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## HARYANA HIGH COURT ON DIRECTOR'S LIABILITY UNDER THE INDUSTRIAL DISPUTES ACT, 1947

### A. Introduction

In *Anil Puri vs. State of Haryana* case,<sup>1</sup> the Haryana High Court (**HC**) held that a former director of an employer-company, having resigned prior to the workman raising an industrial dispute, cannot be implicated for non-compliance with the Labour Court's (**LC**) order.

### B. Brief Facts

1. The petitioner, Anil Puri (**Puri**), was a director of Securitrans India Private Limited (**Securitrans**) until June 2011.
2. Securitrans terminated a workman, Mukesh Kumar (**Kumar**), in 2012, who then raised an industrial dispute under the Industrial Disputes Act, 1947 (**ID Act**), challenging his termination.
3. The LC, in 2013, ordered reinstatement of Kumar with back wages. Since Securitrans did not comply with the order, the Labour Inspector complained against Puri before the Chief Judicial Magistrate (the **Magistrate**).<sup>2</sup>
4. Upon Puri's non-appearance to the summons of the Magistrate, proclamation proceedings were initiated against him, leading to an FIR under Section 174A of the Indian Penal Code, 1860.<sup>3</sup> Thereafter, Puri obtained anticipatory bail.
5. The question before the HC was whether Puri, as a former director of Securitrans, could be implicated for Securitrans' non-compliance with the LC's order.

### C. Court's Judgment & Reasoning

The HC, noting that Puri had resigned in June 2011 and the workman was terminated in July 2012:

1. Held that the responsibility for award implementation and informing authorities about changes in Securitrans fell on Securitrans and not on Puri.

<sup>1</sup> *Anil Puri vs. State of Haryana*, (P&H HC) (28.08.2023 – Haryana HC) : 2023 LLR 1069.

<sup>2</sup> Under Sections 29, 31, and 32 of the ID Act, which deal with penalties for contravention of the settlement or award granted thereunder.

<sup>3</sup> Deals with non-appearance in response to a proclamation under section 82 of Criminal Procedure Code, 1974 (*Proclamation for person absconding*).

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2. Observed that a settlement had been reached between Securitrans and Kumar, implementing the LC's award. Kumar also issued a statement confirming the implementation. Therefore, it noted that the complaint was rendered unnecessary as the matter was already settled.
3. Referred to the *State of Karnataka vs. L. Muniswamy* case,<sup>4</sup> to conclude that continuing proceedings against Puri would be an abuse of the court's process, especially when the award had been satisfied.
4. Consequently, quashed the complaint and the Magistrate's summoning order.

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<sup>4</sup> (1977) 2 SCC 699. In this case, the Supreme Court held that the purpose of Section 482 of the Criminal Procedure Code (Saving of *inherent powers of the High Court*) is to make sure that legal proceedings in court are not be misused or turned into a tool for causing trouble or unfairly treating someone.