
(2009) 07 P&H CK 0005
In the Punjab And Haryana At Chandigarh
Case No : C.W.P. No. 13274 of 1997

Shri Chandrika Yadav

APPELLANT

Vs

M/s Aman Scales (P) Ltd. Faridabad and Another

RESPONDENT

Date of Decision : 03-07-2009

Acts Referred:

Industrial Disputes Act, 1947 — Section 10, 10(1), 12(4), 12(5), 2

Citation : (2011) 1 ILR (P&H) 242

Hon'ble Judges : Augustine George Masih, J

Bench : Single Bench

Judgement

Augustine George Masih, J.—By this order, I propose to decide C.W.P. No. 13274 of 1997 Chandrika Yadav versus M/s Aman Scales (P) Limited and C.W.P. No. 13667 of 1997 Heera Lal Yadav versus M/s Aman Scales (P) Limited.

2. The petitioners-workmen have challenged the awards, dated 22nd January, 1996, passed by the Industrial Tribunal-cum-Labour Court, Faridabad-I, wherein the references have been answered against the petitioners-workmen on the ground that the reference by the Government u/s 10(1) read with Section 12(5) of the Industrial Disputes Act (hereinafter referred to as "the Act"), is improper and without jurisdiction. This was so held on the ground that no industrial dispute can be said to arise and exist between the parties in the absence of proper demand notices served upon the Management prior to the conciliation proceedings and rejection of the same by the Management. In view of this, as common questions of law and facts are involved and counsel for the parties have agreed that the writ petitions can be disposed of by one order, they are being taken up together for adjudication and disposal.

3. The facts in brief are that both these petitioners-workmen were appointed by the Management in the year, 1984. The Management closed its factory on 19th July, 1988 after issuance of notices of closure on the workers. On the closure of the factory, services of all the workers including that of the petitioners were terminated. Except these two petitioners-workmen, all other workmen received

their dues and had settled their official accounts. These petitioners-workmen were also offered their dues but they did not accept the same. Thereafter, the factory started functioning from 25th March, 1989 by recruiting new workers and when these petitioners-workmen approached the Management for work, they were refused to be employed. The stand of the Management, while admitting reopening of the factory is that they have stopped the manufacturing work and have started trading in the scales manufactured, assembled by others. The stand of the petitioners-workmen is that the demand notices, seeking their reinstatement with full back wages, were served upon the Management. Conciliation proceedings were held by the Labour-cum-Conciliation Officer, Faridabad, where the Management appeared and joined conciliation proceedings. No objection was taken by the Management before the Labour-cum-Conciliation Officer that they have not received any demand notices from the petitioners-workmen. No settlement could be arrived at between the parties and failure report u/s 12(4) of the Act was accordingly forwarded by the Labour-cum-Conciliation Officer to the Government. On this, the appropriate Government directed that conciliation proceedings be held by the Deputy Labour Commissioner, Faridabad, on 5th October, 1989. Here again the petitioners-workmen and the Management participated in the conciliation proceedings and there again the Management did not take any objection with regard to non-serving of demand notices upon the Management. These conciliation proceedings also did not succeed and thereafter reference was made by the appropriate Government to the Industrial Tribunal-cum-Labour Court for adjudication of the dispute.

4. The demand notices of the petitioners-workmen were treated as claim statements. In response thereto, the Management filed its written statement on 21st September, 1990. In this written statement also, no objection with regard to non-service of demand notices upon the Management before the conciliation proceedings was taken by the Management. During the adjudication of the industrial dispute referred to the Labour Court, the Management filed an application for amendment of the written statement on 8th March, 1995, praying therein to incorporate preliminary objection that "No industrial dispute can be said to arise and exists between the parties as no demand was raised by the workmen upon the Management first and rejected by it". The said application was contested by the petitioners-workmen. The Industrial Tribunal-cum-Labour Court, on consideration of the submissions made by the parties, allowed the amendment sought by the Management,--vide its order, dated 16th March, 1995. On the basis of pleadings of the parties, the Industrial Tribunal-cum-Labour Court framed three issues, which read as follows :-

1. Whether the termination of service of Shri Chandrika Yadav is justified and in order. If not, to what relief is he entitled.
2. Whether there does not exist industrial dispute as no demand notice was raised by workman which Management might have rejected.

