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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 13807 OF 2024

Manoj Wadekar and Associates and
Others ... Petitioners
V/s.
Nigel Shaughnessy ... Respondent

Mr. Kiran Bapat, Senior Advocate i/b Aumkar Joshi,
for Petitioners.

Mr. Jitendra M. Pathade with Ms. Priyanka R. Singh,
for Respondents.

CORAM : AMIT BORKAR, J.

DATED : FEBRUARY 26, 2026

ORAL JUDGMENT:

1. Rule. Rule is made returnable forthwith.
2. The present petition calls in question the order dated 29 July 2024 passed by the 2nd Labour Court, Pune, whereby the applications below Exhibits U-6 and U-10 preferred by the respondent came to be allowed, resulting in impleadment of Mr. Manoj Wadekar, Lex-Eye Services Pvt. Ltd., and Mrs. Asmita M. Wadekar as First Party Nos. 2 and 3 in the pending reference. The petitioners assail the said order primarily on the ground that the direction to implead additional parties travels beyond the scope of Section 10(4) of the Industrial Disputes Act, 1947.

3. Mr. Kiran Bapat, learned Senior Advocate appearing for the petitioners, invited attention to the order of reference dated 04 September 2020 and submitted that the terms of reference framed by the Commissioner specifically designate Manoj Wadekar and Associates as the employer. According to him, the reference is confined to adjudication of the legality and validity of the order of termination dated 18 October 2019, and the Labour Court is required to restrict itself strictly to the dispute so referred. Placing reliance on Section 10(4) of the Industrial Disputes Act, learned Senior Counsel submitted that the Labour Court derives jurisdiction only from the terms of reference and cannot enlarge the scope of adjudication by introducing parties not contemplated therein. It was therefore contended that the impugned direction amounts to exceeding the statutory limits of jurisdiction and could not have been lawfully issued.

4. Per contra, Mr. Jitendra Pathade learned Advocate appearing for the contesting respondent, drawing attention to the pleadings and application filed before the Labour Court, submitted that the respondent had specifically asserted that the employees working under Mr. Manoj Wadekar, Lex-Eye Services Pvt. Ltd., and Mrs. Asmita M. Wadekar function in close coordination and operational integration. It was pointed out that salary preparation and disbursement, sanction of leave, and human resource management were common to both concerns. It was further urged that administrative and effective control over the affairs of both entities was interlinked, and that labour

welfare enactments, including the Payment of Gratuity Act and the Maharashtra Shops and Establishments Act, were uniformly applicable. According to the respondent, the membership and management structure of both entities substantially overlapped, and on certain occasions salary payments had in fact been made to the petitioner by the entity sought to be impleaded. On this basis, it was submitted that the Labour Court rightly exercised its discretion to ensure complete and effective adjudication of the reference and to advance substantial justice between the parties. It was therefore contended that no interference is warranted in exercise of the extraordinary jurisdiction of this Court.

5. Having heard the learned Advocates appearing for the parties and upon perusal of the record, it becomes necessary, for the purpose of adjudicating the grievance raised by the petitioner, to reproduce the precise terms of reference made by the Commissioner, which read as under:

श्री. निगेल शौघ्नेस्सी, ए-४, १ला मजला, आय.सी.इ. (सि. जि.एस.टी.) कॉलनी, ४१-ए, ससुन रोड, पुर्ण — ४११ ००१ या कामगाराची, त्याच्या मे. मनोज वाडेकर अॅण्ड असोसिएट्स १०१, तेज क्रेस्ट अपार्टमेंट, १ ला मजला, प्लॉट नं. १२०४/२०२६, ऑफ जे.एम.रोड, पुरंदरे रोड, शिवाजीनगर, पुणे — ४११ ००४ या नियोक्याने दि. १८/१०/२०१९ पासून केलेली सेवासमाप्ती (Termination) ही कायदेशीर (legal/valid) व समर्थनिय (justified) आहे किंवा कसे ?

6. The terms of reference framed by the Commissioner require the Labour Court to examine two specific questions. The first question is whether the termination of the respondent by the employer, namely Mr. Manoj Wadekar and Associates, is legal, valid and justified in law. The second question concerns the consequential reliefs that may follow if the termination is found to be illegal, namely whether reinstatement, back wages and other ancillary monetary benefits are liable to be granted. The scope of adjudication is therefore clearly structured. The identity of the employer and the legality of the termination form the foundation of the dispute, while the issue of monetary and service benefits is consequential and dependent upon the finding on the primary issue.

