

IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION  
CIVIL APPEAL NO(S).8694/2022  
[ARISING OUT OF SLP(C) NO.6619/2021]

DEPUTY GENERAL MANAGER, UNION BANK OF INDIA APPELLANT(S)

VERSUS

THE GENERAL SECRETARY, ODISHA UNION BANK  
EMPLOYEES ASSOCIATION

RESPONDENT(S)

O R D E R

Leave granted.

Feeling aggrieved and dissatisfied by the impugned judgment and order dated 18.02.2021 passed by the Division Bench of the High Court of Orissa at Cuttack in Writ Petition (C) No.5427 of 2020, by which the High Court has dismissed the said writ petition preferred by the appellant herein and has confirmed the judgment and award dated 16.09.2019 passed by the Central Government Industrial Tribunal (CGIT), Bhubaneswar in I.D. Case No.7 of 2016.

We have heard Mr. Raju Ramachandran, learned Senior Advocate appearing on behalf of the appellant and Mr. Kuriakose Varghese, learned Advocate appearing on behalf of the respondent-Union.

The issue involved in the present appeal centres around the interpretation of clauses 31(h) and 31(m) of the Bi-partite Settlement Agreement dated 02.06.2005. The same reads as under :

"31. Computerisation/Mechanisation and Technological upgradation.

31(a) to (g) xxxxxxxx

31(h). While it shall be the Banks' endeavour to retain/re-skill staff and to develop in-house competencies, they may outsource IT and its related activities in respect of specialized areas where in-house capability is not available.

31(i) to (l) xxxxx

31(m). There will be no retrenchment on account of computerisation. Staff displaced as a centre/place and a result of computerization/mechanization shall be deployed in terms of this settlement."

The appellant Bank has invited the tenders for engagement of Armed Guards. An industrial dispute was raised before the Central Government Industrial Tribunal (hereinafter referred to as 'the Industrial Tribunal') on the ground that outsourcing of the Armed Guards shall be contrary to the relevant clauses of the said Bi-partite Settlement Agreement, more particularly, clauses 31(h) and 31(m). The Industrial Tribunal accepted the same and the same has been confirmed by the High Court vide its impugned judgment and order.

Having heard learned Advocates appearing for the respective parties and having gone through the clauses 31(h) and 31(m) of the said Bi-partite Settlement Agreement, we are of the opinion that it will be a misinterpretation and/or misreading of the clauses 31(h)

and 31(m) of the said Bi-partite Settlement Agreement to read that only with respect to Information Technology the outsourcing is permissible.

It will be reading too much in clauses 31(h) and 31(m) to restrict the outsourcing to the Information Technology Department only.

In any case so far as the Armed Guards are concerned when the Bank had taken a policy decision to engage the Armed Guards by outsourcing, it is always permissible for them to do so. Only in a case where the existing Armed Guards are affected by way of termination etc., then and then only the Union or the concerned Armed Guards can make a grievance because as per clauses 31(h) and 31(m), there shall be no retrenchment on account of computerisation.

Now so far as the submission on behalf of the respondent-Union that as per the guidelines issued by the Reserve Bank of India (RBI) dated 03.11.2006, there shall not be any outsourcing so far as the Banks are concerned, the same has no substance. The guidelines are issued by the RBI on managing risk and code of conduct in outsourcing of financial services by Banks. Engagement of Armed Guards cannot be said to be outsourcing of the financial services of Banks.

Under the circumstances, both, the Central Government Industrial Tribunal as well as the High Court have misread and mis-interpreted clauses 31(h) and 31(m) and have seriously erred in restraining the Bank from

outsourcing the engagement of Armed Guards. The judgment and award passed by the Central Government Industrial Tribunal, confirmed by the High Court is unsustainable, both, on law as well as facts.

In view of the above, both, the Central Government Industrial Tribunal as well as the High Court have committed a serious error in restraining the appellant Bank from outsourcing of the Armed Guards.

In view of the above and for the reasons stated above, the present appeal is allowed. The impugned judgment and order passed by the High Court as well as the judgment and award passed by the Central Government Industrial Tribunal are hereby quashed and set aside.

The appellant Bank is permitted to outsource the services of the Armed Guards, however, with a rider that no existing employees/the Armed Guards shall be affected by the same. Meaning thereby, their services may not be terminated as provided in clauses 31(h) and 31(m) of the said Bi-partite Settlement Agreement. No costs.

.....J  
[M.R. SHAH]

.....J  
[M.M. SUNDRESH]

NEW DELHI;  
NOVEMBER 21, 2022.

ITEM NO.55

COURT NO.5

SECTION XI-A

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

PETITION(S) FOR SPECIAL LEAVE TO APPEAL (C) NO.6619/2021

[ARISING OUT OF JUDGMENT AND FINAL ORDER DATED 18.02.2021 PASSED BY THE HIGH COURT OF ORISSA AT CUTTACK IN WRIT PETITION (C) NO.5427 OF 2020]

DEPUTY GENERAL MANAGER, UNION BANK OF INDIA Appellant(s)

VERSUS

THE GENERAL SECRETARY, ODISHA UNION BANK  
EMPLOYEES ASSOCIATION Respondent(s)

(FOR ADMISSION and I.R. and IA No.58553/2021-EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT )

Date : 21-11-2022 This appeal was called on for hearing today.  
CORAM :

HON'BLE MR. JUSTICE M.R. SHAH  
HON'BLE MR. JUSTICE M.M. SUNDRESH

For Appellant(s) Mr. Raju Ramachandran, Sr. Adv.  
Mr. O. P. Gaggar, AOR  
Mr. M.V. Mukunda, Adv.

For Respondent(s) Mr. Kuriakose Varghese, Adv.  
Mr. Shovan Mishra, AOR  
Ms. Bipasa Tripathy, Adv.  
Mr. Akshit Gogna, Adv.  
Mr. Martin George, Adv.

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

Leave granted.

The present appeal is allowed in terms of the signed order. Pending interlocutory application(s), if any, stands disposed of.

(SANJAY KUMAR-II)  
ASTT. REGISTRAR-cum-PS

(NISHA TRIPATHI)  
ASSISTANT REGISTRAR

(Signed Order is placed on the file)