

Neutral Citation No. - 2023:AHC:227540  
**Judgment reserved on 22.11.2023**  
**Judgment delivered on 5.12.2023**

**Court No. - 5**

Case :- WRIT - C No. - 23140 of 2000

**Petitioner :-** M/S J.K.Rayon And Others

**Respondent :-** State of U.P. and Others

**Counsel for Petitioner :-** Bharti Sapru,Ritvik Upadhya

**Counsel for Respondent :-** C.S.C.

**(Connected With)**

Case :- WRIT - C No. - 13760 of 2002

**Petitioner :-** M/S J.K. Rayon

**Respondent :-** State of U.P. and Others

**Counsel for Petitioner :-** Vijay Sinha,Ritvik Upadhya

**Counsel for Respondent :-** C.S.C.,S. Chaturvedi

**Hon'ble Piyush Agrawal,J.**

1. Heard Sri Vinod Upadhyay, learned Sr. Advocate assisted by Sri Ritvik Upadhya, learned counsel for the petitioner and learned Standing Counsel for the State-respondents.
2. There are two connected writ petitions.
3. The first writ petition i.e. Writ-C No. 23140 of 2000, has been filed with following prayer:-

*“(i) Issue a writ, order of direction in the nature of certiorari quashing the Award dated 29.5.1999 given in Adjudicate Case No. 242 of 1993, by respondent no. 2.*

*(ii) Issue a writ, order or direction in the nature of certiorari quashing the show cause notice dated 2.11.1999 issued against the petitioners.*

*(iii) Issue a writ, order or direction in the nature of prohibition restraining the respondent no. 4 from enforcing the award passed in Adjudicate Case No. 242 of 1993.”*

4. Second writ petition i.e. Writ-C No. 13760 of 2002 has been filed with following prayer:-

*“(i) Issue a writ, order or direction in the nature of certiorari quashing the impugned order dated 24.8.2001 passed by respondent no. 3 and Citation dated 26.9.2001 issued by respondent no. 2.*

*“(ii) Issue a writ, order or direction in the nature of mandamus commanding the respondents not to proceed further towards recovery in pursuance to the aforesaid order and citation and not to adopt any coercive measure against the petitioner.”*

5. Learned Sr. Counsel for the petitioners submits that in the first writ petition, the award has been assailed and in the second writ petition, order was passed for recovery and citation was issued which are under challenged. He further submits that once the first writ petition succeeds, the subsequent is consequential and that can be disposed of accordingly. It is further submitted that petitioner-Company closed all his operations on 16.5.1983, where the respondents were working, who were permitted to continue post-closure until all their plant, machinery and other assets were disposed of. He further submits that respondents services came to an end in consequence of closure of the petitioners' unit. He further submits that it is not the case of the respondents that their services were terminated by an act of employers, which may constitute retrenchment within the meaning of Section 2(s) of the Uttar Pradesh Industrial Disputes State Act, 1947. He next submits that the petitioners' unit was closed which falls under Section 2(ee) of the said Act, therefore, the award passed in favour of the respondents is bad in law as well as consequential proceedings.

6. He further submits that this Court has already allowed a petition i.e. Writ-C No. 2964 of 2002 (M/s J.K. Rayon vs. Labour Court Kanpur and others), where identical set of facts were involved and quashed the impugned award and the recovery proceedings by the order dated 17.5.2019. He further submits that to the best of his knowledge, the said order has not been challenged in the higher Court. He prays that identical relief be granted.

7. In spite of service, no body appeared on behalf of respondents.

8. The Court has perused the record and on perusal of record as well as the order dated 17.5.2019, it appears that the said order covers the issue. Record further reveals that the specific objections were raised by the petitioner before the Labour Court, but the same has not been considered.

