

S U P R E M E C O U R T O F I N D I A

RECORD OF PROCEEDINGS

CIVIL APPEAL NO(s). 1007 OF 2000

INDIAN RARE EARTHS LTD. & ANR

Appellant (s)

VERSUS

PRAMOD CHANDRA PANIGRAHI & ORS

Respondent(s)

(With appln(s) for permission to place addl. documents on record and with office report)

Date: 04/10/2005 This Appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE S.N. VARIAVA

HON'BLE MR. JUSTICE P.P. NAOLEKAR

For Appellant(s)

Mr. R. Mohan, ASG

Mr. Janaranjan Das, Adv.

Mr. Swetaketu Mishra, adv.

For Respondent(s) Mr. Bharat Sangal, Adv.

Ms. Sangeeta Panicker, Adv.

Mr. R.R. Kumar, Adv.

Mr. Samyadip Chatterji, Adv.

UPON hearing counsel the Court made the following

O R D E R

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The impugned order is set aside. The Appeal is allowed in te

the signed order. The Writ Petition will stand dismissed. There will be no order as to costs.

(K.K. Chawla)
Court Master

(Jasbir Singh)
Court Master

[Signed order is placed on the file]

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 1007 OF 2000

INDIAN RARE EARTHS LTD. & ANR.

Appellant(s)

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Respondent(s)

O R D E R

This Appeal is against the Judgment of the Orissa High Court dated

18th November, 1998. Briefly stated the facts are as follows:-

Respondent Nos.1 and 2 were working in the Petitioner Company. In 1993 they received promotions and the pay-scale now given to them was Rs.625-45-850-50-1600. They filed a Writ Petition in the High Court claiming that this scale was a non-existing scale and that the next scale for promotion for them was the scale starting at Rs.900/-. They claimed that other workmen ha

d been

promoted to the scale of Rs.900/- and, therefore, they were also entitled to the same scale.

It appears that the arguments in the Writ Petition were over by 24th November, 1997. However, Judgment was delivered only on 18th November, 1998. The High Court has allowed the Writ Petition and directed that the

Respondents be fitted into the scale of pay starting at Rs.710-1335/-. Hence this Appeal.

It has been pointed out to us that the conclusion of the High Court that there was no existing pay-scale of Rs.625/- is not correct. A settlement dated 9th August, 1986 between the representative union and the Appellants is shown to us. In that settlement there is a scale starting at Rs.625/-. Thereafter there is another settlement arrived at on 8th August, 1990. by this a promotional policy was introduced with effect from 1st July, 1988. A third settlement was arrived at on 25th September, 1992. In this settlement the scale starting at Rs.625/- was revised to Rs.1460/-. Thus, it is clear that in 1993, when the Petitioners filed the Writ Petition there was an existing scale of Rs.625/-.

Whilst the petition was pending, a settlement was arrived at on 12th

January, 1994 wherein the scale of Rs.1460/- (which is the revised scale of

Rs.625/-) is categorically recognized. The Respondents have in para 2 of their rejoinder, filed in the High Court, admitted that such a scale is shown in the settlement dated 12th January, 1994. They, however, contend that this settlement having been arrived at after their promotion in 1993 is not binding on them. It must also be mentioned that at one stage they had also contended that the Union may, disregarding their interest arrive at settlement which would be detrimental to them. But that contention was subsequently given up and not pressed in the Writ Petition.

As during the pendency of the Writ Petition the settlement dated 12th January, 1994 was arrived the settlement would be binding on the Respondents.

The Respondents were now only entitled to the scale starting at Rs.625/- as that was the next promotional scale. It is settled law that a settlement, admittedly arrived at in conciliation proceedings, is binding on all. This is clear from

Section 18 of the Industrial Disputes Act. It has also been so held by this Court in the cases of The Sirsilk Ltd. And Ors. v. Government of Andhra Pradesh & Anr. reported in [1964] 2 S.C.R. 448; K.C.P. Limited v. Presiding Officer And Ors. reported in (1996) 10 SCC 446 and National Engineering Industries Ltd. v. State of Rajasthan And Ors. reported in (2000) 1 SCC 371.

Unfortunately, the High Court has not referred to the settlement

or

dealt with it at all. In view of the settlement, the Respondents were not entitled to the reliefs as claimed by them. The High Court has clearly erred in granting them a scale of Rs.710/-.

In this view of the matter, the impugned order is set aside. The Appeal is allowed. The Writ Petition will stand dismissed. There will be no order as to costs.

.....J.

(S.N. Variava)

.....J.

(P.P. Naolekar)

New Delhi;

October 4, 2005.