

**HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD
(Special Original Jurisdiction)**

FRIDAY, THE NINTH DAY OF JANUARY
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SRI JUSTICE NAGESH BHEEMAPAKA

WRIT PETITION NO: 32597 OF 2025

Between:

M/s. Sirpur Paper Mills Limited, Sirpur-Kaghaznagar, Kumaram Bheem Asifabad District, Rep. by its Chief Manager - Legal, K.N.Sesha Gopal, S/o. Late KNS Murthy, Aged about 62 years, R/o.Hyderabad.

...PETITIONER

AND

1. State of Telangana, Rep. by its Principal Secretary, Department of Labour, Secretariat, Hyderabad.
2. The Commissioner of Labour, Government of Telangana, Anjaiah Bhavan, Chikkadpally, Hyderabad.
3. The Joint Commissioner of Labour, Government of Telangana, Warangal, Warangal District.
4. The Deputy Commissioner of Labour, Government of Telangana, Adilabad, Adilabad District.
5. The General Secretary, Sirpur Paper Mills Workers Union (Regd.No.E-53), Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
6. The General Secretary, Telugunadu Sirpur Paper Mills Karmika Parishad, Kagaznagar (Regd.No. E-734), Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
7. The Sirpur Paper Mills Employees Union, Kagaznagar, Reg.No. E-966, Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
8. The General Secretary, Sirpur Paper Mills Employees Sang, Kagaznagar (Reg.No .E-1028), Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
9. The Sirpur Paper Mills Staff Employees Union, Kagaznagar, Reg. E-1311, Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
10. The General Secretary, Sirpur Paper Mills National Workers Association, Kagaznagar(Regd. No. E-1425), Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
11. The General Secretary, Sirpur Paper Mills Telugunadu Karmika Parishad, Kagaznagar (Regd. No.E-2093), Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.

12. The General Secretary, Sirpur Paper Mills Workers and Staff Union, Kagaznagar, (Reg.No.E-2294), Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
13. The President, Sirpur Paper Mills National Staff Association, Kagaznagar (Regd.No.E-2297), Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
14. Sirpur Paper Mills Employees Protection Union, Kagaznagar (Regd. No.E-2381), Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
15. The General Secretary, Sirpur Paper Mills Mazdoor Union, Kagaznagar (Regd.No.E-2510), Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District. The General Secretary,
16. The President, SPM Staff Welfare Association, Reg. No., Kagaznagar E-2706, Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
17. The General Secretary, Telangana SPM Employees Union, Kagaznagar Regd. No.E-2735, Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
18. The General Secretary, Sirpur Paper Mills Telangana Workers Union, Kagaznagar (Regd.No.E-2863), Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.
19. The General Secretary, SPM Permanent and Casual Workers Union, Kagaznagar, Reg.No.48/DCL-ADB, Kagaznagar, Sirupur, Khagaznagar, Kumarambheem Asifabad District.

...RESPONDENTS

Petitioner under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue a Writ of Mandamus or any other appropriate Writ, Order or Orders, Direction or Directions to declare the action of the Respondents 3 and 4 in proceeding to conduct Secret Ballot Election to determine the majority union under the Code of Discipline in the petitioner factory vide Letter No.A/390/2024, dt.22.10.2024 as arbitrary, unreasonable and illegal and to set aside the said letter and to issue a consequential direction to the Respondents 3 and 4 not to proceed in any manner to conduct Secret Ballot Election to decide the majority union in the petitioner factory until the disqualification incurred by the unions is decided in accordance with the provisions of the Trade Unions Act.

IA NO: 1 OF 2025

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to direct the Respondents 3 and 4 not to proceed in any manner in furtherance to the letter No.A/390/2024, dt.22.10.2024 issued by the 4th Respondent proposing to conduct Secret Ballot Election to determine the majority Union under the Code of Discipline in the petitioner factory, pending disposal of the Writ Petition.

Counsel for the Petitioner: SMT VEDULA CHITRALEKHA

Counsel for the Respondent No.1 to 4: GP FOR LABOUR

Counsel for the Respondent No.5: SRI B.JITHENDER

Counsel for the Respondent No.7: SRI M.SHANKAR

Counsel for the Respondent No.15: SRI ABID HUSSAIN

Counsel for the Respondent No.8, 14 & 17: SRI POCHAIAH DORISHETTI

The Court made the following: ORDER

**IN THE HIGH COURT OF JUDICATURE FOR THE STATE OF
TELANGANA
HON'BLE SRI JUSTICE NAGESH BHEEMAPAKA**

WRIT PETITION No. 32597 OF 2025

09.01.2026

Between:

