M/S. HARI FERTILIZERS ETC. A

v.

STATE OF U.P. AND ORS.

JULY 28, 2000

[S. RAJENDRA BABU AND SHIVARAJ V. PATIL, JJ.] B

Labour Laws :

U.P. Industrial Disputes Act, 1947—Termination of workmen long before closure—Subsequent termination of other workmen on closure of factory— Settlement arrived at by Company with Trade Union for disputes relating to later termination—Held, on facts, clauses of the settlement referred to cases at the time of settlement and not cases which were far beyond the date of settlement—Industrial Disputes Act, 1947. C

Respondent-workmen were terminated from service by the Appellant-Company in 1985. Disputes were pending before Labour Court. In 1988-89, there was closure of factory of the Company. Seven workmen were terminated during this period as a result of closure. Disputes relating to these workmen also came to the Labour Court. A settlement was arrived at in the course of conciliation proceedings under the U.P. Industrial Disputes Act, 1947 by the Company with Trade Union in the presence of Additional Labour Commissioner (Conciliation) on 19.10.1989 in respect of dispute relating to the seven workmen. The Company filed an application before the Industrial Tribunal claiming that award should be passed on the basis of the aforesaid settlement. The Labour Court rejected the application. The Company filed a Writ Petition before the High Court, which was dismissed. The High Court held that since the services of Respondent-workmen were terminated long before the closure, the Trade Unions have no right to settle the disputes on behalf of the Respondent-workmen without their consent. Hence the appeals by the Company. D E F G

Dismissing the appeals, the Court

HELD : The various clauses of the settlement entered into by the Trade Union with the Company indicate that it was entered into in the wake of the closure of the factory in the year 1988-89. The clauses of the H

A **settlement agreement make it clear that they would only cover those cases which were proximate to the time of settlement and not all those which were far beyond the date of settlement. Therefore, the High Court and the Labour Court were justified in their views - of course for different reasons. The Labour Court could now dispose of the matters in accordance with**
B **law. [13-G-H, 14-A]**

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 5312 of 1992.

From the Judgment and Order dated 25.3.92 of the Allahabad High Court in C.M.W.P. No. 747 of 1992.

C WITH

Civil Appeal Nos. 5313/92, 5314/92 and 5315/92.

G.B. Pai, Bharat Sangal, Anand Pandey, Ms. Asha Pathak, Ms. Abha R. Sharma, K. Misra, R.B. Misra, Sheela Goel, Annam D.N. Rao, Manoj Goel and
D A.K. Goel for the appearing parties.

The Judgment of the Court was delivered by

RAJENDRA BABU, J. There are four appeals filed before us, which arise out of the common order made by the High Court. The third respondent
E in each of these cases has been a workman on the establishment of the appellant. An agreement was entered into by the appellant and the trade unions in the presence of the Additional Labour Commissioner (Conciliation) on 19.10.89 settling counter disputes.

F The scheme of the settlement of disputes under the U.P. Industrial Disputes Act, 1947 and the Industrial Disputes Act, 1947 [hereinafter referred to as 'the Act'] is identical except that under Section 6-B of the U.P. Act there is no provision corresponding to the Act. The High Court has, therefore, given a finding that this aforesaid provision is applicable in the State of U.P. This view of the High Court appears to be correct. It would only mean that settle-
G ment in the course of conciliation reached with the union or the unions representing the much larger interest of the workmen would ordinarily be binding on majority of the unions. Undoubtedly, even a dispute not espoused by a union, but deemed to be a dispute under Section 2-A of the Act, a union can enter into settlement, in the larger interests of the workmen and the
H Industry.

In the present case it could be seen that each of the workman had been terminated from service long before the question of closure arose. In fact, the agreement specifically refers to services of seven workmen whose services had been terminated in the year 1988-89 and not with regard to others.

There are three crucial clauses in the agreement arising from interpretation - Clause (7), Clause (10) and Clause (14). Clause (7) is to the effect that services of the seven workmen terminated in the year 1988-89 and whose disputes are pending before the Industrial Tribunal (1) Allahabad, certain terms for settlement were made. If the closure compensation is more than Rs. 15,000 then that amount shall be payable and if such compensation is less than the said amount of Rs. 15,000 then lesser amount shall be payable. Clause (10) provides that all such disputes/suits, which are pending before the High Court or Tribunal/Labour Court, whether collective or individual, would be deemed to have been finally decided on the basis of this agreement and all such cases would be withdrawn from the Court. Clause (14) reads that on the basis of this agreement in connection with all the disputes and payments arising out of the closer, all the existing disputes would be deemed to have been finally decided. However, respondents in each of these cases disputed applicability of the aforesaid settlement to their case. Before the Tribunal an application was filed for the appellants claiming that the reference should be decided in terms of the settlement dated 19.10.1989. That application has been rejected and the writ petition was filed before the High Court by the appellants. The High Court took the view that in the present case the services of each of the respondents were terminated in year 1985 and unless his consent is taken, the union has no right to settle the disputes relating to his termination of service and in the absence of any mention of this dispute in the settlement, it is of no consequence and therefore on that basis held that the view taken by the Labour Court is correct and calls for no interference and rejected the writ petition filed by the appellants. Hence this appeal.

Reading of Clause (7) Clause (10) and Clause (14) of the settlement would indicate that it was entered in the wake of the closure of the factory in the year 1988-89. The claim of the respondent workmen is that their services had been terminated long before that is in the year 1985. Therefore, their cases were not within the purview of the settlement at all. A careful reading of clauses (7), (10) and (14) would make it clear that they would only cover those cases which were proximate to the time of settlement and not all those which were

A far beyond the date of settlement. Therefore, we are of the view that the High Court and the Labour Court were justified in their views, of course, for different reasons. The Labour Court can now dispose of these matters in accordance with law.

These appeals, therefore, stand dismissed, however, with no order as to
B costs.

B.S. Appeals dismissed.