



W.P. No.8761 of 2020

IN THE HIGH COURT OF JUDICATURE AT MADRAS

WEB COPY

DATED: 28.03.2025

PRESENT:

THE HONOURABLE DR. JUSTICE A.D. MARIA CLETE

W.P. No.8761 of 2020

and

W.M.P. No. 10634 of 2020

Govindarajan, Proprietor,
Balaji Industries,
No.9, Ramanna Nagar, Thadagam Road,
Edayarpalayam,
Coimbatore – 641025.

... Petitioner

Versus

K.Vijayalakshmi,
W/o.Krishnamoorthy,
No.41, Thadagam Road,
Velandipalayam Post,
Coimbatore – 641 025.

... Respondent

V.Padmanabhan (Deceased Hence No Rank and address)

PRAYER in W.P.:

To issue an appropriate Writ, Order or Direction, more particularly a Writ in the nature of Writ of Certiorari by calling for the records from the files of the Additional Labour Court, Coimbatore in I.A.No.1 of 2019 in C.P.No.47 of 2018 and quash its impugned order made therein dated 02.03.2020 insofar as the Additional Labour Court ordered to array petitioner as party to C.P.No.47 of 2018 on the file of Additional Labour



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Court, Coimbatore and to pass such other order or direction as this Hon'ble Court may deem fit and proper in the circumstances of the case.

PRAYER in W.M.P.:

To grant stay of operation of the impugned order passed by the Additional Labour Court, Coimbatore in I.A.No.1 of 2019 in C.P.No.47 of 2018 dated 02.03.2020 pending disposal of the above Writ petition.

APPEARANCE OF PARTIES:

For Petitioner : Mr. V. Subramani, Advocate.

For Respondent : No appearance.

J U D G M E N T

Heard.

2. This writ petition challenges the order of the Additional Labour Court, Coimbatore, allowing I.A.No.1 of 2019 in C.P.No.47 of 2018, wherein the Labour Court impleaded the petitioner as a party in the computation petition.

3. The brief facts leading to the present writ petition are as follows:

The respondent was working as a Writer in Echo Star Industrial Products and was allegedly orally dismissed from service on 24.04.2009.

Aggrieved by the oral dismissal, the respondent raised an Industrial



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Dispute under Section 2A(1) before the Assistant Commissioner of Labour, Conciliation No.3 which was ended in failure and therefore before the Labour Court, Coimbatore, she filed a claim seeking reinstatement with continuity of service and back wages in I.D.No.357 of 2009. The management did not appear and the Labour Court allowed the dispute ex-parte on 31.05.2016. Thereafter, the respondent filed C.P.No.47 of 2018 before the Additional Labour Court, Coimbatore, seeking computation of dues amounting to Rs.4,58,150/-. In the interregnum, the original proprietor of Echo Star Industrial Products, Mr. V. Padmanabhan, passed away. The respondent filed I.A.No.1 of 2019 to implead the petitioner as a party, stating that the petitioner had purchased the business from the late proprietor and was running it in the same name and address. The Additional Labour Court allowed the said application and impleaded the petitioner as the respondent. Challenging the said order, the petitioner has come before this Court by filing this writ petition and has filed W.M.P.No.10634 of 2020 seeking to grant stay of the operation of the order passed by the Additional Labour Court, Coimbatore.

4. When the matter was taken up for hearing on 03.07.2020, this Court



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granted a stay of the impugned order and directed issuance of notice to the respondent. However, as the court notice was not ready, fresh notice was ordered on 18.08.2020, which was duly served on 05.09.2020. Subsequently, when the case was listed for hearing on 26.02.2025 and 18.03.2025, there was no representation from either side. On 19.03.2025, when the case was posted under the caption 'For Dismissal', the learned counsel appeared and advanced arguments on behalf of the petitioner.

5. The learned counsel for the petitioner submitted that the petitioner was working as a Manager under late V. Padmanabhan, who was running several businesses including Echo Star Industrial Products, Kala Industries, and Balaji Finance. The petitioner claimed that he had purchased the machinery alone of Balaji Industries after the demise of Mr. Padmanabhan and commenced a new business under the same name, considering its reputation and goodwill. The petitioner further contended that he has no connection with the firm Echo Star Industrial Products, where the respondent was employed. It was submitted that the Labour Court, as an executing court, cannot create a new liability on a third party who was not part of the original dispute or award. It was argued that the



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award was passed against the original proprietor, and the petitioner cannot be burdened with the liability arising from it.

6. The learned counsel for the respondent contended that the petitioner had taken over the business from Mr. Padmanabhan on 14.02.2015, and Ex.M.1 (sale deed) clearly indicated that the business was continued in the same premises. The respondent asserted that the address of the management in the Industrial Dispute and the computation petition remained the same as the one in the sale deed. The respondent contended that the Labour Court had rightly impleaded the petitioner, as the business continued to operate under the same name and address, thereby creating a continuity of the management entity. It was further argued that the Labour Court's order did not warrant interference, as the petitioner was operating the same business at the same premises.

7. It is evident from the record that the original award dated 31.05.2016 was passed ex-parte against the original proprietor, Mr. V. Padmanabhan, and not against the petitioner. The Labour Court, while exercising its power of computation, cannot go behind the award or create a new liability against a party who was not involved in the original



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dispute. The Labour Court, while allowing the impleading application, failed to appreciate that the computation petition under Section 33C(2) of the Industrial Disputes Act is in the nature of an execution proceeding and not an adjudicatory forum to decide upon new rights or liabilities. Merely because the machinery or assets of the business were purchased, it does not automatically transfer liability for past employment disputes, unless there is a specific statutory provision or an agreement to that effect. The sale deed (Ex.M.1) itself does not indicate any transfer of liability pertaining to the employment or labour disputes of the erstwhile management. Therefore, the order of the Labour Court impleading the petitioner as a party in the computation petition is legally unsustainable.

8. In view of the foregoing discussion, the order dated 02.03.2020 passed by the Additional Labour Court, Coimbatore in I.A.No.1 of 2019 in C.P.No.47 of 2018 is hereby set aside. Consequently, the writ petition is allowed. Connected W.M.P. No. 10634 of 2020 is closed. No Costs.

28.03.2025

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Index: Yes / No

Speaking Order / Non-speaking Order

Neutral Citation : Yes / No

DR. A.D. MARIA CLETE, J

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To

The Additional Labour Court,
Coimbatore.

W.P. No.8761 of 2020
and
W.M.P. No. 10634 of 2020



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