3. Relief

5. Issue No. 2 was argued before the Industrial Tribunal-cum-Labour Court by the parties and accordingly, the Industrial Tribunal-cum-Labour Court proceeded to decide the said issue first. For deciding this issue, the Labour Court split it into two parts, first was with regard to the effect i.e. whether the workmen had served notices upon the Management prior to the conciliation proceedings; and the second part was pure legal issue i.e. if it is found that no notices of demand have been served upon the Management prior to the conciliation proceedings, what is the effect thereof.

6. On the first part with regard to the factum of service of notices of demand upon the Management prior to conciliation proceedings, the Court on the basis of pleadings and evidence led by the parties, came to the conclusion that no demand notices were served upon the Management prior to the conciliation proceedings. It thereafter proceeded to decide the second part of the issue with regard to effect of non-service of notices prior to conciliation proceedings on the references. It being a pure legal issue, the Court on the basis of judgments relied upon by counsel for the parties, proceeded to analyze the same and came to the conclusion that the said question stood covered by the proposition of law as laid down by Hon"ble the Supreme Court in the case of Sindhu Resettlement Corporation versus Industrial Tribunal, Gujarat 1988 Labour Industrial Cases 526 and on that basis held that in the absence of proper demand notices served upon the Management prior to the conciliation proceedings and rejection thereof by the Management, no industrial dispute can be said to arise and exist between the parties. The references by the Government u/s 10(1) read with Section 12(5) of the Act were held to be improper and without jurisdiction and, thus, the references were answered accordingly. The Industrial Tribunal-cum-Labour Court-I, Faridabad, held that in view of the finding on this issue, other issues do not require any further adjudication in the matter. The Industrial Tribunal-cum-Labour Court, therefore, has only proceeded to decide issue No. 2 only and on the basis of finding on issue No. 2, has answered the references against the petitioners-workmen. It is these awards, dated 22nd January, 1996, passed by the Industrial Tribunal-cum-Labour Court-I, Faridabad, which are under challenge in the present writ petitions.

7. Counsel for the petitioners has attacked the order, dated 16th March, 1995 (Annexure P-7 and Annexure P-6 respectively), passed by the Industrial Tribunal-cum-Labour Court-I, Faridabad vide which the Industrial Tribunal-cum-Labour Court, Faridabad, had allowed the application for amendment of the written statement after a delay of more than four years from the date of filing of the written statement by the Management. She has primarily made submissions challenging the findings of the Industrial Tribunal-cum-Labour Court on issue No. 2, wherein the Industrial Tribunal-cum-Labour Court has held that the petitioners-workmen have not served the demand notices upon the Management prior to the conciliation proceedings. She has also vehemently argued on the legal issue with

regard to the fact of non-service of notices upon the Management prior to the conciliation proceedings, even if finding with regard to petitioners-workmen having not served demand notices upon the Management, is upheld. She has relied upon the judgment of Hon''ble the Supreme Court in the case of Shambhu Nath Goyal versus Bank of Baroda 1978 Labour Industrial Cases 961 and a Division Bench judgment of this Court in the case of M/s Atul Glass Industries Limited versus State of Haryana and Others 2006 (1) S.C.T.33. According to counsel for the petitioners, the Courts have held that the power conferred u/s 10(1) of the Act on the Government to refer a dispute, is an administrative decision, which the Government takes, while coming to the conclusion that there exists an industrial dispute or an industrial dispute is apprehended. Where there is an industrial dispute or difference between the parties, the appropriate Government is justified in making a reference u/s 10 of the Act. The Act does not contemplate or require a demand notice to be in writing and there is no pre-condition that a demand in writing was to be made by the workman to the Management before approaching the Conciliation Officer. The question as to whether there was a dispute in existence or there is an apprehend of the same on the date when the reference was made, is for the appropriate Government to consider and take a decision thereon. Once a decision has been reached, the Government is competent to make a reference.