8. This Court in the Writ-C No. 2964 of 2002 M/s J.K. Rayon vs. Labour Court Kanpur and others), vide order dated 17.5.2019, has quashed the award. The relevant paragraphs of the said order are held as under:-

*“19. This Court is of opinion that once the Labour Court was satisfied for a fact that the petitioner Unit had suffered a closure with intimation of the fact to the Government, it was no subject of relevant curiosity to look into the reasons that had led to closure. Reasons for a closure are no concern of the Labour Court, or the workmen so long as a closure has been done in accordance with law. There is no such finding recorded by the Labour Court that the closure was sham, or that it was effected in breach of the statutory requirements. The enquiry into the reasons for closure, or as said earlier, curiosity about it was absolutely irrelevant to the adjudication proceedings before the Labour Court.*

*20. The Labour Court has gone on to hold that the respondent-workmen were served with notices saying that their services were no longer required, on account of closure of the petitioner Unit. In the next lap of reasoning, it has been held by the Labour Court that at the time of dispensing with services of the two workmen, the provisions of Section 6-P of the State Act and Section 25-G of the Central Act were observed in breach, inasmuch as, while dispensing with the services of these workmen, the Rule of seniority was not observed that requires the junior most employee to be retrenched first. In this connection, the provisions of Section 6-P of the State Act may be quoted for the sake of ready reference:*

*"6P. **Procedure for retrenchment.** - Where any workman in an industrial establishment who is a citizen of India, is to be retrenched and he belongs to a particular category of workmen in that establishment, in the absence of any agreement between the employer and the workman in this behalf, the employer shall ordinarily retrench the workman who was the last person to be employed in that category, unless for reasons to be recorded the employer retrenches any other workman."*

*21. Likewise, the provisions of Section 25-G of the Central Act may also be quoted, that are para materia:*

*"25-G. **Procedure for retrenchment.**--Where any workman in an industrial establishment, who is a citizen of India, is to be retrenched and he belongs to a particular category of workmen in that establishment, in the absence of any agreement between the employer and the workman in this behalf, the employer shall ordinarily retrench the workman who was the last person to be employed in that category, unless for reasons to be recorded the*

*employer retrenches any other workman."*

22. It has also been held by the Labour Court that in the event the services of the respondent-workmen were to be determined on account of closure, the said workmen were entitled to payment of retrenchment compensation according to law, but the said workmen were paid three months salary by way of closure compensation. Again, it has been remarked in the vicinity of this finding returned by the Labour Court that these provisions as to retrenchment have been observed in breach, whereas it has not been indicated by the petitioner as to what were the reasons that led to closure, and also whether the reasons for the closure were within the petitioner's control or not. This it has been held, has not been specified by the petitioner.

23. It is these findings that necessitate an examination of the legal position whether disengagement of a workman, or the dispensation of his services on account of closure of a Unit, would amount to retrenchment within the meaning of the State Act or the Central Act. It may be added here that findings of the Labour Court further recorded are to the effect that services of the respondent-workmen, terminated as a result of closure vide communications dated 01.09.1992 and 09.11.1992, also attract the provisions of Section 6-N of the State Act and Section 25-F of the Central Act, that provide for a procedure to be adopted in case of retrenchment, that is to be followed, if retrenchments were to be lawfully made. Again, the cynosure of determination would be whether closure would amount to retrenchment or it would not be that. The impugned award of the Labour Court has proceeded on the basis that closure would, indeed, amount to retrenchment and has, therefore, ordered consequences as to breach of the law relating to retrenchment to follow in this case, as the foundation for the impugned award. The issue that has been raised can hardly be said to be debatable in view of what consistent legal authority about it has been. One of the early Constitution Bench decisions of the Supreme Court on the issue has placed it beyond cavil that retrenchment does not apply to a case of closure. The said decision of their Lordships is **Hariprasad Shivshankar Shukla and another vs. A.D. Divelkar and others**, AIR 1957 SC 121, where the entire law with reference to the Central Act has been summarized in paragraphs 11, 12 and 13 of the report:

