



HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 9TH DAY OF MARCH, 2026

BEFORE

THE HON'BLE MR. JUSTICE ANANT RAMANATH HEGDE

WRIT PETITION NO.8149 OF 2014 (L-RES)

BETWEEN:

1. SRI. K.V.GIRIRAJA
S/O K.N.VEERABHADRAPPA,
AGED ABOUT 40 YEARS,
R/AT # 14, 2ND CROSS,
APC LAYOUT,
NEAR TENNIS VILLAGE,
VIDYARANYAPURA,
BANGALORE-560096.
2. SRI. M.NARAYANA
S/O MUNIMARAPPA,
AGED ABOUT 49 YEARS,
R/AT # 40, 3RD "A" CROSS,
NEAR JAYACHANDRA CIRCLE,
2ND MAIN, SRI.DWARAMARAYASWAMY NAGAR,
DODDABALLAPURA-561203.
3. SRI. D.DEVARAJA
S/O LATE DYAVANNA,
AGED ABOUT 49 YEARS,
C/O THAMMANNAVARA,
MUNISWAMAPPA,
GUNDAPPA CIRCLE,
CHOKILATE BAGALUR,
BANGALORE-560049.

Digitally signed
by BELUR
RANGADHAMA
NANDINI

Location: HIGH
COURT OF
KARNATAKA



4. SRI. P.JAYANANDA MURTHY
S/O RAMAPPA,
AGED ABOUT 48 YEARS,
R/AT C/O B.SHIVAMURTHY,
411, 17TH CROSS,
K.T.J.NAGAR,
DAVANAGERE-577002.

...PETITIONERS

(BY SRI. B.D.KUTTAPPA, ADVOCATE)

AND:

1. THE MANAGEMENT
GOGO EXPORTS PRIVATE LTD,
REGISTERED OFFICE AT
NO.349, A-1, SHAH & NAHAR INDUSTRIAL ESTATE,
LOWER PAREL, MUMBAI,
PIN 400013
BRANCH AT BISAVANAHALLI,
DODDABALLAPURA TALUK,
BANGALORE DISTRICT,
REPRESENTED BY THE
GENERAL MANAGER.
2. THE MANAGEMENT
YATHI DEVELOPERS PRIVATE LTD,
REGISTERED OFFICE AT
101, CAMA INDUSTRIAL ESTATE
SUNMILLS COMPOUND,
LOWER PAREL,
MUMBAI-400013
BRANCH AT BISAVANAHALLI,
DODDABALLAPURA TALUK,



BANGALORE DISTRICT,
REPRESENTED BY THE
GENERAL MANAGER.

...RESPONDENTS

(BY SRI. K.R.ANAND, ADV. FOR R1;
SRI. J.KANIKARAJ, ADV. FOR R2)

THIS W.P. IS FILED UNDER ARTICLES 226 & 227 OF THE CONSTITUTION OF INDIA PRAYING TO CALL FOR THE ENTIRE RECORDS PERTAINING TO THE CASE OF THE PETITIONERS IN I.D.NO.11/2003, I.D.NO.13/2003, I.D.NO.14/2003 & I.D.NO.15/2003 ON THE FILE OF LABOUR COURT AT BANGALORE; QUASH THE COMMON AWARD DT.2.9.2013 MARKED AS ANNEX-V PASSED BY THE LABOUR COURT IN I.D.NO.11/2003, I.D.NO.13/2003, I.D.NO.14/2003 & I.D.NO.15/2003 & ORDER DT.23.7.2013 TO THE EXTENT OF PETITIONERS BEING AGGRIEVED MARKED AS ANNEX-Y IN ALL THE DISPUTES BEARING NO.I.D.NO.11/2003, I.D.NO.13/2003, I.D.NO.14/2003 & I.D.NO.15/2003 AS THE AWARD SUFFERS FROM ERROR WHICH IS APPARENT ON THE FACE OF RECORD & ALSO ALLOW THE APPLICATION BY SETTING ASIDE THE AFORESAID ORDER.

THIS PETITION, COMING ON FOR FINAL HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE ANANT RAMANATH HEGDE



ORAL ORDER

This petition is filed assailing awards dated 02.09.2013 in ID. No.11/2003, ID.No.13/2003, ID.No.14/2003 and ID.No. 15/2003 on the file of Labour Court, Bangalore.

2. In terms of the impugned awards, the claim made by the individual workman for reinstatement and backwages alleging illegal termination are rejected. Hence, the individual workman together have filed present writ petition challenging the aforementioned awards insofar as the awards applicable to them.

3. Learned counsel appearing for the petitioners/workmen would submit that the employer raised a contention that the petitioners are not workmen and Labour Court gave a finding that the petitioners are indeed workmen and said finding has attained finality as the employer has not questioned the said finding recorded by the Labour Court.