M/s Sirpur Paper Mills Ltd.,
Sirpurkagaznagar

..... Petitioner

And

State of Telangana,
Rep. by its Principal Secretary,
Department of Labour and others

..... Respondents

ORDER:

Petitioner, one of the oldest paper mills in the country, originally established during 1939-1940 in the then backward area of Adilabad District, with commercial production having commenced in 1942 at Sirpur Kagaznagar. They are engaged in manufacture of various kinds of paper and paper boards, having market presence even outside India. It is stated that petitioner provides employment to nearly 850 regular staff and workers and about 1,400 contract workers. A full-fledged township comprising schools, markets, police station, recreational facilities and hospitals was developed primarily for the benefit of employees of petitioner.

1.1. It is contended that for reasons beyond the control of the then management, petitioner company became a sick industrial unit and its net worth was eroded. Owing to severe lack of working capital, petitioner stopped its operations in 2014. Thereafter, operational creditors initiated proceedings under Section 9 of the Insolvency and Bankruptcy Code, 2016, which were admitted by the National Company Law Tribunal and registered as CP (IB) No. 52/9/HDB/2017. A resolution plan submitted by the Resolution Professional and approved by the Committee of Creditors came to be sanctioned by NCLT by order dated 19.07.2018. Pursuant thereto, the management of petitioner company was taken over by J.K. Paper, and the company is presently being operated strictly in accordance with the approved resolution plan.

1.2. It is stated, prior to suspension of operations in 2014, as many as 15 trade unions were functioning in petitioner factory. The factory remained non-functional for more than four years and during this prolonged closure period, trade unions also became defunct. According to petitioner, most of these trade unions failed to submit annual returns from 2009 up to 2023 and also did not comply with the statutory requirements under the Trade Unions Act, 1926, including payment of necessary fees to the Registrar of Trade Unions, thereby

rendering their registrations invalid. It is further stated that after revival of the unit pursuant to NCLT-approved resolution plan, petitioner entered into a Memorandum of Settlement under Section 12(3) read with Section 18(1) of the Industrial Disputes Act, 1947 with the representatives of the Works Committee. The said settlement was signed in the presence of and attested by the Joint Commissioner of Labour, Warangal, on 03.01.2023. The settlement, according to petitioner, has statutory force and is valid till 31.03.2026. It is contended that the said settlement governs various service conditions and grievance redressal mechanisms for workmen during its subsistence.

1.3. Petitioner states that when one of the trade unions requested the Deputy Commissioner of Labour, Adilabad, to recognize a union by conducting a secret ballot election, the said authority addressed the letter dated 22.10.2024 to petitioner seeking information regarding trade unions functioning in the factory. Petitioner replied to the said communication on 28.10.2024, informing the authority that trade unions which existed prior to closure of factory in 2014 had failed to file annual returns and comply with the provisions of the 1926 Act, therefore, according to petitioner, there was no validly-existing trade union in the factory.

1.4. It is contended that thereafter, the Joint Commissioner of Labour, Warangal, addressed letter dated 25.03.2025 calling upon petitioner to furnish details regarding strength of employees before closure of factory and after reopening. Petitioner submitted the requisite information on 01.04.2025 and also brought to the notice of the authority the clauses contained in the resolution plan approved by the NCLT. It is further stated that the Joint Commissioner of Labour, Warangal, again addressed letter dated 08.04.2025 seeking copies of the NCLT-approved resolution plan, details of amounts paid to workmen towards final settlement under the resolution plan, and copies of closure orders, if any, passed by the Government. Petitioner furnished the said information *vide* letter dated 18.04.2025 and requested the Authority to act strictly in accordance with the provisions of the 1926 Act.

1.5. Petitioner states that thereafter, the Deputy Commissioner of Labour, Adilabad was appointed as Returning Officer by proceedings dated 09.10.2025. Subsequently, petitioner received letter dated 22.10.2025 from the Deputy Commissioner of Labour, Adilabad, styling himself as Returning Officer, informing that meeting was fixed on 28.10.2025 in his office for the purpose of conducting secret ballot election to determine the majority union under the Code of Discipline in

petitioner factory. The said letter was also circulated to all the trade unions calling upon them to send two representatives each.

1.6. Petitioner contends that the decision of the official respondents to proceed with the conduct of secret ballot election is arbitrary, erroneous and illegal. Respondent trade unions have failed to submit annual returns for more than a decade, as evidenced by information obtained under the Right to Information Act, and have thereby incurred disqualification under the Act. Despite this being repeatedly brought to the notice of respondent authorities, no determination has been made regarding the status or validity of the said trade unions. It is further contended that settlement dated 03.01.2023 entered into under Section 12(3) of the Industrial Disputes Act, 1947 is presently in force till 31.03.2026 and has statutory force. During subsistence of the said settlement, initiation of elections to decide the majority union is, according to petitioner, wholly unnecessary and unjustified.

