

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

WRIT PETITION NO.8713 OF 2024

Modern Textiles,
Royan and Silk Mills Pvt. Ltd. & Anr.

....Petitioners

V/S

Jagannath Dhondu Phage & Ors.

....Respondents

Mr. Ajay Panicker a/w Ms. Priyanka Lanke i/b M/s. Ajay Law Associates *for the Petitioners.*

**CORAM: SANDEEP V. MARNE, J.
DATE : 27 JUNE 2024.**

P.C.:

1 The challenge in the present Petition is to the judgment and order dated 1 July 2023 passed by the Member, Industrial Court, Thane, partly allowing the Complaint filed by Respondent Nos.1 and 2 and directing payment of notice pay of Rs.6,000/- and retrenchment compensation of Rs.72,000/- (total amount of Rs.78,000/-) alongwith 6% interest from the date of retrenchment of 30 June 2012 till realization.

2 I have heard Mr. Panicker, the learned counsel appearing for the Petitioners. The main grievance sought to be raised by Mr. Panickar is about the arrangement between the transferor management and transferee

management with regard to the liabilities arising out of labour litigation. He would also submit that the Industrial Court has erred in passing the impugned order against Petitioner No.2 who was Director of the Company. He would submit that though the impugned order can be enforced against the employer company, it is erroneous on the part of the Industrial Court to issue direction to the Director of the Employer-Company.

3 In my view considering the nature of relief granted by the Industrial Court for payment of notice period and retrenchment compensation (total amount of Rs.78,000/-), no interference is warranted in exercise of writ jurisdiction of this Court. So far as the issue of the liabilities between the transferor Company and transferee Company is concerned, the same is only an internal matter between the two companies, with which the concerned workmen are not concerned. It would be the liability of the employer company to pay the amounts arising out of the impugned order of the Industrial Court and the arrangement made by the Employer-Company with the transferee company is totally irrelevant. While deciding entitlement of Respondent workman to receive notice pay and retrenchment compensation of Rs.78,000/-, which is not seriously disputed during the course of submissions by Mr. Panicker, it is not necessary to undertake a detailed enquiry as to who should pay it. If any internal arrangement is made by the Employer Company with the transferee Company, it is for employer company to recover the amount paid to the workman towards implementation of the order of Industrial Court.

4 So far as the submissions with regard to the liability of Petitioner No.2 who was Director of the Employer Company is concerned, in my view if the employer company is unable to satisfy the liability arising out of the order of the Industrial Court, the concerned workmen would be justified in enforcing the same against Petitioner No.2 as well. Petitioner No.2 therefore cannot escape the liability arising out of the order of the Industrial Court.

5 It is therefore not possible to enlarge the scope of enquiry which was involved before the Industrial Court, which was confined to validity of retrenchment of the workman, by deciding the contractual obligation arising out of transfer of business or liability of direction of the company to satisfy dues payable by the employer company. In my view, there is no scope for interference in the impugned order of the Industrial Court. The Writ Petition is accordingly rejected.

(SANDEEP V. MARNE, J.)

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