8. On the other hand, counsel for the respondent-management has relied upon the judgment of Hon''ble the Supreme Court in the case of The Sindhu Resettlement Corporation Ltd. Vs. The Industrial Tribunal of Gujarat and Others, , to submit that Hon''ble the Supreme Court has categorically held therein that if no dispute at all is raised by the employees with the Management, any request sent by them to the Government, would only be a demand by them and not an industrial dispute between them and their employer. He further places reliance on the judgment of the Delhi High Court in the case of Fedders Lloyd Corporation (Pvt.) Limited versus Lt. Governor, Delhi and Others 1970 Labour Industrial Cases 421, wherein a Division Bench of the Delhi High Court while following the judgment of Hon''ble the Supreme Court in the case of Sindhu Resettlement Corporation Limited (supra), has held that for reference u/s 10 of the Act to be as valid, demand must be raised by the workman first and rejected by the Management before industrial dispute can be said to arise and exists. Without following this procedure making of such a demand to the Conciliation officer and its communication by him to the Management and the Management then rejecting the same, is not sufficient to constitute an industrial dispute. He has also placed reliance on a Single Bench judgment of the Delhi High Court in the case of New Delhi Tailoring Mazdoor Union versus S. C. Sharma Company (Pvt.) Limited etc. 1979(39) F.L.R. 195 which again following the judgment of Hon''ble the Supreme Court in the case of Sindhu Resettlement Corporation Limited (supra), has held that in the absence of demand notice having been served upon the Management before conciliation proceedings would vitiate the order of reference. Submissions have been made by counsel for the respondent-

Management in support of the order, dated 16th March, 1995, allowing amendment to the written statement filed by the respondent-Management. He on this basis supports the awards passed by the Industrial Tribunal-cum-Labour Court, which are impugned in the present writ petitions.

9. He has further placed reliance upon the judgment of Hon'ble the Supreme Court in the case of District Red Cross Society versus Babita Arora and Others 2007 (7) S.C.C. 366, to contend that on the closure of a unit or part of an establishment of the employer, having no functional integrity with the latter unit, results automatic termination of the workmen employed in the Unit. So closed unit would only entitle them to relief of compensation. The automatic termination in such a case does not amount to retrenchment, requiring compliance of Section 25-F of the Act. Relief of reinstatement, as has been claimed in the present case by the workmen, cannot be granted.

10. I have heard counsel for the parties and with their able assistance have gone through the records of the case as well as the impugned awards.

11. After giving my thoughtful consideration to the submissions made by counsel for the parties and on perusal of the records, I am of the considered view that the writ petitions deserve to be allowed and the impugned awards, dated 22nd January, 1996, passed by the Industrial Tribunal-cum-Labour Court-I, Faridabad, deserve to be set aside on the ground that the demand notices to be served upon the Management prior to the conciliation proceedings and rejection thereof by the Management, is not a sine-qua-non for coming into existence of an industrial dispute nor is it mandated under the Industrial Disputes Act. Industrial Dispute has been defined in Section 2(k) of the Act, which reads as follow :-

2(k) "industrial disputes" means any dispute or difference between the employers and employers or between employers and workmen or between workmen and workmen would be an industrial dispute, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any persons.

12. A perusal of the above makes it clear that any dispute or difference between the employer and employer and between the employer and workmen or between workmen and workmen would be an industrial dispute, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour of any persons. The only exception for a prior written demand is where the dispute relates to public utility service and a notice u/s 22 of the Act is mandated to be given. The reference has, thus, to be made by the appropriate Government u/s 10 of the Act to refer the dispute, where an Industrial dispute exists or where there is some apprehend. It is for the appropriate Government to come to the conclusion on the basis of the material placed before it to reach to an administrative decision whether there exists an industrial dispute or an industrial dispute is apprehended. Where such a decision is taken by the appropriate Government, leading to a reference being made u/s

10 of the Act, it will not be competent for the Court to hold the reference bad and quashed the proceedings for want of jurisdiction. The Act does not contemplate or mandate the requirement of a demand being raised to the Management and the rejection of the same for coming into existence of an industrial dispute. The competent authority, therefore, to come to the conclusion with regard to existence of an industrial dispute or an apprehension thereof is the appropriate Government, which can form its opinion on the basis of the material before it irrespective of the source from which it has come. The purpose and intent of the Industrial Disputes Act is to remove causes of friction between the employer and workmen in the working of the establishment and to promote measures for security, amity and good relations between them. An endeavour through the Act has been made to promote peace and harmony and to create a conducive atmosphere for industrial growth, which is beneficial to the employer and the workmen. If on the basis of the material available before the appropriate Government, it comes to the conclusion that there exists an industrial dispute and where an endeavour has been made to resolve the dispute through conciliation, which having failed as in the present case, the decision so taken by the appropriate Government cannot be said to be improper and without jurisdiction.

