

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). 92 OF 2007

BANSILAL KISHORILAL SAHU & ORS.

Appellant (s)

VERSUS

AKOLA MAZDOOR SANGH & ORS.

Respondent(s)

Date: 27/04/2010 This Appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE MARKANDEY KATJU  
HON'BLE MR. JUSTICE A.K. PATNAIK

For Appellant(s) Mr.Gaurav Agarwal, Adv.  
Mr. Prashant Kumar,Adv.

For Respondent(s) Mrs.B.Sunita Rao,Adv.  
Ms. Chandan Ramamurthi ,Adv

UPON hearing counsel the Court made the following  
O R D E R

The appeal is allowed but without any  
order as to costs.

[ Usha Bhardwaj ]  
Court Master

[ Indu Satija ]  
Court Master

Signed order is placed on the file.  
IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 92 OF 2007

Bansilal Kishorilal Sahu & Ors. .. Appellant(s)

Versus

Akola Mazdoor Sangh & Ors. .. Respondent(s)

O R D E R

This appeal has been filed against the impugned  
judgment of the High Court of Bombay dated November 9,  
2004. The facts in detail have been set out in the  
impugned judgment and hence we are not repeating the same  
here. The short question before us is whether any deduction

is to be made from the VRS amount payable to the employees, and paid to the Union.

It appears that in the year 1992, there was an agreement on 28.12.92 between the employer and the Union. In the agreement it had been provided that if any person opted for voluntary retirement and submitted resignation, he would be entitled to certain benefits like ex-gratia payment and gratuity etc. It was also provided that 5% of the ex-gratia amount payable to the employees would be deducted and paid to the Union. That agreement had been reached at with the active involvement of the Union.

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On the other hand, in the year 2002 there was a unilateral scheme pronounced by the NTC Ltd. for providing VRS benefit but there was no involvement of the Union with respect to the same and it was a totally new scheme for providing VRS benefit. There was no stipulation therein that some amount will be deducted therefrom and paid to the Union. The question before us is whether amount can be deducted from the amount payable under the 2002 VRS scheme and paid to the Union.

Learned counsel for the respondent has placed reliance on a decision of this Court in Balmer Lawrie Workers' Union, Bombay & Anr. vs. Balmer Lawrie & Co. Ltd. & Ors. 1984 (Supp.) SCC 663, and he has referred to para 27 thereof. On perusal of the said judgment, it is clear that the amount deducted from what was payable to the workers was held validly deducted because the Union had actively bargained in reaching to the settlement. However, in the present case, the Union had no role in the VRS Scheme floated by NTC Ltd. in 2002. Hence the aforesaid decision is distinguishable. It may be noted that the 2002 VRS scheme issued by the NTC was a totally new scheme

applicable to 62 units of NTC. It had nothing to do with  
the 1992 settlement. Learned counsel for the Union  
submitted that no notice of change was given under the  
Bombay Industrial Relations Act. In our opinion there was  
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no legal requirement for giving such a notice in the facts  
of the case.

In view of the above, no amount can be validly  
deducted and paid to the Union. The amount, if any,  
deducted and paid to the Union shall be recovered and paid  
to the employees concerned.

The appeal is allowed but without any order as to  
costs.

.....J.  
[ MARKANDEY KATJU ]

.....J.  
[ A.K. PATNAIK ]

NEW DELHI,  
APRIL 27, 2010.