1.7. Petitioner states that factory remained closed between 2014 and 2018 due to accumulated losses and was revived only pursuant to the resolution plan sanctioned by the NCLT. At this critical stage of revival, conducting trade union elections would create serious difficulties in day-to-day

administration, adversely affect labour relations, disrupt mill production, and impede the implementation of the resolution plan. It is apprehended that such developments may throw petitioner back into losses and jeopardize the rehabilitation of the industrial unit.

1.8. It is further pleaded that unless respondent authorities first decide the issue of disqualification allegedly incurred by the trade unions on account of non-filing of annual returns for several years, they cannot proceed with election process. Proceeding with elections without such determination would, according to petitioner, result in disturbed industrial relations. Petitioner alleges that the proposal to conduct elections has been brought about under extraneous influence and is intended to upset the streamlined functioning of the revived factory. It is asserted that petitioner's interest is dependent on successful implementation of NCLT-approved resolution plan and that any creation of human resource problems at this stage would be detrimental to the survival of the unit.

2. Respondents 1 to 4 filed a common counter affidavit through Respondent No.4 contending that writ petition is not maintainable either in law or on facts. It is admitted that petitioner company became a sick industrial unit and stopped

its activities in 2014 and that operational creditors initiated an Application under Section 9 of the Insolvency and Bankruptcy Code, 2016 for corporate insolvency resolution, which was admitted by NCLT. Petitioner company was taken over by M/s J.K. Paper pursuant to the resolution plan approved by NCLT and that the company is presently being run under the said resolution plan. It is also admitted, prior to suspension of operations in 2014, there were 15 trade unions functioning in petitioner factory. The mill remained non-functional for more than four years and during this period, the trade unions also became defunct and that most of the trade unions did not file annual returns from 2009 to 2023 as required under Section 28 of the Act read with Rule 18 of the Andhra Pradesh Trade Union Regulations, 1927.

3. It is admitted that petitioner entered into a Memorandum of Settlement under Section 12(3) read with Section 18(1) of the Industrial Disputes Act, 1947 with the representatives of the Works Committee and that the said settlement was signed by the Joint Commissioner of Labour, Warangal, on 03.01.2023. It is admitted that the settlement is valid up to 31.03.2026 and has statutory force under the Industrial Disputes Act, 1947. It is contended that Respondent No.17 submitted a representation to the Deputy Commissioner

of Labour, Adilabad, seeking conduct of a secret ballot election for recognition of a trade union. The Deputy Commissioner of Labour, being the Deputy Registrar under the provisions of the 1926 Act, is duty bound to conduct secret ballot election to verify the majority union under the Code of Discipline.

3.1. It is stated that in discharge of the said statutory duty, the Deputy Commissioner of Labour addressed a letter to petitioner company seeking information regarding the trade unions functioning in the mill. Petitioner replied on 28.10.2024 stating that trade unions which existed prior to closure of the factory in 2014 had failed to file annual returns, did not comply with the provisions of the Trade Unions Act, and had therefore, lost their certificates of registration, and that no valid trade union existed in the factory. The Joint Commissioner of Labour, Warangal, addressed letter dated 25.03.2025 calling upon petitioner to submit details regarding the strength of employees before closure of the factory and after reopening, which information was furnished by the petitioner on 01.04.2025.

3.2. It is further stated that the Joint Commissioner of Labour, Warangal, addressed another letter dated 08.04.2025 calling upon petitioner to submit copies of the resolution plan approved by the NCLT, details of amounts paid to workmen towards final settlement under the resolution plan, and copies



of closure orders passed by the Government. Petitioner submitted the said information *vide* letter dated 18.04.2025 and requested the Authority to act in accordance with the provisions of the Trade Unions Act. *Vide* Proceedings Memo No. B/683/2024 dated 09.10.2025, the Deputy Commissioner of Labour, Adilabad, was appointed as Returning Officer to conduct verification under the Code of Discipline in the petitioner company.

3.3. It is stated that pursuant thereto, the Deputy Commissioner of Labour addressed letter dated 22.10.2025 to petitioner requiring attendance at a meeting on 28.10.2025 and issued similar communications to all trade unions. It is denied that the decision to conduct secret ballot election to determine the majority union is arbitrary, erroneous or illegal. The purpose of conducting such election is to maintain industrial peace and good industrial relations between management and workmen and that it will not cause any disturbance to petitioner. It is specifically contended that there is no clause in the settlement entered into under Section 12(3) of the Industrial Disputes Act, 1947 prohibiting the conduct of secret ballot election to determine the majority union.

