

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO.11681 OF 2014**

Tata Yazaki Employees Union **...Petitioner**
(Now Yazaki India Employees Union)

V/s.

Tata Yazaki Auto Comp. Ltd **...Respondent**
(Now Yazaki India Ltd)

Mr. Rahul Nerlekar for the Petitioner.

Mr. Varun Joshi with Mr. Chetan Alai and Mr. Rishabh N. Chaurasia for
the Respondent.

CORAM: SANDEEP V. MARNE, J.

JUDGMENT RESD. ON : 17 JULY 2026

JUDGMENT PRON. ON : 30 JULY 2026

JUDGMENT:

1) By this Petition, the Petitioner-Union has challenged the orders dated 9 October 2013 on Applications at Exhibits-U-20 and U-22 and final judgment and order dated 9 April 2014 passed by the Member, Industrial Court, Pune. The Industrial Court has dismissed complaint of unfair labour practice filed by the Petitioner-Union demanding benefits of the Settlement dated 30 September 2004 to its members, who were

erstwhile trainees and temporary workmen employed in the Respondent-Company.

2) Petitioner is a trade union registered under the Trade Unions Act, 1926. It is also a recognised union under the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 (**MRTU & PULP Act**) in respect of workman employed in the Respondent-factory. Respondent is engaged in the business of manufacture of wire harness for automobile industry in India having its factory at Pune. According to the Petitioner, Respondent had employed about 500 permanent workers and about 3,000 workmen on contract/training basis. In the year 2002, another Union had raised a wage dispute under the Industrial Disputes Act, 1947 which was referred for adjudication and was registered as Reference (IT) No. 24 of 2002. Petitioner entered into a Settlement dated 30 September 2004 with the Respondent in respect of service conditions of workmen employed by the Respondent. Petitioner also espoused the cause of certain trainees / temporary employees. Another Supplementary Agreement dated 9 April 2005 was executed in respect of such trainees / temporary workmen, under which they were granted permanency, but were granted lesser benefits than other permanent workmen performing the same work.

3) In the pending Reference (IT) No. 24 of 2002, the Settlement dated 30 September 2004 was filed and Award was made on 20 September 2006, which was made enforceable w.e.f. 3 January 2007. According to the Petitioner, once award is made in respect of settlement, the same becomes applicable to all workmen of the Respondent-Factory. According

to the Petitioner, even temporary/contract workers became entitled to benefits under the Settlement dated 30 September 2004 upon making of Award. However, since benefits of the Settlement dated 30 September 2004 were not extended to the trainee / temporary workers, the Petitioner-Union filed complaint of unfair labour practice under Item-9 of Schedule-IV of the MRTU & PULP Act before the Industrial Court, Pune, which was registered as Complaint (ULP) No.12 of 2007. Respondent filed written statement opposing the Complaint. The Complaint was allowed by the Industrial Court by judgment and order dated 23 January 2012 which was challenged by the Respondent by filing Writ Petition No. 4937 of 2012. By order dated 10 October 2012, this Court set aside the judgment of the Industrial Court and remanded the Complaint for fresh adjudication by the Industrial Court. Petitioner thereafter led additional evidence and also filed Application at Exh.U-20 for effecting corrections in the depositions already recorded. Another Application at Exh.U-22 was filed by the Petitioner for issuance of witness summons to advocate alleging that he had misled the committee at the instance of the Respondent to enter into Supplementary Settlement. By orders dated 9 October 2013, the Industrial Court rejected the applications at Exh-U-20 and Exh.U-22. Thereafter, the Industrial Court proceeded to dismiss Complaint (ULP) No.12 of 2007 by judgment and order dated 9 April 2014. Petitioner is aggrieved by the orders dated 9 October 2013 and final judgment and order dated 9 April 2013 and has filed the present Petition.

4) By order dated 4 February 2015, the Petition has been admitted but interim relief was refused. The Petition is called out for final hearing.

