illegality apparent on the face of the record, interference is unwarranted.

10. It is evident from the record that on the question of employer–employee relationship, the Labour Court has appreciated the oral testimony of the workmen and the surrounding circumstances. The petitioner-Company admitted that the Behror unit was its factory until 14.03.2007. The plea that records were destroyed over a time, cannot, by itself, absolve the employer of statutory obligations, particularly when the initial employment was of the year 1987 and the lockout was declared in 1996. The burden to maintain statutory registers under labour laws lies upon the employer. An employer cannot be permitted to defeat a legitimate industrial claim by pleading non-availability of records after decades of inaction. The finding of existence of employer–employee relationship recorded by the Labour Court is, therefore, based on appreciation of evidence and does not call for interference.

11. The principal contention of the petitioner revolves around the distinction between “lockout” and “termination”. Reliance has been placed on the judgments of the Hon’ble Supreme Court in the cases of **Feroz Din & Others (supra)** and **Laxmi Devi Sugar Mills Limited (supra)** to contend that lockout does not amount to discharge or retrenchment. There can be no quarrel with the proposition that a lockout, per se, does not sever the relationship of employment. However, the facts of the present case are distinguishable and reveal that the lockout declared on 08.12.1996 was never lifted. The factory remained closed indefinitely and no steps were taken to resume operations or recall the workmen. The petitioner-Company did not demonstrate that the workmen were ever called upon to resume

duties or that wages were paid thereafter. The continued closure, coupled with total cessation of employment and non-payment of wages for an indefinite period, was rightly construed by the Labour Court as resulting in termination in substance, whatever be its nomenclature.

12. It is significant that no adjudication was ever sought by the petitioner-Company to establish the legality of the lockout. The plea that the workmen ought to have invoked Sections 10(k) or 26 of the Act of 1947 does not strengthen the petitioner's case. An illegal termination does not become legal merely because a workman did not immediately initiate proceedings. In the opinion of this Court, adjudication in the matter of industrial disputes should be focused on substantive justice and the real nature of the employer's action.

13. The argument that the Labour Court did not record a finding as to legality or illegality of the lockout is also misconceived. The Labour Court examined the material and concluded that the cessation of service w.e.f. 08.12.1996 was not justified. In fact, the Labour Court has held the employer's action to be unsustainable. Merely because the word "illegal lockout" was not expressly used does not vitiate the awards when the conclusion clearly reflects that the workmen were deprived of employment without compliance of statutory safeguards.

14. The next limb of submission pertains to transfer of undertaking under Section 25-FF of the Act of 1947. The petitioner contends that by virtue of Sale Deed dated 14.03.2007, all liabilities stood transferred to SMPL. This submission is untenable for more than one reason. Firstly, the alleged termination occurred

on 08.12.1996, whereas the transfer of undertaking took place in 2007. The liability, if any, for illegal termination crystallised much prior to the transfer. Secondly, Section 25-FF of the Act of 1947 does not automatically absolve the transferor of the liabilities arising prior to transfer unless statutory conditions are satisfied. A private arrangement between the transferor and transferee cannot defeat accrued statutory rights of workmen. The workmen were not a party to the Sale Deed. Inter se arrangements between the companies cannot extinguish claims of the workmen.

15. It is true that settlement dated 12.05.2007 was entered into between SMPL and three Unions and 98% of workmen accepted compensation. However, it is equally undisputed that the Union of which respondents-workmen were members did not accept the settlement and earlier adjudication held that the said settlement was not binding upon members of that Union. Therefore, the petitioner cannot derive any advantage from a settlement that does not bind the present workmen.

16. The contention that SMPL alone is liable to satisfy the claim of respondents-workmen also does not merit acceptance. The Labour Court, after considering the entire factual matrix, has rightly fastened joint liability. This Court finds no perversity in such direction. Where the original employer's action gave rise to the dispute and the undertaking was subsequently transferred, it is open to the adjudicating authority to apportion or fasten liability so as to ensure that a workman is not left remediless. The awards do not preclude the petitioner from seeking appropriate recourse against SMPL in accordance with law if so advised.

17. It is also noteworthy that instead of ordering reinstatement with back wages, the Labour Court, considering the long lapse of time since 1996 and subsequent developments, awarded a lump-sum compensation of Rs. 3,00,000/-. Such relief is consistent with the evolving jurisprudence of the Hon'ble Supreme Court, which recognises compensation as an appropriate remedy in cases of long delay and closure of establishments. The quantum awarded cannot be said to be excessive or arbitrary in the facts of the present cases.

18. The writ jurisdiction of this Court under Article 227 of the Constitution of India is supervisory and not appellate in nature. The petitioner has failed to demonstrate that the impugned awards suffers from jurisdictional error, perversity or patent illegality. The findings are based on appreciation of evidence and settled principles of industrial law. Hence, this Court is of the considered opinion that no ground is made out for interference in exercise of supervisory jurisdiction under Article 227 of the Constitution of India.

19. Accordingly, the writ petitions fail and are hereby dismissed. Awards dated 22.08.2024 and 29.08.2024 passed by the Industrial Tribunal-cum-Labour Court, Alwar are affirmed.

20. Pending applications, if any, also stand disposed of.

21. Office is directed to place a copy of this judgment on record of each writ petition.

(ANAND SHARMA),J