

EMPLOYEE AGGRIEVED BY HIS TERMINATION CAN MOVE THE LABOUR COURT WHERE HE HAD BEEN EMPLOYED OR WHERE THE COMPANY HEADQUARTERS IS LOCATED: SC

A. Brief Facts of the Case:

A.1 In this case, a supervisor (hereinafter referred to as the "***Appellant***") was employed in the Puducherry Unit by the Respondent Company (hereinafter referred to as the "***Respondent***") having its Registered Office in Aurangabad. The Puducherry Unit was closed and there was dispute over termination of the Appellant.

A.2 Aggrieved by the termination, he moved the Aurangabad Labour Court. The Respondent argued that the Aurangabad Labour Court lacked jurisdiction, he should have moved the Puducherry Labour Court as he was employed in Puducherry Unit.

A.3 The Puducherry Labour Court rejected the argument taken by the Company that the Labour Court lacked jurisdiction and held in favour of the Appellant.

A.4 Aggrieved by the order of the Puducherry Labour Court, the Respondent took up the matter before the Industrial Court at Aurangabad in revision. The Industrial Court at Aurangabad vide its order set aside the order passed by the Puducherry Labour Court and held that:

"...the Labour Court at Aurangabad did not have territorial jurisdiction to entertain the complaint of the appellant, since the termination took place at Pondicherry...."

A.5 The Appellant filed a Writ Petition before the High Court of Judicature of Bombay at Aurangabad. The High Court through its judgment affirmed the view taken by the Industrial Court and held that:

"...the situs of employment of the appellant being Pondicherry, the Labour Court at Aurangabad did not have territorial jurisdiction to go into the complaint filed by the appellant...."

A.6 Thus aggrieved by the Judgment of the High Court, the Appellant filed this Civil Appeal before the Hon'ble Supreme Court.

B. Judgment of the Hon'ble Supreme Court:

- B.1 The Apex Court stated that he could move Court in either place. He was terminated in Puducherry; so he could move the Court there. But that does not mean that the Labour Court in Aurangabad within whose jurisdiction the management is situated and where the decision to close down the Unit at Puducherry, also does not have the jurisdiction.
- B.2 The Supreme Court has set aside the judgment of the **High Court and the Industrial Court at Aurangabad and restored the order passed by the Labour Court, Aurangabad.** The Apex Court ruled that an employee aggrieved by his termination can move the Labour Court where he had been employed or where the Company's headquarters is located.
- B.3 The relevant Para of the Judgment of the Hon'ble Supreme Court is extracted as under:

"...

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

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[Nandram v. Garware Polyester Ltd in Civil Appeal No. 1409 of 2016]

Date of Judgment: February 16, 2016

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