5) Mr. Nerlekar, the learned counsel appearing for the Petitioner submits that the Industrial Court has grossly erred in dismissing Complaint (ULP) No. 12 of 2007. That the Complaint has been erroneously dismissed on the ground of limitation ignoring the position that the cause of action for filing the Complaint had arisen on 3 January 2007 when the Award had become enforceable. That the Complaint was filed for implementation of the Award to the erstwhile trainee / temporary workers. That the Industrial Court has erroneously ignored the ratio of Full Bench judgment of this Court in **Maharashtra State Road Transport Corporation vs. Premal Khatri Gajbhiye.**¹

6) Mr. Nerlekar further submits that though the Industrial Court framed specific Issue No.4A in respect of entitlement of benefits of Award, the same issue is not answered by the Industrial Court. That failure to decide the said issue by recording cogent reasons renders the impugned order of the Labour Court *ex facie* illegal. He relies on provisions of Section 18(3) of the Industrial Disputes Act, 1947 (**ID Act**) in support of his contention that the Award made under Section 18(3) binds all employees in the establishment on the date of dispute or those who join subsequent to the date of dispute. That since Award under Section 18(3) of the ID Act gives better benefits than the one under Section 18(1), the former would prevail over the latter. That therefore the Award in terms of settlement dated 30 September 2004 applies to all the workman under Section 2(s) of the ID Act irrespective of their nomenclature as temporary / permanent / contract / trainee workers. That it is erroneous

¹ 2003 II CLR 387

to interpret provisions of Section 18(3)(d) of the ID Act by restricting the benefit only to permanent employees on the date of dispute and that the same needs to be applied even to employees who are made permanent during pendency of the dispute. In support of his contention, Mr. Nerlekar relies on following judgments:

- i. **Maharashtra State Road Transport Corporation vs. Premal Khatri Gajbhiye** (supra)
- ii. **Devinder Singh vs. Municipal Council, Sanaur**²
- iii. **Punjab National Bank and ors. vs. Manjeet Singh and Anr.**³
- iv. **National Engineering Industries Ltd. vs. State of Rajasthan and Ors.**⁴
- v. **P. Virudhachalam and Ors. vs. Management of Lotus Mills and Anr.**⁵
- vi. **Barauni Refinery Pragatisheel Shramik Parishad vs. Indian Oil Corporation Limited**⁶ and
- vii. **New India Motors (P) Ltd., New Delhi vs. K.T. Morris**⁷

7) *Per contra*, Mr. Joshi, the learned counsel appearing for the Respondent opposes the Petition submitting that the Industrial Court has rightly dismissed the Complaint filed by the Petitioner-Union. That the Settlement dated 30 September 2004 applied only to permanent workmen, whereas, Supplementary Settlement dated 9 April 2005 was entered into specifically for the purpose of governing the terms and conditions of temporary workers / trainees. That the temporary workers / trainees secured the benefit of permanency under the Supplementary Settlement dated 9 April 2005 and that the same was a package deal for them. Having accepted the package deal, they cannot attempt to wriggle out of unfavourable terms and conditions and seek enforcement of better

2 (2011) 6 SCC 584

3 (2006) 8 SCC 647

4 (2000) 1 SCC 371

5 (1998) 1 SCC 650

6 (1991) 1 SCC 4

7 (1960) 3 SCR 350

terms and conditions of Settlement dated 30 September 2004 which never applied to them. That over and above permanency, the temporary workers / trainees were also granted additional benefits under the Supplementary Settlement. He also relies on subsequent Settlement dated 21 July 2011 under which the Union had decided to give up all the past claims. He prays for dismissal of the Petition.

8) Rival contentions urged on behalf of the parties now fall for my consideration.

9) Complaint (ULP) No. 12 of 2007 was filed by the Petitioner seeking benefits of the Settlement dated 30 September 2004 to its members, whose names were included in Annexure A, B and C to the Compliant and who were essentially the temporary workers or trainees. The Compliant sought following prayers:

- a) it be declared that the Respondent has engaged in the unfair labour practice as alleged and they may be directed to cease the same.
- b) The respondent may be directed to extend all the benefits of the settlement dt-30-9-04 to the employees whose names appear in Annexure-I to settlement dt-9-4-05 and in Annexure – A, B, C to this complaint from the date they are confirmed in service.
- c) The Respondent may be directed to pay overtime to the employees twice the ordinary rate of wages i.e. twice the gross wages from inception and in future.
- d) The Respondent may be directed to pay compensation of Rs. 1,00,000/- to the complainant.
- e) Such other orders as are just may be passed.