13. As has come, while narrating the facts of the case in the present case, the demand notices were given by the petitioners-workmen, which was taken note off by the Labour-cum-Conciliation Officer, Faridabad, who issued notice to the Management for holding conciliation proceedings. The Management appeared before the Labour-cum-Conciliation Officer and joined the conciliation meetings. No objection was taken by the Management before the Labour-cum-Conciliation Officer that they have not received any demand notices from the petitioners-workmen. On failure report being submitted by the Labour-cum-Conciliation Officer, the Government directed further conciliation proceedings to be held by the Deputy Labour Commissioner, Faridabad, on 5th October, 1989. The notices dated 26th September, 1989, were issued to the parties by the Labour Commissioner, Haryana. The petitioners-workmen and the Management participated in the said proceedings but here again, no objection was taken by the Management with regard to non-service of the demand notices. No result having been achieved through the conciliation proceedings, reference was made by the appropriate Government,--vide reference, dated 6th November, 1989, for adjudication of the dispute by Industrial Tribunal-cum-Labour Court, Faridabad. All this goes to show that the Management was aware of the demand notices, dated 17th June, 1989, wherein the petitioners-workmen had claimed reinstatement in service with full back wages. The said demand having not been acceptable to the Management during the conciliation proceedings, the conciliation proceedings could not succeed and, therefore, after hearing and considering the stand of the parties, the failure reports of the conciliation proceedings were forwarded to the appropriate Government for consideration. On the basis of the said material available on the records where the respective stands of the petitioners-workmen as well as the Management was available with

the appropriate Government, an opinion was formed by the appropriate Government and came to the conclusion that an industrial dispute between the parties existed, which called for adjudication by the Industrial Tribunal-cum-Labour Court, Faridabad.

14. It can by no stretch of imagination be said that the Management was unaware of the demand notices or claim of the workmen, when the reference was made by the appropriate Government for adjudication of the industrial disputes. The Management was made aware of the demands of the petitioners-workmen, who had claimed industrial dispute being in existence and had sought reinstatement in service with full back wages. Here is, thus, a case where the Management being fully aware of the industrial dispute, claimed by the petitioners-workmen, puts forth his stand during the conciliation proceedings initiated under the Act, contests the claim of the petitioners-workmen, a failure report having been submitted by the appropriate Government on consideration of which appropriate Government comes to the conclusion that an industrial dispute exists and makes a reference, which is being sought to be frustrated by the Management by taking a plea that the demand notices were not served upon the Management prior to initiation of the conciliation proceedings, which is not the requirement of law. The Act is a beneficial legislation, which balances rights, responsibilities and duties between the workmen and the Management. What is being pressed into service by the Management by stating that service of demand notices on the Management prior to initiation of conciliation proceedings, would amount to importing a requirement, which is neither mandated nor envisaged under the Act. To accept this submission of the Management, would amount to re-writing of provision in the Act, which is not there nor is it permissible in law. That being so, the contention of the Management that proper demand notices need to be served upon the Management and further rejection of the demand notices by the Management, prior to initiation of the conciliation proceedings, would only result in an industrial dispute or can be said to give rise or existence of an industrial dispute between the parties, cannot be accepted. The Management having been made aware of the demand of the petitioners-workmen and the Management having rejected the said demand during the conciliation proceedings and rather contesting the same, gives ample material to the appropriate Government to come to the conclusion as to whether there exists an industrial dispute or not; wherever such a conclusion is reached that there indeed exists an industrial dispute and the appropriate Government is of the opinion that the same requires adjudication, the Government would be justified in making a reference to the Industrial Tribunal-cum-Labour Court for adjudication of such dispute.