"11. There is no doubt that when the Act itself provides a dictionary for the words used, we must look into that dictionary first for an interpretation of the words used in the statute. We are not concerned with any presumed intention of the legislature; our task is to get at the intention as expressed in the statute. Therefore, we propose first to examine the language of the definition and see if the ordinary, accepted notion of retrenchment fits in, squarely and fairly, with the language used. What is the ordinary, accepted notion of retrenchment in an industry? We have had occasion to consider this question in *Pipraich Sugar Mills Ltd. v. Pipraich Sugar Mills Mazdoor Union* [ Civil Appeal No. 247 of 1954 decided on October 23, 1956] where we observed: "But retrenchment connotes in its ordinary acceptation that the business itself is being continued but that a portion of the staff or the labour force is discharged as surplusage and the termination of services of all the workmen as a result of the closure of the business cannot therefore be properly described as retrenchment". It is true that these observations were made in connection with a case where the retrenchment took place in 1951, and we specially left open the question of the correct interpretation of the definition of "retrenchment" in Section 2(oo) of the Act. But the observations do explain the meaning of retrenchment in its ordinary

acceptation. Let us now see how far that meaning fits in with the language used. We have referred earlier to the four essential requirements of the definition, and the question is, does the ordinary meaning of retrenchment fulfil those requirements? In our opinion it does. When a portion of the staff or labour force is discharged as surplusage in a continuing business, there are (a) termination of the service of a workman; (b) by the employer; (c) for any reason whatsoever; and (d) otherwise than as a punishment inflicted by way of disciplinary action. It has been argued that by excluding bona fide closure of business as one of the reasons for termination of the service of workmen by the employer, we are cutting down the amplitude of the expression "for any reason whatsoever" and reading into the definition words which do not occur there. We agree that the adoption of the ordinary meaning gives to the expression "for any reason whatsoever" a somewhat narrower scope; one may say that it gets a colour from the context in which the expression occurs; but we do not agree that it amounts to importing new words in the definition. What after all is the meaning of the expression "for any reason whatsoever"? When a portion of the staff or labour force is discharged as surplusage in a running or continuing business, the termination of service which follows may be due to a variety of reasons; e.g., for economy, rationalisation in industry, installation of a new labour-saving machinery, etc. The legislature in using the expression "for any reason whatsoever" says in effect: "It does not matter why you are discharging the surplus; if the other requirements of the definition are fulfilled, then it is retrenchment". In the absence of any compelling words to indicate that the intention was even to include a bona fide closure of the whole business, it would, we think, be divorcing the expression altogether from its context to give it such a wide meaning as is contended for by learned counsel for the respondents. What is being defined is retrenchment, and that is the context of the definition. It is true that an artificial definition may include a meaning different from or in excess of the ordinary acceptation of the word which is the subject of definition; but there must then be compelling words to show that such a meaning different from or in excess of the ordinary meaning is intended. Where, within the framework of the ordinary acceptation of the word, every single requirement of the definition clause is fulfilled, it would be wrong to take the definition as destroying the essential meaning of the word defined.

12. There is another way of looking at the problem. Let us assume that the definition clause is so worded that the requirements laid down therein are fulfilled, whether we give a restricted or a wider meaning: to that extent there is an ambiguity and the definition clause is readily capable of more than one interpretation. What then is the position? We must then see what light is thrown on the true view to be taken of the definition clause by other provisions of the Act or even by the aim and provisions of subsequent statutes amending the Act or dealing with the same subject-matter. In *Pipraich Sugar Mills Ltd. v. Pipraich Sugar Mills Mazdoor Union* [ Civil Appeal No. 247 of 1954 decided on October 23, 1956] it was observed: "It cannot be doubted that the entire scheme of the Act assumes that there is in existence an industry, and then proceeds on to provide for various steps being taken, when a dispute arises in that industry. Thus, the provisions of the Act relating to lock-out, strike, lay-off, retrenchment, conciliation and adjudication proceedings, the period during which the awards are to be in force, have meaning only if they refer to an industry which is running and not one which is closed". In *Burn & Co. Ltd., Calcutta v. Workmen* [ Civil