10) Thus, the Complaint was filed for seeking benefits of the Settlement dated 30 September 2004 to the workers whose names appear

in the Annexures to Supplementary Settlement dated 9 April 2005. The workers whose names were included in Annexures to the Settlement were apparently temporary workers and trainees. As observed above, Respondent had already entered into separate settlement dated 30 September 2004 with the Petitioner-Union dealing with the terms and conditions of services of permanent workers on the rolls of the Company as on 1 April 2004. Para-1.2.1 of the Settlement dated 30 September 2004 reads thus:

1.2.1 All the terms and conditions of this settlement shall be applicable to and binding on all the permanent workmen who are on the rolls of the Company as on 1.04.2004.

11) The Settlement dated 30 September 2004 came into effect from 1 April 2004 and remained in force upto 31 March 2007. There is no dispute to the position that at the time of execution of the Settlement dated 30 September 2004, the trainees/temporary workers were yet to be made permanent. Therefore, the benefits of the Settlement dated 30 September 2004 were not extended to such temporary workers/trainees.

12) When a separate Supplementary Settlement was executed with the Petitioner-Union on 9 April 2005 to consider the demand of the Union for permanency of trainees and temporary workers, the Respondent-Company decided to confer the benefit of permanency on trainees who had completed the training period successfully and to workmen who had served as temporaries. Thus, persons named in Annexure-I of the Supplementary Settlement were confirmed in service

w.e.f. 1 April 2005. The relevant covenants of the Supplementary Settlement dated 9 April 2005 reads thus:

It is agreed by and between the parties as under: -

- 1) The trainees who have completed their training period successfully and the workmen who have served as temporaries in the Company and whose names have been stipulated in Annexure I to this settlement shall be confirmed in the services of the Company w.e.f 1st April, 2005.
- 2) It is hereby agreed and understood by and between the parties to this settlement that the Trainees and Temporaries due for confirmation from 1st April, 2005 onwards shall be confirmed on the basis of their overall work performance and discipline.
- 3) The workmen confirmed as above shall be placed in new category i.e. category IV, the details of which are as stated in Annexure II to this settlement
- 4) These workmen shall not be entitled to any other monetary benefits as applicable under settlement dated 30/09/04 for the workmen who are working as permanent workmen prior to the date of said settlement.
- 5) This settlement shall be treated as supplementary to the settlement dated 30/09/04 and shall remain in force till the existence of the said settlement, i.e. up to 31st March, 2007.
- 6) All terms and conditions except wages scales & other monetary benefit of the settlement-dated 30/09/04 shall be applicable to the workmen confirmed under this settlement.

13) Thus, the Settlement dated 9 April 2005 was agreed to be treated as supplementary to the settlement dated 30 September 2004. It was further agreed that the workers named in Annexure-I would not be entitled to any monetary benefits applicable under the Settlement dated 30 September 2004. It was further agreed that all terms and conditions except wage scales and other monetary benefits of Settlement dated 30 September 2004 shall be applicable to the named workmen in Annexure-I. In Annexure-II to the Supplementary Settlement, certain additional monetary benefits were extended to the temporary workers and trainees.

14) Thus, there is no dispute to the position that the Settlement dated 30 September 2004 applied to permanent workmen whereas the Supplementary Settlement dated 9 April 2005 applied to temporary workers and trainees. Therefore, there is no question of contractual extension of benefits of the Settlement dated 30 September 2004 to the temporary workers / trainees. Mr. Nerlekar also fairly does not dispute this position. He however relies on provisions of Section 18(3) of the ID Act in support of his contention that the Settlement dated 30 September 2004 is no longer a mere contract but has been converted into Award under Section 18(3) of the Act. He relies on Award dated 20 September 2006 made in Reference (IT) No. 24 of 2002. That Reference was made at the instance of the other Union-Rashtriya Shramik Aghadi in connection with Charter of Demands dated 20 August 2001 relating to basic wages and classification, service increments, festival advances, provision for uniform, shoes etc. During pendency of that Reference, settlement dated 30 September 2004 came to be executed with the Petitioner-Union. The Settlement Agreement dated 30 September 2004 was apparently filed in the pending Reference (IT) No. 24 of 2002 and the Respondent-employer contended before the Industrial Tribunal that by virtue of the Settlement dated 30 September 2004, the Company had already agreed to grant much higher benefits to the permanent workmen than the Charter of Demands. The Industrial Court therefore proceeded to accept the Settlement dated 30 September 2004 to be fair, reasonable, proper and beneficial to the workmen. The Industrial Tribunal accordingly made an Award in terms of the Settlement dated 30 September 2004 while answering in the negative about the Charter of Demands submitted by the Rashtriya Shramik

Aghadi. The Industrial Court also upheld the locus of the Petitioner-Union to enter into settlement with the Respondent.

