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Case Comment: The Bata Shoe Co. Pvt. Ltd. v D. N. Ganguly & Ors.

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Bench – J. K.N Wanchoo.

Representatives (Appellant) – M.C. Setalvad, Attorney General for India; Nooni Coomar Chakravarti & B.P. Maheshwari.

Representatives (Respondents) – B.C. Ghose & P.K. Chatterjee.

INTRODUCTION

The case of Bata Shoe Co. Ltd. v D.N Ganguly¹ was a case decided by a single-judge bench. In this case, a dispute arose between Bata Company as the appellant and the workers as the respondent. The disagreement was resolved by conciliation, in which the disputing parties came to an amicable agreement. In this case, it has been made clear and indeed ruled out what settlements are binding and what are not. The workers held a strike, which was contented as illegal by the appellant Bata Shoe company as it was taken in action after the settlement. After

¹ *Bata Shoe Co. Ltd. v D.N Ganguly* (1961) SCR (3) 308

that, the company dismissed the workers who had gone on strike. Another issue that came up was whether or not the conciliation would be regarded as binding on the parties if it were conducted without the presence of the conciliation officer and still ostensibly adhered to the terms of the Industrial Disputes Act of 1947. The two sections considered in this case are sections 12² and 18³ of the Industrial Disputes Act of 1947. The case is a contextual aspect of knowing about the labour laws and the settlement issues between parties preceding illegal (or legal) strikes by one of the parties.

FACTS OF THE CASE

- The Bata Shoe Co. (P) Ltd (will be from now on referred to as the appellant).
- A dispute arose between the appellant party and the workers of the appellant's company
- It arose due to the election of the new president of the Union and new office bearers of the appellant company.
- The said dispute was settled through conciliation proceedings.
- The employees of the appellant firm went on strike despite the settlement.
- According to the appellant, the strike was unlawful since it occurred after the agreement reached by the Labour Commissioner serving as a conciliation officer.
- The workers who participated in the illegal strike were then issued charge sheets
- As a result, sixty workers were fired following a managerial investigation.
- Conciliation proceedings were started before the Labour Commissioner of Bihar after a significant number of workers were dismissed.
- Thereafter conciliation proceedings were terminated as a consequence of an agreement reached by the appellant and the Union.
- The agreement specified employment and the upholding of workers' dismissal orders.
- The Labour Commissioner stated that the Union opposed the reinstatement of certain workers because the commissioner suggested additional conciliation proceedings.

² Industrial Disputes Act of 1947, s 12

³ Industrial Disputes Act of 1947, s 18

- The appellant protested against the decision of the Labour Commissioner to pursue additional conciliation procedures.
- The labour commissioner informed the Government of the situation and provided references.
- As a result, the Tribunal decided while dividing the dismissed sixty workers into three groups of 47, 11, and 2.
- The Tribunal set aside the dismissal orders for the 47 workers because there was no evidence that they had engaged in violence and that there were mitigating circumstances. Furthermore, they were deceived into joining the strike.
- The Tribunal overturned the dismissal orders for the remaining 13 workers because they were either not served with any charge sheet or no charge sheet was issued to them, and they had not been shown to have engaged in violence. Furthermore, since a significant number of workers took part in the strike, only sixty workmen were dismissed, while the rest were reinstated.

ISSUES OF THE CASE

ISSUE 1 - That the settlement was incompetent because the settlement was reached during conciliation processes that mainly addressed the matter of the sixty dismissed workers, following section 18 of the Industrial Disputes Act of 1947.