15. Hon"ble the Supreme Court in the case of Shambhu Nath Goyal (supra), in paras 3, 4, 5, 6 and 8 has held as follows :-

3. The Union filed statement of claim. The Bank of Baroda in its written statement raised a preliminary objection that as no demand in respect of Shri

S.N. Goyal was made upon the management, there was no industrial dispute in existence and therefore the reference made by the Government under S. 10 of the Industrial Disputes Act was incompetent. There was another preliminary objection with which we are not concerned in this appeal. The first preliminary objection found favour with the Industrial Tribunal which upheld the contention that as no demand either oral or in writing was made by the concerned workman before approaching the Conciliation Officer, there was no dispute in existence on the date of the reference and therefore the reference made by the Government was incompetent.

4. Section 2(k) defines Industrial Dispute as under :-

industrial disputes" means any dispute or difference between employers and employers or between employers and workmen or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any persons.

5. A bare perusal of the definition would show that where there is a dispute or difference between the parties contemplated by the definition and the dispute or difference is connected with the employment or non-employment or the terms of employment or with the conditions of labour of any person there comes into existence an industrial dispute. The Act nowhere contemplates that the dispute would come into existence in any particular, specific or prescribed manner. For coming into existence of an industrial dispute a written demand is not a sine qua non, unless of course in the case of public utility service because S. 22 forbids going on strike without giving a strike notice-. The key words in the definition of industrial dispute are "dispute" or "difference". What is the connotation of these two words. In *Beetham v. Trinidad Cement Ltd.* (1960) 1 All ER 274 at p. 279, Lord Denning while examining the definition of expression "trade dispute" in Section 2(1) of Trade Disputes (Arbitration and Inquiry) Ordinance of Trinidad observed:-

by definition of "trade dispute" exists whenever a "difference" exists and a difference can exist long before the parties become locked in a combat. It is not necessary that they should have come to blows. It is sufficient that they should be sparring for an opening.

6. Thus the term industrial dispute, comotes a real and substantial difference having some element of persistency and continuity till resolved and likely if not adjusted to endanger the industrial peace of the undertaking or the community. When parties are at variance and the dispute or difference is connected with the employment, or non-employment or the terms of employment or with the conditions of labour there comes into existence an industrial dispute. To read into definition the requirement of written demand for bringing into existence an industrial dispute would tantamount to re- writing of the section.

7. XXXXXXXXXXXXXXXX

8. In this case the Tribunal completely misdirected itself when it observed that no demand was made by the workman claiming reinstatement after dismissal. When the inquiry was held, it is an admitted position, that the workman appeared and claimed reinstatement. After his dismissal he preferred an appeal to the Appellate forum and contended that the order of dismissal was wrong, unsupported by evidence and in any event he should be reinstated in service. If that was not a demand for reinstatement addressed to employer what else would it convey. That appeal itself is a representation questioning the decision of the Management dismissing the workman from service and praying for reinstatement. There is further a fact that when the Union approached the Conciliation Officer the Management appeared and contested the claim for reinstatement. There is thus unimpeachable evidence that the concerned workman persistently demanded reinstatement. If in this background the Government came to the conclusion that there exists a dispute concerning workman S.N. Goyal and it was an industrial dispute because there was demand for reinstatement and reference was made, such reference could hardly be rejected on the ground that there was no demand and the industrial dispute did not come into existence. Therefore, the Tribunal was in error in rejecting the reference on the ground that the reference was incompetent. Accordingly this appeal is allowed and the Award of the Tribunal is set aside and the matter is remitted to tribunal for disposal according to law. The respondent shall pay costs of the appellant in this Court. As the reference is very old the Tribunal should dispose it of as expeditiously as possible.

16. Following this judgment, a Division Bench of this Court in M/s Atul Glass Limited (supra), has come to the same conclusion as this Court has in the present case.