15) Mr. Nerlekar submits that since the Settlement dated 30 September 2004 got converted into Award dated 20 September 2006, provisions of Section 18(3) of the ID Act get attracted and therefore the Settlement would become applicable to all the workmen of the Respondent including the erstwhile temporary workers and trainees. Section 18 of the ID Act deals with persons on whom settlements and awards are binding and provides thus:

18. Persons on whom settlements and awards are binding.—

(1) A settlement arrived at by agreement between the employer and workman otherwise than in the course of conciliation proceeding shall be binding on the parties to the agreement.

(2) Subject to the provisions of sub-section (3), an arbitration award which has become enforceable shall be binding on the parties to the agreement who referred the dispute to arbitration.

(3) A settlement arrived at in the course of conciliation proceedings under this Act or an arbitration award in a case where a notification has been issued under sub-section (3A) of section 10A or an award of a Labour Court, Tribunal or National Tribunal which has become enforceable shall be binding on—

- (a) all parties to the industrial dispute;
- (b) all other parties summoned to appear in the proceedings as parties to the dispute, unless the Board, arbitrator, Labour Court, Tribunal or National Tribunal, as the case may be, records the opinion that they were so summoned without proper cause;
- (c) where a party referred to in clause (a) or clause (b) is an employer, his heirs, successors or assigns in respect of the establishment to which the dispute relates;
- (d) where a party referred to in clause (a) or clause (b) is composed of workmen, all persons who were employed in the establishment or part of the establishment, as the case may be, to which the dispute relates on the date of the dispute and all persons who subsequently become employed in that establishment or part.

16) Thus, under the provisions of sub-section (1) of Section 18, a settlement arrived at between the employer and workman (*otherwise than the one in the course of conciliation proceedings*) is binding on the parties to the agreement. However, under sub-section (3) of Section 18, if settlement is arrived at in the course of conciliation proceedings or if an Award of Labour Court / Tribunal is made, which has become enforceable, then such settlement binds all parties to the industrial dispute, all parties who are summoned to appear before the Labour Court / Tribunal on employment, as well as all persons who are employed in the establishment to which the dispute relates on the date of the dispute and all persons who subsequently become employed in that establishment.

17) In my view, the true purport of provisions of Section 18(3) of the ID Act is to make applicable the settlement to non-signatories as opposed to provisions of Section 18(1), under which settlement applies only to the signatories. Thus, though the Settlement dated 30 September 2004 was executed between the Petitioner-Union and Respondent, the benefit of the same would be applicable only to the members of Rashtriya Shramik Aghadi or even to those permanent workmen who were not members of any Union. Once Award dated 20 September 2006 is made and once the same becomes enforceable, the benefits of settlement dated 30 September 2004 would become applicable to all the permanent workmen of the Respondent-Union. This, however, does not mean that provisions of Section 18(3) would expand the terms of the Settlement to that class of employees which it never intended to cover. Thus, when settlement is entered into to govern homogeneous class of employees, Section 18(3) ensures that the benefits of settlement are extended to all

employees of such homogeneous class irrespective of whether they have signed the settlement or not. However, Section 18(3) cannot be read to mean that settlement would cover another class of employees (*not forming part of agreed homogeneous class*). Following this principle, the Settlement dated 30 September 2004 cannot apply to temporary workers / trainees even upon making of Award dated 20 September 2006. The Award cannot enlarge beyond the settlement on which it is founded [SEE: *M/s. Garment Cleaning Works v. D.M. Aney and Anr.*⁸]

18) Petitioner's case is thus based on complete misreading of provisions of Section 18(3) of the ID Act. The Industrial Court has correctly appreciated this position and has held that passing of the Award is of no consequence and that the benefits of Settlement dated 30 September 2004 cannot be stretched to temporary workers / trainees even by having recourse to provisions of Section 18(3) of the ID Act.

19) What makes the case of the Petitioner-Union worse is the fact that it consciously agreed for different arrangement for temporary workers / trainees by executing Supplementary Settlement dated 9 April 2005. By the Supplementary Settlement, Petitioner-Union secured much higher right of permanency to temporary workers and trainees. The Petitioner itself accepted that temporary workers / trainees did not form part of homogeneous class to be benefited by the Settlement dated 30 September 2004. It cannot now turn around and seek benefit of Section 18(3) of the ID Act which seeks to extend the benefit of settlement only to non-signatories forming part of same homogeneous class. I therefore do

8 AIR 1970 Bom 209

not find any reason to interfere in the impugned judgment and order passed by the Industrial Court.