7. A perusal of the complaint filed by the respondent shows that the reliefs are specifically claimed against Mr. Manoj Wadekar and Associates, described as a proprietary concern. The prayer clause seeks reinstatement with continuity of service and full back wages against that entity alone. Both the complaint and the order of reference proceed on the consistent premise that the proprietary firm is the employer. What is sought through the applications before the Labour Court is, in substance, a substitution or enlargement of the employer by introducing a company which is a separate legal entity in the eye of law. The fact that salary may have been disbursed on certain occasions by the proposed entity, or that the two concerns may function in close coordination, cannot by itself alter the legal character of the

reference. Such circumstances may have evidentiary value on questions of control or management, but they do not automatically permit a change in the foundational structure of the dispute referred for adjudication. The jurisdiction of the Labour Court is controlled by the statutory scheme. Section 10(4) of the Industrial Disputes Act makes it clear that the adjudicatory authority must confine itself to the dispute referred and matters incidental thereto. The provision reads thus:

“Section 10(4): Where in an order referring an industrial dispute to [a Labour Court, Tribunal or National Tribunal] under this section or in a subsequent order, the appropriate Government has specified the points of dispute for adjudication, [the Labour Court or the Tribunal or the National Tribunal, as the case may be], shall confine its adjudication to those points and matters incidental thereto.”

8. The language of Section 10(4) leaves little scope for ambiguity. Once the appropriate Government frames the points of dispute and makes a reference, the adjudicatory authority is required to remain within those boundaries. The statutory command is clear. The Labour Court cannot travel beyond the dispute referred, nor can it reshape the controversy in a manner not contemplated by the referring authority. The purpose of the provision is to maintain certainty in industrial adjudication, so that parties know the exact dispute they are required to meet and lead evidence upon.

9. The reasoning reflected in the impugned order shows that the Labour Court considered the impleadment of additional

parties necessary for doing complete justice. The approach appears to rest on equitable considerations and on the perceived practical relationship between the entities involved. However, the Industrial Disputes Act does not confer an unrestricted equitable jurisdiction. The Labour Court functions as a statutory tribunal. Its powers flow from the reference and not from general notions of fairness alone. Equity may guide interpretation within the statutory scheme, but it cannot enlarge jurisdiction where the statute itself imposes limits.

10. Section 10(4) permits adjudication of the specified points and matters incidental thereto. The expression “incidental” has a limited meaning in law. It refers to matters that arise naturally and necessarily while deciding the dispute already referred. Such matters aid the adjudication of the original controversy but do not alter its foundation. An incidental issue may clarify, support, or facilitate determination of the referred question. It cannot introduce a new dispute or change the identity of the principal parties.

11. In the present case, the respondent’s own pleadings and the order of reference proceed on the basis that Manoj Wadekar and Associates was the employer responsible for the termination. The dispute referred for adjudication was framed on that footing. The subsequent attempt to add another entity as employer does not merely assist adjudication of the existing dispute. It changes the very premise on which the reference rests. The enquiry then

shifts from examining the legality of termination by the named employer to determining who the real employer is among multiple entities. This amounts to expansion of the reference and not clarification of an incidental issue.

12. If such a course were permitted, the Labour Court would in effect assume the power to recast the terms of reference, a function which the statute reserves exclusively for the appropriate Government. The discipline imposed by Section 10(4) would then lose its meaning. Therefore, though the objective of doing substantial justice may be understandable, the method adopted cannot be sustained in law, since it enlarges the scope of adjudication beyond what was originally referred.

13. In view of the statutory limitations governing the jurisdiction of the Labour Court, the impugned order permitting impleadment of additional employers could not have been passed in law.

14. For the same reasons, the conclusion is inescapable that the Labour Court exceeded the permissible limits of adjudication while allowing the applications for impleadment.

15. The impugned order is therefore liable to be set aside.

16. The Rule is made absolute in terms of prayer clause 'a'.

17. No order as to costs.

(AMIT BORKAR, J.)