4. In addition to that it is submitted that respondent No.1 under whom the petitioners were employed, were terminated from the service on the premise that respondent No.1 is going through difficult financial condition and because of the recession the workforce was required to be reduced.

5. It is urged that the petitioners were removed without following any of the procedures contemplated under the Industrial Disputes Act, 1947 (for short 'the Act of 1947').

6. Learned counsel would also urge that no evidence is led before the Labour Court to substantiate the contention that the petitioners were retrenched in accordance with law. It is also urged that the Labour Court has recorded a finding that the first respondent has transferred the assets to the second respondent and based on this finding, has rejected the claim on the premise that



the first respondent is no longer a running concern and there cannot be any order of reinstatement.

7. It is the contention of the learned counsel for the petitioners that once the procedure relating to retrenchment is not followed and the order of termination is illegal, the award should have been passed directing full back wages.

8. In addition, it is also urged that in the year 2008 the first respondent was closed and applicable closure compensation should be paid and the impugned awards are illegal and have to be set aside.

9. Learned counsel for first respondent/employer would submit that first respondent is closed in the year 2008 and there is no dispute over this aspect and the company was going through a difficult financial position and as such the petitioners were terminated as the Company was not in a position to pay any wages to the workmen. It is urged that the Labour Court has taken note



of the difficult financial position and has come to the conclusion that there is no question of directing reinstatement and also taken note of the fact that the second respondent-Company which has acquired the assets of the first respondent-Company has not acquired the liabilities of the first respondent-Company and rightly rejected the claim petitions.

10. The Court has considered the contentions raised at the Bar and perused the records.

11. From the submission made at the Bar it is admitted factual position that the first respondent-Company was closed in the year 2008. The petitioners were terminated with effect from 22.03.2003.

12. Admittedly, the first respondent has not placed any materials to show that procedures contemplated under Section 25F of the Act of 1947 were followed before terminating or retrenching the petitioners.



13. It is also noticed that the first respondent has led evidence before the Labour Court and thereafter the witness who has been examined has not subjected himself for the cross-examination. Thus the evidence of the Management witness is discarded. This Court does not find any error in the said procedure adopted by the Labour Court.

14. The Labour Court has come to the conclusion that the first respondent was having difficult financial position and as such the workers were terminated. That cannot be the ground to deny the relief.

15. Because of non-compliance of the procedures relating to retrenchment, the petitioners are entitled to reinstatement. However, admittedly respondent No.1 has transferred the assets to respondent No.2. Hence, reinstatement is not possible.

16. The position of law relating to non-compliance of the procedures under Section 25-F of the Act of 1947 is



quite settled. The violation of Section 25-F of the Act of 1947 does not automatically lead to payment of full backwages and reinstatement in every case. The Court has to take into consideration the subsequent developments.

17. It is an admitted factual position that in the year 2008 the first respondent is closed and its assets are transferred to respondent No.2. It is also borne out from the record that the first respondent was going through difficult financial position.

18. That being the position, the Court is of the view that the prayer for reinstatement is not tenable because of the subsequent development. Given the fact that the first respondent has gone through difficult financial position and its assets are already sold to the second respondent, the Court is of the view that the petitioners (except petitioner No.4) are entitled to 50% of backwages from the date of termination i.e., 22.03.2003 till the date of closure i.e., 24.03.2008.



19. Petitioner No.4 is entitled to 50% of backwages from the date of termination i.e., 12.04.2003 till the date of closure i.e., 24.03.2008.

20. It is also made clear that the petitioners are entitled to closure compensation and if, closure compensation is not paid to the petitioners.

21. Since there are no records to show that the second respondent has taken over the liability of the first respondent, no award is passed against the second respondent.

22. Hence, the following:

ORDER

- (i) The petition is ***allowed in part.***
- (ii) Impugned awards in ID.No.11/2003, ID.No.13/2003, ID.No.14/2003 and ID.No. 15/2003 on the file of Labour Court, Bangalore, are set aside.



- (iii) The petitioners (except petitioner No.4) are entitled to 50% back-wages from the date of termination i.e., 22.03.2003 till the date of closure i.e., 24.03.2008.
- (iv) The petitioner No.4 is entitled to 50% backwages from the date of termination i.e., 12.04.2003 till the date of closure i.e., 24.03.2008.
- (v) The petitioners are also entitled to the closure compensation to be paid in accordance with law.
- (vi) The monetary benefits incurred from this order shall be paid within 60 days from today, failing which, the petitioners are entitled to 6% interest on the said amount from today till the date of payment.

**Sd/-
(ANANT RAMANATH HEGDE)
JUDGE**