20) A settlement under Section 18 of ID Act is a composite instrument and must be read as a whole. That the parties cannot accept the advantageous part and repudiate the burdensome ones. The Supplementary Settlement of 9 April 2005 was a negotiated package granting permanency to certain employees on terms agreed and accepted by the Petitioner. It cannot now disown the wage structure accepted under that settlement and claim benefits under an Award founded on a different settlement. Reliance by Mr. Joshi on the judgment of this Court in *Electropneumatics & Hydraulics (India) Pvt. Ltd. vs. Bharatiya Kamgar Karmachari Mahasangh and Anr.*⁹ is apposite. It would be inequitable to permit the Petitioner to rely on the Award while without the consideration of settlement of 2005 and that the Petitioner cannot use the Award as a backdoor to nullify the 2005 settlement it negotiated. Mr. Joshi has rightly relied on judgment of this Court in *Bharatiya Kamgar Sena vs. Consolidated Pneumatic Tool Company (I) Ltd. & Ors.*¹⁰

21) It appears that the Industrial Court held the Complaint to be barred by limitation. However, the Award dated 20 September 2006 became enforceable on 3 January 2007. It was Petitioner's case before the Industrial Court that the Settlement dated 30 September 2004 became applicable to temporary workers / trainees by virtue of Award dated 20 September 2006 and therefore the complaint was actually not barred by limitation. To only this limited extent, the Industrial Court appears to

⁹ 2008 II CLR 295

¹⁰ 1990 I CLR 380

have erred partially. However, benefit of such partial error committed by the Industrial Court does not enure to the benefit of the Petitioner-Union for the reasons discussed above.

22) Mr. Nerlekar has relied on judgment of the Apex Court in **Devinder Singh** (supra) and **Punjab National Bank vs. Manjeet Singh** (supra) in support of his contention that there cannot be any distinction between categories of workmen and that the benefit of the Settlement dated 30 September 2004 must be extended to all workmen, whether permanent, temporary or trainees. In my view however, Section 18(3) of the ID Act is not aimed at covering a particular class of workers who were not intended to be covered by the settlement. The provision is aimed at applying the settlement to non-signatories. To illustrate, if a settlement is entered into in respect of clerical staff and only one union representing 50% of clerical staff signs the settlement, upon making of an award, the benefits of settlement would be available to the balance 50% clerical staff as well. However, Section 18(3) of the ID Act cannot be misread to interpret that the benefit given to clerical staff would get extended to technical staff to whom settlement never applied in the first place. Similarly, reliance by Mr. Nerlekar on judgment of the Apex Court in **National Engineering** (supra) is misplaced. The issue before the Apex Court was about extension of benefit of settlement to a minority union and therefore the judgment has no application to the facts and circumstances of the present case. In judgment of the Apex Court in **P. Virudhachalam** (supra) also, the issue was about covering the entire body of workmen by the settlement including those who were members of non-signatory union. Similar is the position in respect of the judgment in

Barauni Refinery Pragatisheel Shramik Parishad (supra) and ***New India Motors (P) Ltd.*** (supra).

23) The conspectus of the above discussion is that the Industrial Court has rightly dismissed Complaint (ULP) No. 12 of 2007 and no interference is warranted in the impugned judgment and order of the Industrial Court.

24) So far as challenge to orders dated 9 October 2013 is concerned, the same relates to filing of two Applications by the Petitioner-Union after the complaint was remanded. The Application at Exh.U-20 was for seeking corrections in regard to depositions of witnesses. The application has rightly been rejected. The Application at Exh.U-22 was filed after closure of evidence and after fixing of the complaint for final arguments seeking issuance of summons to advocate. The Industrial Court has described the application to be more in the nature of list of witness and not an application for issuance of witness summons. The Application is rightly rejected by the Industrial Court. in any case, since there is no merits in the Complaint, it is not necessary to delve deeper into the issue of orders passed on interlocutory applications.

25) In my view therefore, no interference is warranted in the impugned orders passed by the Industrial Court. The Writ Petition is devoid of merits. It is accordingly **dismissed**. Rule is discharged. There shall be no order as to costs.

[SANDEEP V. MARNE , J.]