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WORKMAN'S PLACE OF EMPLOYMENT VITAL TO DETERMINE LABOUR COURT'S JURISDICTION

A. Introduction

The Delhi High Court (HC), in *J. Balaji* case,¹ ruled that the *situs* of a workman's employment is a determining factor in adjudicating the territorial jurisdiction of a labour court under the Industrial Disputes Act, 1947 (ID Act).

B. Brief Facts

1. The appellant, J. Balaji (**Balaji**) was employed as a special correspondent in the respondent company, The Hindu Group (**THG**) at Vishakhapatnam.
2. He was transferred to New Delhi in June 2008 and thereafter, transferred to Chennai in February 2014.
3. Balaji requested that his transfer to Chennai be reconsidered due to personal reasons. However, upon his transfer being confirmed by THG, he joined the Chennai office.
4. Thereafter, Balaji took several days of leave of absence and remained absent despite his leave not being approved. Therefore, in July 2014, THG terminated his employment on account of unauthorised absence.
5. Balaji challenged the termination of his employment under the ID Act,² before the Labour Court of Delhi (**LC**). It dismissed the claim on the grounds that the courts of Delhi do not have territorial jurisdiction as Balaji's place of employment had shifted from Delhi to Chennai on account of his second transfer.
6. Via a writ petition, Balaji unsuccessfully approached the Single Bench of the HC, which upheld the LC's findings.
7. Aggrieved, Balaji appealed to the Division Bench. The question before the Division Bench was whether the courts in Delhi have territorial jurisdiction to adjudicate the dispute under the ID Act.

¹ *J. Balaji vs. The Hindu Delhi* (29.08.2023 – Delhi HC): 2023 SCC OnLine Del 5352 and on LiveLaw available [here](#).

² Under Section 2A of the ID Act which pertains to a dismissal of a workman to be deemed as an industrial dispute.

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C. Parties' Contentions

1. Balaji's contention was that LC has jurisdiction since:
 - i. he was working at the Delhi office,
 - ii. the transfer order originated in Delhi, and
 - iii. he did not join back the Chennai office as he was on leave for the period prior to the termination.
2. THG relied on LC's findings, citing the Supreme Court's 2022 judgment in the *V.G. Jagdishan* case,³ which opined that since the place of a workman's entire tenure of employment was in one city, a part of the cause of action cannot be said to arise in another city merely because the workman filed a claim in that city.

D. Court's Judgment & Reasoning

The HC:

1. Held "[t]hough the ID Act does not make any reference to the aspect of territorial jurisdiction, however, situs of the place of employment of a workman would be a determinative factor in conferring territorial jurisdiction upon a Labour Court for deciding a labour dispute raised by a workman." Thus, the place of employment of the workman is a significant factor to decide territorial jurisdiction.
2. Opined that since Balaji was transferred to Chennai and he had joined at the place of his posting there, the Delhi courts lost their territorial jurisdiction. Place of previous posting of the employee would not confer territorial jurisdiction upon the Delhi courts.
3. Noted that Balaji was employed not in Delhi but in Chennai at the time of his termination and it is this termination order against which he filed a claim petition. Therefore, the cause of action cannot have arisen in Delhi.

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³ *V.G. Jagdishan vs. Indofofos Industries Ltd.*, 2022 SCC OnLine SC 466.