3.4. Respondent Nos. 1 to 4 deny the contention of the petitioner that failure of trade unions to submit annual returns

for several years results in automatic cancellation of registration. It is contended that there is no provision under the 1926 Act providing for cancellation of registration merely on account of non-filing of annual returns. It is asserted that Section 28 of the Trade Unions Act, 1926 mandates filing of annual returns but does not provide for cancellation of registration as a consequence of default. Respondent Nos. 1 to 4 further contend that Section 10 of the Trade Unions Act, 1926 alone governs cancellation or withdrawal of registration and that such cancellation can be effected only on the grounds specified therein and only after issuing prior notice of not less than two months to the concerned trade union and following due procedure.

3:5. It is contended that non-filing of annual returns does not automatically result in de-recognition or cancellation of registration and that the contention of the petitioner to the contrary is not in accordance with the provisions of the 1926 Act. Sections 5, 8 and 10 of the Act, 1926 clearly establish the legal framework for the existence, registration and continuation of trade unions and that the object and intention of the Act is welfare of employees. It is contended that for the welfare of employees, the existence of trade unions and conduct of elections is necessary and required. It is asserted that the

ground taken by petitioner that merely because annual returns were not filed, elections should not be conducted, is unsustainable in law and that the authorities are following the procedure prescribed under the Act and the Rules.

3.6. Respondents 1 to 4 further contended that in the absence of any provision prohibiting the conduct of elections, the authorities are empowered to proceed in accordance with law for the welfare of the State and people at large, in consonance with the directive principles of State policy under the Constitution of India. It is denied that the official respondents are acting under the influence of local politicians. It is contended that the action taken is strictly in accordance with statutory provisions and within jurisdiction. Respondents 1 to 4 conclude that the contention of petitioner that failure to file annual returns for over a decade would result in de-recognition and consequently bar conduct of elections is incorrect and contrary to the Trade Unions Act, 1926.

4. Respondent No.5 filed counter contending that the writ petition is wholly misconceived, devoid of merit and liable to be dismissed in limine, being untenable both on facts and in law. It is stated, Writ Petition has been filed with a malicious intention to mislead this Court and to misuse the process of law for the purpose of obstructing the respondent government

officials, particularly Respondents 2 and 4, from discharging their statutory duty of conducting trade union elections. It is contended that the object of the writ petition is to deprive the workmen of the petitioner factory of their constitutional, statutory and legal rights to form trade unions and to democratically elect a union of their choice for collective bargaining to secure better terms and conditions of service. It is further contended that the writ petitioner has not filed any authorization to institute the present writ petition.

4.1. It is stated that company had been continuously incurring losses from 2007 onwards, but the management made no effort whatsoever to effect a turnaround until 2014. Petitioner management abruptly and suddenly closed the factory operations in 2014 without issuing any notice and without obtaining permission from the State Government. No application seeking permission for closure was submitted to the Government. It is further contended that petitioner approached the Board for Industrial and Financial Reconstruction (BIFR) and the Government of Telangana seeking a revival package or financial assistance only after closure of operations, and that had the management taken timely steps during the initial years when accumulated losses were still within manageable limits, suspension of operations could have been avoided.

4.2. Respondent No.5 contends that due to sheer negligence of petitioner management, accumulated losses mounted to several hundred crores of rupees. After closing the factory, top-ranking officers of petitioner company left the town under cover of darkness, rendering about 1,500 regular employees and an equal number of contract labourers jobless overnight, thereby affecting nearly 3,000 families. During the period of closure of about 46 months, the employees and workmen were neither retrenched nor laid off. Till 22.10.2016, when lender banks led by IDBI seized and sealed the factory premises, the employees were allowed to mark attendance, yet were not paid salaries or even subsistence allowance despite not being formally retrenched or laid off. Respondent No.5 contends that no enquiry was conducted by the Government into the reasons for closure of such a major industrial establishment or into the non-payment of salaries and wages to the workmen, resulting in the then management of the petitioner company remaining unaccounted and unpunished for the alleged illegal closure.

