

## **Circular No – 0102/2025**

Date: 15.12.2025

To  
All Members of The Association

### **Findings on fairness of domestic enquiry operates as res judicata**

1. The Karnataka High Court, in the case of ***Fouress Engineering Karmikara Sangha Vs. Management Fouress Engineering (India) Pvt Ltd*** (W.P.No.31178 of 2019 (L-RES), decided on 08.07.2025), has held that an adjudicatory finding by the Labour Court under Section 33(2)(b) of the Industrial Disputes (ID) Act about the fairness of a domestic enquiry operates as *res judicata* in subsequent proceedings challenging the penalty of dismissal.
2. **Brief Facts of the Case**
  - Three employees were dismissed. The management sought approval for dismissal under Section 33(2)(b) of the ID Act.
  - In the approval proceedings, evidence was presented by both sides regarding the fairness of the domestic enquiry. The court found the enquiry fair and proper and granted approval for dismissal.
  - The union subsequently raised an industrial dispute challenging the dismissal penalty, again contesting the fairness of the domestic enquiry.
  - The Labour Court declined to revisit the issue, ruling that *res judicata* applied. The union's writ petition challenging this decision



was dismissed by the High Court in the above referred Judgment rendered by Justice Shri. Anant Ramanath Hegde on 8.7.2025.

### **3. The conclusions of the Hon'ble High Court.**

- The enquiry into whether a domestic enquiry was fair and proper under Section 33(2)(b) is an adjudicatory process.
  - The findings rendered on the fairness of the enquiry after recording evidence are binding on the parties and cannot be re-agitated in a subsequent industrial dispute challenging the penalty, as it operates *as res judicata*.
  - The authority under Section 33(2)(b) cannot adjudicate on the *merits* of the findings from the domestic enquiry or the appropriateness of the penalty; those questions must be decided in a subsequent industrial dispute, if raised about the penalty imposed.
4. The judgment clarifies that while the *merits* of the punishment are to be decided in an industrial dispute if raised, the findings on the *procedural fairness* of the domestic enquiry itself is a settled matter once adjudicated under Section 33(2)(b) is decided.

**For KARNATAKA EMPLOYERS' ASSOCIATION**

**Sd/  
[B C Prabhakar]  
President**