*Appeal No. 325 of 1955 decided on October 11, 1956]* , this Court observed that the object of all labour legislation was firstly to ensure fair terms to the workmen, and secondly to prevent disputes between employers and employees so that production might not be adversely affected and the larger interests of the public might not suffer. It was then observed in *Pipraich Sugar Mills case* [ *Civil Appeal No. 247 of 1954 decided on October 23, 1956*] -- "Both these objects again can have their fulfilment only in an existing and not a dead industry. The view therefore expressed in *Indian Metal and Metallurgical Corporation v. Industrial Tribunal, Madras* [AIR 1953 Mad 98] and *K.N. Padmanabha Ayyar v. State of Madras* [(1954) 1 LLJ 469] that the industrial dispute to which the provisions of the Act apply is only one which arises out of an existing industry is clearly correct. Therefore, where the business has been closed and it is either admitted or found that the closure is real and bona fide, any dispute arising with reference thereto would, as held in *K.N. Padmanabha Ayyar v. State of Madras* [(1954) 1 LLJ 469] fall outside the purview of the Industrial Disputes Act". In view of these observations, it would be against the entire scheme of the Act to give the definition clause relating to retrenchment such a meaning as would include within the definition termination of service of all workmen by the employer when the business itself ceases to exist. Learned counsel for the appellants in the two appeals have pointed out that the definition clause is inartistically drawn up and sub-clauses (a) and (b) of Section 2(oo) are not easily intelligible with reference to one of the essential requirements of the definition, namely, that the termination of service of the workman must be by the employer. It has been submitted that voluntary retirement of the workman cannot be termination of service by the employer. We do not, however, think that sub-clauses (a), (b) and (c) are conclusive of the question before us; they, no doubt, apply to a running or continuing business only, but whether inserted by way of abundant caution or on account of excessive anxiety for clarity, they merely exclude certain categories of termination of service from the ambit of the definition. They do not necessarily show what is to be included within the definition.

13. Two other cognate sections to which our attention has been drawn are Sections 25-G and 25-H. They are applicable, clearly enough, to a running business only. The learned Attorney-General, who has appeared for the principal respondent in one of the appeals, has pointed out that if the definition clause covers the case of termination of service in a continuing business as also termination of service on a closure of business, the circumstance that Sections 25-G and 25-H provide for some instances of retrenchment only is no ground for holding that they exhaust all possible cases of retrenchment or that Section 25-F must also be restricted to a running business only. We agree that if it is conceded that the definition clause includes cases of closure of business, no difficulty is presented by Sections 25-G and 25-H. But the fundamental question at issue is, does the definition clause cover cases of closure of business, when the closure is real and bona fide. The point to be emphasised in that connection is that there is no provision (except perhaps Section 25-FF inserted in 1956 by Act 41 of 1956 to which we shall presently refer) which can be said to bring a closed or dead industry within the purview of the Act. The provisions of the Act, almost in their entirety, deal with an existing or continuing industry. All the provisions relating to lay-off in Sections 25-A to 25-E are also inappropriate in a dead business."

24. The aforesaid view of their Lordship was followed in more recent times by the Supreme Court in **H.P. Minerals & Industrial Development Corporation Employees' Union vs. State of H.P. and others**, (1996) 7 SCC 139, wherein with a specific reference to **Hariprasad Shivshankar Shukla** (supra), it was held in paragraphs 5, 6 & 7 of the report:

"5. We are unable to accept this contention. It is no doubt true that in Section 2(oo) the expression 'retrenchment' is defined to mean the termination by the employer of the service of a workman for any reason whatsoever otherwise than as a punishment inflicted by way of disciplinary action and categories referred to in clauses (a) to (c) have been expressly excluded from the ambit of the said definition. But as far back as in 1957 a Constitution Bench of this Court in *Hariprasad Shivshankar Shukla v. A.D. Divikar* [1957 SCR 121 : AIR 1957 SC 121 : (1957) 1 LLJ 243] had laid down that 'retrenchment' under Section 2(oo) of the Act would not cover termination of services of all workmen as a result of the closure of the business. The said decision was considered by the Constitution Bench of this Court in *Punjab Land Development and Reclamation Corp'n. Ltd. v. Presiding Officer, Labour Court* [(1990) 3 SCC 682 : 1991 SCC (L&S) 71 : (1990) 3 SCR 111] , wherein it has been observed: (SCR pp. 140-42, 143 and 152-53 : SCC pp. 709, 710 and 718-19, paras 52, 53 and 76)