4.3. It is further contended that Respondent No.3 addressed letters dated 25.03.2025 and 08.04.2025 calling upon petitioner management to submit closure orders, if any, issued by the Government, however, Petitioner failed to submit

any such document and deliberately avoided responding to this issue in its reply letters dated 01.04.2025 dated 18.04.2025. From the above conduct, it is evident that the erstwhile management of petitioner company had closed down its operations illegally, without notice and without obtaining permission from the Government. With regard to takeover of petitioner company by M/s J.K. Paper, Respondent No.5 contends that ever since reopening of the factory in August 2018, the present management has been indulging in illegal acts and unfair labour practices. Though the resolution plan approved by the NCLT does not provide for downsizing of the workforce and no notice was issued for reduction of manpower, the management drastically reduced the workers' strength and did not allow about 260 workmen to resume duty.

4.4. It is contended that the said 260 workmen were neither retrenched nor assigned any reason for being denied resumption of duty and that they and their families have been facing severe financial hardship for more than eleven years; extremely low basic wages and dearness allowance are being paid to the workmen who were allowed to join duty, despite the legal requirement that such wages be on par with those prevailing in other major paper and paperboard establishments in the region. It is further contended that the monthly

production bonus has been reduced to about half of what was being paid prior to closure. It is alleged, the electricity allowance and the number of earned leave days have been unilaterally reduced by the management. It is also contended that the canteen, where breakfast and lunch were supplied to workmen prior to closure, has been illegally kept closed even though more than seven years have elapsed since reopening of the factory.

4.5. Respondent No.5 states that petitioner company remained closed from 27.09.2014 to 01.08.2018, i.e. for about 46 months. The allegation made by petitioner that trade unions operating in the company became defunct during this period and that most of the unions did not submit annual returns from 2009 to 2023 is categorically denied as false and baseless. It is contended that petitioner has vaguely alleged that 'most of the unions' did not submit annual returns without specifying the number or identity of such unions. It is further contended that the allegation regarding non-payment of fees to the Registrar of Trade Unions is meaningless, as no fee is required to be paid to the Registrar once a trade union is registered. Respondent No.5 asserts that he has continuously submitted annual returns up to the year 2023 and that the allegations made by petitioner are intended to tarnish the image of the trade unions operating in

the company. Respondent No.5 challenges the validity of the settlement dated 03.01.2023 entered into between petitioner management and representatives of the Works Committee, contending that settlement is illegal, *ab initio void* and liable to be quashed. It is contended that a Works Committee under the Industrial Disputes Act, 1947 is empowered only to promote good relations and comment on matters of common interest and cannot deal with terms of employment, which fall exclusively within the domain of trade unions.

4.6. It is contended that in an industrial establishment where a registered trade union exists, any settlement touching upon terms of employment must be entered into only with the trade union and not with any other body. It is further contended that the settlement was entered into with a fragmented Works Committee comprising only a portion of its members, which is legally impermissible, as a statutory body must act as a whole. Respondent No.5 further contends that petitioner management influenced members of the fragmented Works Committee, who had no authority to enter into such settlement, and thereby deprived the workmen of fair and legitimate terms of employment. It is alleged that the Joint Commissioner of Labour, Warangal, despite being aware of the legal position and existence of trade unions, acted illegally by affixing his

signature and official seal to the said settlement, which has no legal or statutory force.

4.7. Respondent No.5 states that information regarding registered trade unions and their annual returns is available with the Deputy Commissioner of Labour, Adilabad, in his capacity as Registrar of Trade Unions, therefore it was unnecessary to seek such information from the employer. It is contended that petitioner's reply dated 28.10.2024 to the letter dated 22.10.2024 is false, misconceived and unwarranted. It is asserted that filing of annual returns is a legal formality between registered trade unions and the Registrar of Trade Unions and that the employer has no role whatsoever in this process. It is contended that petitioner had no authority to assume the role of an investigating agency and declare that trade unions had lost their registration or ceased to exist. Respondent No.5 states that the Deputy Commissioner of Labour, Adilabad, was duly appointed as Returning Officer by the Commissioner of Labour and that letter dated 22.10.2025 clearly states such appointment. It is contended that the said letter was not issued suddenly, as correspondence regarding conduct of elections had been ongoing since 22.10.2024.

4.8. It is contended that petitioner management has deliberately raised false and baseless allegations and created

hurdles in order to delay the election process and to falsely project that no valid trade union exists in the company. Respondent No.5 further states that petitioner's reliance on information obtained under the Right to Information Act is misplaced. The letter of Public Information Officer dated 25.09.2024 clearly states that fifteen trade unions are existing in the company and that copies of annual returns filed from 2013 to 2023 would be supplied on payment of prescribed charges. It is contended that even in cases of non-submission of annual returns or other violations, disqualification or deregistration of a trade union is never automatic and can occur only after due process under the 1926 Act. Petitioner never filed any Application before the Registrar of Trade Unions seeking cancellation of registration of any union.