17. The contention of counsel for the respondent relying on the judgment of Hon"ble the Supreme Court in the case of Sindhu Resettlement Corporation Limited (supra), which is of larger Bench, is of no help to the Management in the present case on the facts as has been brought above. In any case, Sindhu Resettlement Corporation Limited (supra), was a case, which was decided by Hon"ble the Supreme Court on the facts and circumstances of that case. Hon"ble the Supreme Court has culled out only three points, which were urged on behalf of appellant to challenge the order of Industrial tribunal-cum-Labour Court and the High Court, which reads as under :-

1. That respondent No. 3 having been given permanent appointment in Sindhu Hotchief and having obtained retrenchment compensation from that Company, could not claim that he was still holding a post in the appellant-Corporation and could not therefore claim reinstatement.

2. That the dispute that was raised by respondent No. 3 as well as respondent No. 2 with the Management of the appellant was confined to compensation for retrenchment and did not relate to the validity of the retrenchment or reinstatement, so that the Government of Gujarat had no jurisdiction to refer the

dispute to the Industrial Tribunal which it did.

3. That, in any case, since the validity of the retrenchment of respondent No. 3 by the appellant was not challenged, the Tribunal committed a manifest error in directing reinstatement instead of awarding retrenchment compensation.

After hearing Learned Counsel for the parties, we have come to the conclusion that the first two grounds urged on behalf of the appellant, must be accepted, while the third does not arise.

18. On the first point, Hon''ble the Supreme Court came to the conclusion that the workman joined service of Sindhu Headchief willingly and with his consent and it was not a case from where he was transferred from Sindhu Headchief by the appellant-Corporation without his consent. On the second point, which is relevant in the present case, it requires to be taken note here that this case was not one where the workman had not made any demand to the Management before going for conciliation proceedings. It was urged on behalf of the appellant that no dispute relating to reinstatement was actually raised either by the Union or the workman before the reference was made to the Industrial Tribunal-cum-Labour Court by the Government of Gujarat, and, therefore, the reference on the question of reinstatement itself was without jurisdiction. This position is clear from para-4 of the said judgment. A reading of this paragraph clearly makes out that the dispute, which the State Government could have referred to the competent authority, was the dispute relating to retrenchment compensation to the workman by the appellant, which had been refused by the appellant. What, therefore, was being adjudicated upon by Hon''ble the Supreme Court was the question as to whether the claim, which has not been made by the workman before the Management in his demand notice, could be made a question of reference by the appropriate Government. The demand notice, which was made by the workman to the Management was for grant of retrenchment dues, which was refused by the appellant-Company. In those facts and circumstances of the case, Hon''ble the Supreme Court had observed that if no dispute was raised by the workman in his demand notice with the Management, any request sent by him to the Government would only be a demand by him and not an industrial dispute between the employer and the workman.

19. The present case is totally different as here all through the demand of the petitioners-workmen have been that they claimed reinstatement in service with full back wages on re-opening of the factory with effect from 25th March, 1989 after its closure on 17th September, 1988. The judgments of Delhi High Court in the cases of Fedders Lloyd Corporation (Pvt.) Limited (supra), and New Delhi Tailoring Mazdoor Union (supra), are, therefore, relying on the judgment of Hon''ble the Supreme Court in the case of Sindhu Resettlement Corporation (supra), is misplaced and, therefore, cannot be said to lay down the correct law.

20. In view of the above, the impugned awards, dated 22nd January, 1996, passed by the Industrial Tribunal-cum-Labour Court-I, Faridabad, impugned in

the present writ petitions, cannot be sustained. Accordingly, both the writ petitions are allowed. The impugned awards, dated 22nd January, 1996, passed by the Industrial Tribunal-cum-Labour Court-I, Faridabad, are hereby quashed. The judgment referred to by counsel for the respondent-management in the case of District Red Cross Society (*supra*), is the one, which may come into play, when the matter is adjudicated upon by the Industrial Tribunal-cum-Labour Court on merits and, therefore, is of no consequence as far as the decision, which is in issue presently.

21. The case is remanded back to the Industrial Tribunal-cum-Labour Court-I, Faridabad, for adjudication of the reference on merits.

22. The parties are directed to appear before the Industrial Tribunal-cum-Labour Court-I, Faridabad, on 30th July, 2009.

23. Since the reference is of the year, 1989, and almost 20 years have since passed, it would be appreciated, if an earnest endeavour is made by the Industrial Tribunal-cum-Labour Court-I, Faridabad, to decide the reference at the earliest.