"Mr V.A. Bobde submits, and we think rightly, that the sole reason for the decision in *Hariprasad* [1957 SCR 121 : AIR 1957 SC 121 : (1957) 1 LLJ 243] was that the Act postulated the existence and continuance of an industry and where the industry, i.e., the undertaking, itself was closed down or transferred, the very substratum disappeared and the Act could not regulate industrial employment in the absence of an industry. The true position in that case was that Sections 2(oo) and 25-F could not be invoked since the undertaking itself ceased to exist.  
\* \* \*

The judgments in *Sundara Money* [State Bank of India v. N. Sundara Money, (1976) 1 SCC 822 : 1976 SCC (L&S) 132] and the subsequent decisions in the line could not be held to be per incuriam inasmuch as in *Hindustan Steel* [Hindustan Steel Ltd. v. Presiding Officer, Labour Court, (1976) 4 SCC 222 : 1976 SCC (L&S) 583] and *Santosh Gupta* [Santosh Gupta v. State Bank of Patiala, (1980) 3 SCC 340 : 1980 SCC (L&S) 409] cases, the Division Benches of this Court had referred to *Hariprasad* case [1957 SCR 121 : AIR 1957 SC 121 : (1957) 1 LLJ 243] and rightly held that its ratio did not extend beyond a case of termination on the ground of closure and as such it would not be correct to say that the subsequent decisions ignored a binding precedent.  
\* \* \*

For the purpose of harmonious construction, it can be seen that the definitions contained in Section 2 are subject to there being anything repugnant in the subject or context. In view of this, it is clear that the extended meaning given to the term 'retrenchment' under clause (oo) of Section 2 is also subject to the context and the subject-matter. Section 25-F prescribed the conditions precedent to a valid retrenchment of workers as discussed earlier. Very briefly, the conditions prescribed are the giving of one month's notice indicating the reasons for retrenchment and payment of wages for the period of notice. Section 25-FF provides for compensation to workmen in case of transfer of undertakings. Very briefly, it provides that every workman who has been in continuous service for not less than one

*year in an undertaking immediately before such transfer shall be entitled to notice and compensation in accordance with the provisions of Section 25-F as if the workman had been retrenched. (emphasis supplied) Section 25-FFA provides that sixty days' notice must be given of intention to close down any undertaking and Section 25-FFF provides for compensation to workmen in case of closing down of undertakings. Very briefly stated Section 25-FFF which has been already discussed lays down that "where an undertaking is closed down for any reason whatsoever, every workman who has been in continuous service for not less than one year in that undertaking immediately before such closure shall, subject to the provisions of sub-section (2), be entitled to notice and compensation in accordance with the provisions of Section 25-F, as if the workman had been retrenched'."*

*(emphasis supplied)*

6. From the aforementioned observations it is evident that the definition of 'retrenchment' as defined in Section 2(oo) of the Act has to be read in the context of Sections 25-FF and 25-FFF of the Act and if thus read 'retrenchment' under Section 2(oo) does not cover termination of service as a result of closure or transfer of an undertaking though such termination has been assimilated to retrenchment for certain purposes, namely, the compensation payable to the workmen whose services are terminated as a result of such closure. In that view of the matter Section 25-N which deals with retrenchment cannot apply to the present case where termination of the services of the workmen was brought about as a result of the closure of the undertaking.