4.9. Respondent No.5 asserts that apprehension of petitioner that conduct of elections would disrupt mill production, labour relations or implementation of the resolution plan is wholly unfounded and reflects an anti-labour and anti-union mindset. Trade unions are lawful bodies constituted under the Trade Unions Act and that workmen enjoy a fundamental right to association under the Constitution. It is contended that labour is a basic factor of production and that petitioner is attempting to stall elections because recognition of

a trade union would subject its illegal and anti-labour practices to scrutiny. It is also contended, petitioner has not exhausted the alternative statutory remedy of approaching the Registrar of Trade Unions, therefore cannot invoke the extraordinary jurisdiction of this Court under Article 226 of the Constitution.

4.10. It is contended that trade union elections were last conducted in the petitioner company in 2013 and that more than twelve years have elapsed without recognition of any union, even though more than seven years have passed since reopening of the factory. It is concluded that Writ Petition has been filed solely to deprive workmen of their fundamental right to association and to restrain trade unions from exercising their statutory rights.

5: Respondent No.7 filed counter denying the averments of Writ Petition. It is stated that petitioner challenged only the letter addressed by the 4th respondent but not against any orders, thus filing the Writ Petition without any filing objections to the said letter is premature and misconceived. Even in the event of passing any orders by the official respondents by exercising their statutory powers also, effective alternative remedies are available under the Industrial Disputes Act and Trade Unions Act, thus the Writ Petition is not maintainable in the eye of law. In this context, Respondent No.7

relied on the judgment of the Hon'ble Supreme Court in ***National Fertilizers Ltd. v. P.K.Khanna***¹, wherein it was held that 'learned counsel appearing on behalf of the respondent sought to take us through the enquiry officer's report to contend that the disciplinary authority had not correctly appreciated the objections taken by the respondent to the report. That is normally not a plea which is available as a ground for judicial review (see ***Indian Oil Corpn. Ltd. v. Ashok Kumar Arora***). Nevertheless, it would be open to the respondent to raise all such grounds before the Appellate Authority, who should deal with the same.'

5.1. It is also stated, by letter dated 25.09.2024 issued by the 4th respondent, eight trade unions have filed annual returns and copies are available to that effect from the period 2013 to 2023, but petitioner has suppressed the said facts and they filed replies to the Labour Department on 28.10.2025 after filing the Writ Petition without disclosing pendency of the present Writ Petition. This constitutes fraud, misrepresentation and suppression of material facts. In this context, Respondent No.7 relied on the judgment of the Hon'ble Supreme Court in ***K.D.Sharma v. SAIL***² wherein it was held that 'It is therefore,

¹ (2005) 7 SCC 597

² (2008) 12 SCC 481

of utmost necessity that the petitioner approaching the writ court must come with clean hands, put forward all the facts before the court without concealing or suppressing anything and seek an appropriate relief. If there is no candid disclosure of relevant and material facts or the petitioner is guilty of misleading the court, his petition may be dismissed at the threshold without considering the merits of the claim.'

6. Respondent No. 15 also filed a counter affidavit contending that he is the General Secretary of Sirpur Paper Mills Mazdoor Union, Kagaznagar, bearing Registration No. E-2510, and that he is well-acquainted with the facts of the case. It is stated that petitioner seeks to quash lawful proceedings initiated by Respondent Nos. 3 and 4, namely the labour authorities, for conducting secret ballot elections under the Code of Discipline to determine the majority representative union, which is a statutory process mandated for maintaining industrial harmony. It is contended that the action of the labour authorities in initiating the process of secret ballot elections is in consonance with Section 9 of the Industrial Disputes Act, 1947 read with the Code of Discipline, and is intended to secure the right of workmen to collective bargaining as guaranteed under Article 19(1)(c) of the Constitution. It is further contended that petitioner's allegations regarding trade

unions being defunct and the alleged disruption to implementation of the resolution plan under the Insolvency and Bankruptcy Code, 2016 are unsubstantiated and contrary to settled law, as recognition of trade unions cannot be indefinitely stalled after revival of the industrial establishment.

