



LPA-1156-2024 (O&M)

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IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH

LPA-1156-2024 (O&M)

Date of decision: 13.05.2024

M/s Groz-Beckert Asia Pvt. Limited

..... Appellant

versus

Upinder Kumar Singla and others

..... Respondents

CORAM: HON'BLE MR. JUSTICE DEEPAK SIBAL
HON'BLE MR. JUSTICE DEEPAK MANCHANDAPresent: Mr. A.S. Narang, Advocate and
Mr. Karan Singh Sandhu, Advocate for the applicant-appellant**Deepak Sibal, J.**

1. The present intra-Court appeal arises from the judgment of a learned Single Judge of this Court dated 14.02.2024 through which respondent No.1's writ petition, filed by him to challenge therein order dated 25.09.2017, passed by the Assistant Labour Commissioner-cum-Conciliation Officer, UT, Chandigarh (for short- the Conciliation Officer) has been allowed.

2. The facts, in brief, which are required to be noticed for adjudicating upon the instant appeal are that through appointment letter dated 31.01.1985, respondent No.1 was appointed by the appellant company in its head office at Chandigarh as a Trainee (General Clerk) and on 31.01.1988 his services were confirmed as Personal/Time Office Assistant.

On 31.07.1996 but w.e.f. 01.07.1996 respondent No.1 was promoted to the

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post of Assistant Officer (Personnel). In the year 2000 he earned another promotion to the post of Personnel Officer and in the year 2005 as Executive (Personnel and IR). In the year 2011 respondent No.1 was further promoted as Assistant Manager (Personnel & IR).

3. In the year 2015 respondent No.1 was transferred from the head office of the appellant at Chandigarh to its Tamil Nadu office at Tirupur and while he was serving at Tirupur, through order dated 21.04.2017, his services were dispensed with.

4. On the ground that his services had been terminated by the appellant in violation of Section 25F of the Industrial Disputes Act, 1947 respondent No.1 served a demand notice at Chandigarh. During conciliation proceedings which ensued before the Conciliation Officer question with regard to territorial jurisdiction was raised by the appellant. Through letter dated 15.09.2017 addressed by the Conciliation Officer to respondent No.1 it was stated that the conciliation proceedings had not resulted in any amicable settlement and therefore, such proceedings stood closed at the level of the Conciliation Officer leaving the parties to take up the matter before the Labour Court. However, through another letter dated 25.09.2017 the Conciliation Officer at Chandigarh wrote to the workman that the demand notice sent by him was rejected for want of territorial jurisdiction and this was because at the time of termination of his services respondent No.1 was serving at Tirupur (Tamil Nadu). Letter of the Conciliation Officer dated 25.09.2017 became the subject matter of challenge in the writ petition preferred against it by respondent No.1.

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5. A learned Single Judge of this Court was of the view that the decision to terminate the services of the workman had been taken at the appellant's head office at Chandigarh and that the letter terminating respondent No.1's services had also been issued from Chandigarh. Therefore, relying on the law laid down by the Supreme Court in Nandram versus Garware Polyester Limited, (2016) 6 SCC 290 and Bikash Bhushan Ghosh & ors. versus M/s Novartis India Limited & anr. (2007) 5 SCC 591 the learned Single Judge held that the Labour Court at Chandigarh would have the jurisdiction to adjudicate upon respondent No.1's claim.

6. Learned counsel for the appellant assailed the impugned judgment by the learned Single Judge by submitting that at the time of termination of respondent No.1's services the situs of his employment was in Tirupur and that the letter terminating respondent No.1's services had also been served upon him at Tirupur (Tamil Nadu). Therefore, the jurisdiction to adjudicate upon respondent No.1's claim lay only with the Labour Court at Tirupur (Tamil Nadu).

7. In support of the afore submissions reliance was placed on a judgment of the Supreme Court in Workmen of Sri Ranga Vilas Motors (P) Limited versus Sri Rangavilas Motors (P) Ltd. and others AIR 1967 SC 1040 and a Division Bench judgment of this Court in Ram Lal versus Labour Court, Patiala and others (1986) 2 LLJ 231.

8. The submissions made on behalf of the appellant have been considered.

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9. In Nandram's case (*supra*) the appellant before the Supreme Court (hereinafter referred to as the workman) was appointed as a Boiler Attendant and posted at Aurangabad by Garware Polyester Limited (hereinafter referred to as the company). During the course of his services at Aurangabad the workman earned several promotions. He was then transferred from Aurangabad to Silvassa (Gujarat). Thereafter, he was transferred from Silvassa to Pondicherry and while he served at Pondicherry his services were terminated. This was on account of closure of the company's establishment at Pondicherry. The workman challenged the termination of his services before the Labour Court at Aurangabad. As per the company, the Labour Court at Aurangabad lacked territorial jurisdiction to entertain the workman's claim. The Labour Court over ruled the company's objection. The company then challenged the order of the Labour Court before the Industrial Court at Aurangabad. The company's challenge was accepted by the Industrial Court at Aurangabad as the Industrial Court was of the view that the workman's services were terminated while he served at Pondicherry and therefore, the Courts at Pondicherry would only have the jurisdiction to adjudicate his claim filed by him against the termination of his services. The decision of the Industrial Court at Aurangabad was challenged by the workman before the High Court of Bombay at Aurangabad. The High Court affirmed the view of the Industrial Court and held that since the situs of employment of the workman was at Pondicherry, therefore, the Labour Court Aurangabad would have no territorial jurisdiction to entertain the workman's claim. Aggrieved by the