7. There is one more reason why Section 25-N cannot be made applicable to the workmen in the present case. Sections 25-N and 25-O were inserted in the Act by Act No. 32 of 1976 whereby Chapter V-B was introduced in the Act. Section 25-N imposed restrictions in the matter of retrenchment of workmen employed in large undertakings while Section 25-O dealt with the procedure for closing down such undertakings. Section 25-O was held to be unconstitutional by this Court in *Excel Wear case* [(1978) 4 SCC 224 : 1978 SCC (L&S) 509 : (1979) 1 SCR 1009] . The striking down of Section 25-O would not, ipso facto, result in enlargement of the ambit of Section 25-N so as to cover termination of services of workmen as a result of closure which was otherwise outside the ambit of Section 25-N. We are, therefore, unable to uphold the contention of Shri Sharma that Section 25-N was applicable in the present case and it was obligatory for the Management of the respondent-Company to give three months' notice as required by Section 25-N. Since Section 25-O was not available on account of the said provision having been struck down by this Court the only protection that was available to the workmen whose services were terminated as a result of closure was that contained in Sections 25-FFA and 25-FFF of the Act. It is not disputed that both these provisions have been complied with in the present case.

25. These decisions have been followed by this Court in **Sanyukta Kaleen Mazdoor Sabha vs. State of U.P. and others, 2003 (6) All WC 5607**, particularly with reference to the provisions of Section 6-N occurring in the State Act, where procedure of retrenchment under Section 6-N (*supra*) has not been held to apply to a case of closure. In paragraph 11 of the Report in **Sanyukta Kaleen Mazdoor Sabha** (*supra*), it is held:

"11. There are two distinctive features between closure and retrenchment. Retrenchment and closure, both result in termination of services of workman but termination is retrenchment if the industry continues whereas closure results in termination of services when industry closes down or place of employment or part thereof is closed resulting in loss of service of all the employee due to which industrial activities at the place of employment of the workman come to a halt. The second distinctive feature is that for taking recourse to the Section 6-N of the Act payment of retrenchment compensation is mandatory and is condition precedent but for closure it is not necessary that closure compensation must be paid before or simultaneously with note of closure. It can be given after declaring and restoring to closure as has been held in *Hathi Singh Manufacturing Co.*, 1980(2)LLJ1.

The Labour Court examined whether such stoppage of activity would fall within the definition of closure or within the ambit of Section 25FFF of the Industrial Disputes Act. The Labour Court after considering the law on the subject held:-

"Closure" means of the permanent closing down of a place of employment or part thereof. The Supreme Court in *Pipraich Sugar Mills Ltd. v. P. Sagar Mills Mazdoor Sabha*, 1957(1) LLJ 235 and *Indian Hume Pipe Co. v. Workmen*, 1969(1)LLJ 242, held about the question of permanent closure. The finding of the Labour Court is that weaving 'Under taking' of the Company has been permanently closed down and only the production centers work continues. The Weaving activity has not been revived: It is not established that this activity has been closed in a mala fide manner of as an unfair labour practice for victimization of workers. It has been so done for proper and adequate reasons of economy and to avoid stupendous losses. Closure or stoppage of a part of the business or activity of the employer is legal, in law, relied in this regard on the observations in the case of *Hindustan Steel Ltd. v. Workmen* 1973 LIC 461, *Workmen of Indian Leaf Tobacco Dev. Co. v. L.T.D. Co. Ltd.* 1970(I) LIU 343 and *Isha Steel Treatment, Bombay v. Assn. of Engineering Workers*, 1987(I) LLJ 427."

26. This view has been reiterated by this Court in *Mohd. Sarwar vs. State of U.P. and others*, 2013(6) All WC 6169, where taking into consideration amendments made to the Industrial Disputes Act by Amending Act no.18 of 1957 brought about through Section 25-F and 25-FFF and to the State Act through Sections 6-N and 6-W, it was held that in view of the Constitution Bench decision of the Supreme Court in *Hariprasad* (supra), the provisions as to retrenchment are not attracted to the case of a valid closure. It has also been noticed that provisions of Section 25 O of the Central Act have been struck down by the Supreme Court. The decision of this Court in (supra) summarizes the legal position as to closure vis-a-vis retrenchment in paragraphs 25, 26 & 27 of the report, which reads thus:

"25. Pursuant to the decision in *Hari Prasad's case* (AIR 1957 SC 121) (supra) the Legislature amended the Industrial Disputes Act by Amending Act No. 18 of 1957 and incorporated the present Sections 25F and 25FFF of the Industrial Disputes Act, which made provisions for notice and for payment of compensation or payment of wages in lieu of notice and compensation to be given to a workman discharged from service on a transfer or closure of an Industrial undertaking as if the workman had been retrenched. Similar provisions of Sections 6N and 6W was also incorporated

*under the U.P. Industrial Disputes Act, but, the definition Clause 2(s) of the U.P. Industrial Disputes Act or 2(oo) of the Industrial Disputes Act was not amended. Consequently, this Court is of the opinion, that even after the amendment of the Act by the Amendment Act, 1957, the interpretation of "retrenchment" as given by the Supreme Court in the Constitution Bench decision in Hari Prasad case (supra) remains the same, which means that retrenchment necessarily postulate termination of the employees service in an existing running industry and that retrenchment does not postulate retrenchment where there has been a valid closure of an undertaking or an establishment.*

*26. This view of mine is fortified by a decision of the Supreme Court in H.P. Mineral and Industrial Development Corporation Employees' Union v. State of H.P. and others, 1996 (7) SCC 139, wherein the Supreme Court observed that in view of the fact that Section 25(O) of the Industrial Disputes Act (relating to closure) had been struck down and the amended provision had not come into existence and was not in operation on the day of the closure of the industry, the workers could not invoke the protection of Section 25N of the Industrial Disputes Act (which relates to retrenchment compensation) and that the only protection mat was available to them was that contained in Section 25FFA and 25FFF, which relates to payment of closure compensation. The Supreme Court observed: (quoted portion omitted)*

*27. In the light of the aforesaid, it is clear that the words "for any reason whatsoever" in Section 2(s) of the Act does not include closure of an establishment and, consequently, termination of the services of the workman on account of closure of an establishment does not amount to retrenchment."*

*27. It is acknowledged to the respondent-workmen, about which material has been placed on record by the petitioner that they received all their terminal dues, including the closure compensation when they were asked to leave service in consequence of closure, and, they did so without demur. They also asked for their certificate of service as a testimonial., which too was issued to them. The fact that they did so without objection shows that, in fact, there was no industrial dispute substantially in existence at the time when services of the respondent-workmen came to an end in consequence of a legitimate closure. It was later, and on a second thought that the respondent-workmen went to the Conciliation Officer and raised an industrial dispute, leading to the impugned award. This conduct in itself indicates the absence of any valid industrial dispute between parties that could be adjudicated by the Labour Court. The respondent-workmen apparently under the facts and circumstances of the case have tried to encash upon the circumstances by dubbing determination of their services in consequence of a valid closure as retrenchment, so as to take a chance of reaping some unexpected gains through the process of industrial adjudication; may be by some freak of fortune.*

*28. This Court is, therefore, of opinion that there being no issue on facts substantially between parties that the business of the petitioner Unit has been closed, no claim based on rights arising from retrenchment, either under the State Act or the Central Act would arise. The findings of the Labour Court holding the petitioner in violation of various provisions of the State Act and the Central Act, all related to retrenchment are, therefore, manifestly illegal, and the impugned award not sustainable.*

*29. In the result, this petition succeeds and is allowed. The impugned award*

*dated 30.08.1999, published on 20.05.2000 passed in Adjudication Case nos.240 of 1993 and 241 of 1993, is hereby quashed. All recovery proceedings arising from the impugned award and challenged through this petition also stand quashed. Costs shall be easy.”*

9. In view of above forgoing discussions as well as the law laid down by this Court, the impugned award dated 29.5.1999, published on 3.8.1999, passed in Adjudication Case No. 242 of 1993, as well as impugned order dated 24.8.2001 passed by respondent no. 3 and Citation dated 26.9.2001, are also stand quashed. The petitions stand **allowed**.

**Order Date :- 5.12.2023**

A.P. Pandey