6.1. It is stated, Respondent No. 15 and other trade unions duly complied with the notice issued by the Deputy Commissioner of Labour in November 2024 and submitted all required details, annual returns and acknowledgements within the stipulated time, namely by 03.11.2024. Historical practice since 1978 in petitioner factory demonstrates that biennial secret ballot elections and triennial wage settlements with recognized trade unions were the norm, and that this established practice was disrupted only due to the illegal closure of the mill between 2014 and 2018. It is asserted that no deregistration of any trade union has taken place and that, even after revival of the factory, elections for union recognition have remained overdue. It is contended, petitioner's reliance on the settlement dated 03.01.2023 purportedly entered into under Section 18(3) of the Industrial Disputes Act, 1947 with a Works Committee is misplaced. Such a settlement cannot substitute statutory recognition of a trade union under the Code of

Discipline and cannot override the rights of workmen guaranteed under the Industrial Disputes Act.

6.2. Respondent No. 15 states that workmen of Sirpur Paper Mills are undergoing severe hardship due to the absence of a recognized trade union; they are being denied basic amenities such as a proper canteen, annual leave and job security, creating an atmosphere of fear and insecurity. Prior to illegal closure of factory in 2013, there were about 1,050 regular workers, 400 staff members and 1,600 contract workers employed in petitioner factory. After revival of the factory, petitioner management provided employment only to about 397 regular workers, 360 staff members and approximately 840 plus 650 contract workers, and that even thereafter around 100 workers are still awaiting reinstatement. It is further stated, on the one hand, petitioner management has not permitted several regular workers to resume their regular duties, and on the other, it is raising objections alleging that trade unions do not have 100 members or 10% of the total existing workforce, that unions are defunct, and that annual returns were not submitted, which conduct is stated to be unfair and unjustified.

6.3. It is contended that though production resumed about seven years ago, elections for recognition of trade unions have not been conducted since then. Absence of a recognized

union has left workmen without any legitimate forum to present grievances or negotiate with the management. It is asserted that informal worker committees formed by employees have failed to secure constructive recognition from the management and that workers continue to function under fear and insecurity due to lack of union protection. It is also stated, failure of the management to provide basic amenities such as a minimum comfortable canteen and the denial of previously enjoyed annual leave have aggravated the distress of the workers. Despite a memorandum submitted by Respondent No. 15 to the Deputy Commissioner of Labour, Adilabad, highlighting these grievances, no tangible response or intervention has occurred for a period of about three months. It is contended that conducting secret ballot elections is essential to facilitate collective bargaining and to prevent industrial unrest and the delay in conducting elections violates Article 43 of the Constitution of India, which mandates living wages and decent conditions of work for labour.

6.4. It is contended that union elections promote stable labour relations and in fact aid implementation of the resolution plan rather than hindering it. It is asserted that the Insolvency and Bankruptcy Code, 2016 prioritizes revival through operational continuity and that labour laws operate

concurrently with insolvency proceedings without any conflict. The letter dated 22.10.2025 issued by the labour authorities merely schedules a preliminary meeting and constitutes a procedural step well within their jurisdiction.

7. Heard Smt. Vedula Chitalekha, learned counsel for petitioner, learned Government Pleader for Labour on behalf of Respondents 1 to 4, Sri B. Jithender, learned counsel for Respondent No.5, Sri M. Shankar, learned counsel for Respondent No.7, Sri Abid Hussain, learned counsel for Respondent No.15, Sri Pochaiah Dorishetti, learned counsel for Respondents 8, 14 and 17.

8. The principal issue that falls for consideration is whether the action of the respondent labour authorities in proceeding to conduct a secret ballot election to determine the majority representative trade union under the Code of Discipline is arbitrary, illegal, without jurisdiction or otherwise vitiated so as to warrant interference by this Court in exercise of its extraordinary jurisdiction under Article 226 of the Constitution of India..

9. At the outset, it is not in dispute that multiple trade unions are registered in relation to petitioner establishment and that a representation was submitted by one such registered trade union seeking recognition through a

secret ballot election. It is also not in dispute that the Deputy Commissioner of Labour, Adilabad, was duly appointed as the Returning Officer/Verification Officer by the competent authority, namely the Commissioner of Labour, and that the impugned communication dated 22.10.2025 merely schedules a meeting on 28.10.2025 as a preliminary step in the verification process contemplated under the Code of Discipline.

10. The fulcrum of petitioner's challenge rests on the assertion that respondent trade unions have failed to file annual returns for several years and that such non-filing has resulted in automatic cancellation of registration or de-recognition, thereby disabling the labour authorities from proceeding with the election process. This Court is unable to accept the said contention. A plain and conjoint reading of the provisions of the Trade Unions Act, 1926, particularly Sections 8, 10 and 28, does not support the theory of automatic cancellation or de-recognition on account of non-filing of annual returns. Section 28 mandates the filing of annual returns by registered trade unions; however, the Act does not prescribe automatic cessation of registration as a consequence of default. Section 10 of the Act specifically governs withdrawal or cancellation of registration and clearly stipulates the grounds on which such cancellation may be effected, the authority competent to do so, and the

requirement of prior notice and adherence to the principles of natural justice.