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decision of the High Court the workman then knocked the doors of the Supreme Court. The Supreme Court set aside the orders passed by the High Court and the Industrial Court, Aurangabad after holding that since the workman had been employed by the company in Aurangabad and because the decision to close down the establishment at Pondicherry had been taken by the company at Aurangabad as also that the afore decision had resulted in the termination of the services of the workman, therefore, it could not be said that no part of the cause of action has arisen in Aurangabad. The Supreme Court further held that since the decision to terminate the workman's services had been taken by the company at Aurangabad for this reason also part of the cause of action arose at Aurangabad. Thus, as per the Supreme Court the Labour Courts at Pondicherry and Aurangabad would both have territorial jurisdiction to entertain the workman's claim. The relevant portion of the judgment in Nandram's case (*supra*) reads as under:-

“Leave granted. The appellant was employed by the respondent initially as Boiler Attendant in the year 1983 in the Company in Aurangabad. Thereafter he was promoted as Junior Supervisor in the year 1987 and worked in the Aurangabad plant only. In the year 1995, he was again promoted as Senior Supervisor and continued in Aurangabad. However, by proceedings dated 21.10.2000, the appellant was transferred to Silvasa in Gujarat. By another order dated 20.12.2001 he was transferred from Silvassa to Pondicherry. While so, by proceeding dated 12.04.2005, appellant was terminated from service w.e.f. 15.04.2005 on account of closure of the establishment at Pondicherry. It is not in dispute that the registered office of the Company is in Aurangabad



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and the decision to close the establishment at Pondicherry was taken by the Company at Aurangabad.

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Though, the learned counsel on both sides had addressed in detail on several issues, we do not think it necessary to go into all those aspects mainly because in our view they are only academic. In the background of the factual matrix, the undisputed position is that the appellant was employed by the Company in Aurangabad, he was only transferred to Pondicherry, the decision to close down the unit at Pondicherry was taken by the Company at Aurangabad and consequent upon that decision only the appellant was terminated. Therefore, it cannot be said that there is no cause of action at all in Aurangabad. The decision to terminate the appellant having been taken at Aurangabad necessarily part of the cause of action has arisen at Aurangabad. We have no quarrel that Labour Court, Pondicherry is within its jurisdiction to consider the case of the appellant, since he has been terminated while he was working at Pondicherry. But that does not mean that Labour Court in Aurangabad within whose jurisdiction the Management is situated and where the Management has taken the decision to close down the unit at Pondicherry and pursuant to which the appellant was terminated from service also does not have the jurisdiction.

In the facts of this case both the Labour Courts have the jurisdiction to deal with the matter. Hence, the Labour Court at Aurangabad is well within its jurisdiction to consider the complaint filed by the appellant. Therefore, we set aside the order passed by the High Court and the Industrial Court at Aurangabad

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and restore the order passed by the Labour Court, Aurangabad though for different reasons.”

10. After examining the facts of the instant case we find them to be similar to the facts in Nandram’s case (supra).

11. In the present case the head office of the appellant company was and is at Chandigarh. In the year 1986, respondent No.1 was appointed at Chandigarh where he served the appellant in different capacities. In the year 2015 the company transferred respondent No.1 from Chandigarh to Tirupur (Tamil Nadu) where he joined. In the year 2017, a decision was taken in the appellant’s head office at Chandigarh to terminate respondent No.1’s services. Such decision was reduced into writing at Chandigarh. Through a letter dated 21.04.2017 the aforesaid decision was also dispatched to respondent No.1 from Chandigarh

12. Since the decision to terminate respondent No.1’s services was taken at Chandigarh and that his termination letter was also dispatched to him from Chandigarh, in the light of the law laid down by the Supreme Court in Nandram’s case (supra), it cannot be said that in the case in hand no part of the cause of action took place in Chandigarh. Therefore, the Labour Court at Chandigarh would have the territorial jurisdiction to adjudicate upon respondent No.1’s claim.

13. Sri Rangavilas Motors’s case (supra) would be of no help to the appellant as in that case the workman therein was engaged in Bangalore as a Foreman in the workshop of Sri Rangavilas Motors (P) Limited (for short – the management). The management transferred the workman from

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Bangalore to Krishnagiri where the head office of the management was situated. The workman disputed his transfer which led to his removal from service. The workman challenged his removal before the Labour Court at Bangalore. As per the objection raised by the management, the Labour Court at Bangalore lacked territorial jurisdiction to adjudicate the workman's claim. The Labour Court at Bangalore overruled the objection by the management and allowed the workman's claim. The management challenged the award of the Labour Court before the High Court. One of the issues raised before the High Court was that the Labour Court at Bangalore had no territorial jurisdiction to decide the workman's claim. On this issue, the High Court also held in favour of the workman. However, on merits, the award of the Labour Court was set aside. The workman challenged the judgment of the High Court before the Supreme Court wherein the Supreme Court, on the issue of territorial jurisdiction, held that even though the head office of the management was at Krishnagiri the Labour Court at Bangalore would have the territorial jurisdiction to adjudicate upon the workman's claim. In this regard all that the Supreme Court decided was that since the subject matter of the dispute substantially arose within the jurisdiction of the Mysore Government, the Labour Court at Bangalore had the territorial jurisdiction to adjudicate upon the workman's claim. The issue as to whether Krishnagiri where the head office of the management was situated also had the territorial jurisdiction to adjudicate the workman's claim was neither raised nor decided by the Supreme Court.



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14. In the light of the judgment of the Supreme Court in Nandram's case (supra), the Division Bench judgment of this Court in Ram Lal's case (supra) would also be of no assistance to the appellant.

15. In the light of the above discussion, no error, legal or factual, is found in the impugned judgment.

16. Dismissed.

(Deepak Sibal)
Judge

13.05.2024
gk

(Deepak Manchanda)
Judge

Whether speaking/reasoned	: Yes / No
Whether reportable	: Yes / No