ISSUE 2 - Whether it was an industrial dispute or a dispute between the employer and its-individual workmen

ISSUE 3 - The Tribunal's order to reinstate the workers had a disability and against the provisions

ARGUMENTS BY THE APPELLANT

The argument put up on behalf of the appellant is that the agreement signed on September 2, 1954, rendered the references ineligible; Sections 18 and 19 of the Act, as they existed at the time, are relied upon in this regard, section 18 stipulated that a settlement reached during conciliation

proceedings would be binding on all parties to the industrial dispute and others specified therein, and section 19⁴ stipulated that such settlement would enter into force on the date agreed upon between the parties or, in the absence of an agreed upon date, on the date on which the parties signed the memorandum of the settlement. The parties would be bound by the settlement for the agreed-upon duration, or, in the absence of an agreement, for six months, and it would remain in effect until two months had passed since one of the parties gave the other party or parties to the settlement written notice of its intention to terminate.

ARGUMENTS BY THE RESPONDENT

The respondent has denied all of the appellant's accusations levelled against him. The respondent contended that the Labour Commissioner's reference to the Government was valid.

The respondent, through a case, referred, contended that to determine the appropriate course of action, a clear distinction must be drawn between those workers who not only participated in the strike but also participated in obstructing the loyal workers from doing their jobs, participated in violent protests, or disobeyed law and order, on the one hand, and those workers who were more or less silent participants in the strike, on the other.

JUDGEMENT

In light of the Industrial Disputes Act 1947, the Supreme Court held that a settlement that is binding under section 18⁵ because it was reached during conciliation proceedings is a settlement reached with the assistance and concurrence of the conciliation officer and that a settlement that is not binding under section 18⁶ will not prevent the Government from referring. In the current case, the conciliation officer did not approve of the agreement between the appellant and the Union; as a result, the reference based on the conciliation officer's report according to section 12⁷ of the Act was appropriate.

⁴ Industrial Disputes Act of 1947, s 19

⁵ Industrial Disputes Act of 1947, s 18

⁶ *Ibid*

⁷ Industrial Disputes Act of 1947, s 12

The dispute in the current case was initially supported by the Union and related to the dismissal of a considerably more significant number of workers. Thus, the court further said that the reference was not illegal because an individual dispute had been sent to the Tribunal for adjudication. Furthermore, even in cases where the Tribunal determined that there had been misconduct that justified dismissal under the Standing Orders and that the managerial inquiry was appropriate, the Tribunal was not justified in interfering with the management's decision to reinstate the employees unless it discovered unreasonable discrimination, an unfair labour practice, or victimization of the employees. As a result, the appeal for the first group of forty-seven workmen was allowed, and the order passed by the Tribunal reinstating them was set aside. Furthermore, for the remaining thirteen workers their appeals were dismissed by the Supreme Court, and the order of the Tribunal regarding these thirteen workers was confirmed.

AUTHORS OBSERVATION

The author believes the court's decision in the present case is well justified since the court, through the judgement, asserted that the settlement by the parties was binding in nature and by the provisions provided by the Industrial Disputes Act, 1947, to handle the question of whether the company and the workers did it by sections 12⁸ and 18⁹ of the Industrial Disputes Act, 1947. Therefore, the parties should be required to abide by the settlement because they agreed to it at the time of settlement and cannot retract their agreement. Additionally, because it violated the Industrial Disputes Act's rules, the second settlement reached after the first was not legally binding on the parties. It has been noted that a settlement agreed in priority is enforceable between the parties if it fully complies with the applicable laws. However, it is not enforceable between the parties if it does not. Therefore, a settlement shall be deemed to comply with the applicable Act.

⁸ Industrial Disputes Act of 1947, s 12

⁹ Industrial Disputes Act of 1947, s 18

CONCLUSION

Therefore, in the present case, the court upheld the appeal in so far as the first group of 47 workers is concerned and reversed the Tribunal's decision to reinstate them. Concerning the remaining thirteen, the court rejected the appeals. This case states that any employee or workman accused of any offence, except for cases involving lateness and absenteeism, should always have the chance to procure or receive a copy of the such charge and should be allowed to explain himself before a judgement is made. Furthermore, this case emphasizes the importance of conciliation, stating that if the parties have decided with their consent, they cannot deny the same in the future. In conclusion, this case marked some of the most significant changes in labour law.