11. Admittedly, no order has been passed by the Registrar of Trade Unions cancelling or withdrawing registration of any of the respondent trade unions. It is also not the case of petitioner that any application seeking cancellation of registration was filed before the Registrar of Trade Unions and adjudicated upon. In the absence of any such determination by the competent statutory authority, this Court cannot presume that respondent trade unions stand disqualified or have ceased to exist in the eye of law. The submission of petitioner that labour authorities were bound to first determine the alleged disqualification of the trade unions before initiating the election process cannot be accepted. Unless and until registration of a trade union is cancelled in accordance with Section 10 of the Trade Unions Act, 1926, the union continues to exist as a registered trade union and is entitled to participate in the statutory process of verification and recognition under the Code of Discipline.

12. Existence of a settlement dated 03.01.2023 entered into under Section 12(3) of the Industrial Disputes Act, 1947, though having statutory force for the period of its operation, does not operate as a bar on the conduct of a secret ballot

election for the purpose of determining the majority representative union. The settlement governs the matters agreed upon therein, but it does not extinguish or override the statutory mechanism for recognition of trade unions, particularly when the settlement itself does not contain any clause prohibiting or deferring such elections.

13. The apprehension expressed by petitioner that conduct of elections would disturb industrial peace, adversely affect day-to-day operations, impede implementation of the resolution plan approved by the National Company Law Tribunal, or jeopardize the revival of the unit is speculative and unsupported by any tangible material. On the contrary, the very object of the Code of Discipline and the process of secret ballot election is to promote orderly industrial relations, provide a legitimate and democratic representative mechanism for workmen, and ensure industrial harmony.

14. The allegations of extraneous influence or *mala fides* on the part of the labour authorities are bald and unsupported by any cogent material. The record indicates that the authorities have acted within the bounds of their statutory duties and in accordance with the procedure contemplated under the Trade Unions Act, 1926, the Industrial Disputes Act, 1947 and the Code of Discipline. This Court also finds that the

issues raised by petitioner, particularly relating to compliance by trade unions with statutory requirements, filing of annual returns and their continued existence, involve disputed questions of fact. Such issues are required to be examined and adjudicated by the competent statutory authorities under the Trade Unions Act, 1926 and are not amenable to determination in proceedings under Article 226 of the Constitution of India.

15. Petitioner has an efficacious statutory remedy available in law to approach the Registrar of Trade Unions, if so advised, for appropriate relief in accordance with the provisions of the Trade Unions Act, 1926. Without availing or exhausting such remedy, they petitioner cannot seek to invoke the writ jurisdiction of this Court to stall a statutory process undertaken by the labour authorities. In the totality of the circumstances, this Court is of the considered view that action of the respondent labour authorities in proceeding to conduct a secret ballot election to determine the majority representative union under the Code of Discipline does not suffer from arbitrariness, illegality or lack of jurisdiction. Consequently, no case is made out for interference by this Court under Article 226 of the Constitution.

16. For the aforesaid reasons, this Court holds that Writ Petition is devoid of merit. The action of the respondent

labour authorities in proceeding with the process of conducting a secret ballot election to determine the majority representative trade union under the Code of Discipline cannot be said to be arbitrary, unreasonable, illegal or without jurisdiction.

17. Accordingly, the Writ Petition is dismissed. It is made clear that this Court has not expressed any opinion on the merits of the rival claims, allegations or defences available to the parties before the competent statutory authorities. All such claims, allegations and defences shall be considered independently by the competent authorities strictly in accordance with law, without being influenced by any observations made in this order. No costs.

18. Consequently, the miscellaneous Applications, if any shall stand closed.

//TRUE COPY//

To,

1. One CC to SMT VEDULA CHITRALEKHA, Advocate [OPUC]
2. One CC to SRI B.JITHENDER, Advocate [OPUC]
3. One CC to SRI M.SHANKAR, Advocate [OPUC]
4. One CC to SRI ABID HUSSAIN, Advocate [OPUC]
5. One CC to SRI POCHIAIAH DORISHETTI, Advocate [OPUC]
6. Two CCs to GP FOR LABOUR, High Court for the State of Telangana at Hyderabad [OUT]
7. Two CD Copies

BSR

HIGH COURT

DATED:09/01/2026

ORDER

WP.No.32597 of 2025

**DISMISSING THE WRIT PETITION,
WITHOUT COSTS**