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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
CIVIL WRIT PETITION NO. 12195 OF 2018**

**KOLHAPUR DISTRICT CENTRAL
COOPERATIVE BANK LTD AND ANR**

....PETITIONERS

V/s.

**BANK EMPLOYEES UNION, KOLHAPUR
AND ANR**

.....RESPONDENTS

**Mr. Shriniwas S. Parwardhan Advocate for the Petitioners
Mr. Sandeep S. Koregave Advocate for Respondents**

CORAM : NITIN W. SAMBRE, J.

DATE: JUNE 23, 2022.

P.C.:

- 1) Heard Mr. Patwardhan, counsel for the Petitioner.
- 2) Order impugned is dated 29/08/2017 passed by the Industrial Court, Kolhapur whereby complaint preferred by Respondent-employee came to be allowed with a declaration that Petitioner is engaged in unfair labour practice under Item 9 of Schedule IV of Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Laws Practices Act, 1971 (Hereinafter referred to as 'the Act' for the sake of brevity) as settlement arrived at on 09/11/2009 is not

adhered to. A further direction is issued to the Petitioner-bank to cease and desist from engaging in such unfair labour practice. A further direction is issued to implement settlement particularly clause 11, 17, 21 26B of the settlement dated 09/11/2009.

3) Petitioner Bank having reached to a settlement on 09/11/2009 is not a fact in dispute. Said settlement appears to be a basis for passing the order impugned by the Industrial Court.

4) While questioning the aforesaid order of the Industrial Court, Mr. Patwardhan would invite attention of this Court to a fact that on 12/11/2009, the then directors of the Petitioner bank who have resolved to reach to a settlement and accordingly settlement was executed on 09/11/2009 were disqualified/removed from the post of directors. Engaging in a settlement like the one dated 09/11/2009 is in the form of a policy decision which has created additional financial burden on the bank. At the relevant time, when the settlement was reached to, an embargo was created on the financial operation of the bank as provided under Section 110A of the Maharashtra Cooperative Societies Act. As such, he would urge that such major policy decision entered into by directors (who were later on disqualified) ought not to

have been acted upon or taken into account by the Industrial Court while passing the order impugned. He would further claim that at the relevant time, financial position of the Petitioner bank was so poor which has prompted the Reserve Bank of India to impose embargo on the operations of the Petitioner bank.

5) In the aforesaid background, the claim is, settlement since arrived at was illegal and contrary to the interest of the Petitioner bank ought not to have been acted upon.

6) If the aforesaid contentions are appreciated, what can be noticed is, elected managing body of the Petitioner bank has entered into a settlement that too by passing a resolution to that effect. Since such settlement was not acted upon or adhered to by the Petitioner, Respondent was prompted to take out aforesaid proceedings for violation of provisions of the Act.

7) Fact remains that settlement was never questioned by the Petitioner. On the date of settlement arrived at i.e. on 09/11/2009, directors were very much manning the post and there was no statutory embargo on their right to take any financial or policy decision qua administration of the Petitioner bank. As such, to enter

into a settlement was well within the financial and administrative powers of the then directors as, such directors were claimed to have been removed from the post on 12/11/2009 i.e. after the aforesaid settlement was reached at.

8) In the aforesaid background, it cannot be said that settlement entered into on 09/11/2009 was under statutory cloud or there was an embargo on the right of the then directors/members of the managing committee to enter into such settlement.

9) Once the settlement which was entered into on 09/11/2009 is/ was not questioned, same governs the relation between the employer and employees. Hence, rightly so held by the Industrial Court, Petitioner is duty bound by such settlement, which is formed to be basis for delivering the order impugned.

10) In the aforesaid background and having regard to the observations by the Industrial Court, no case for interference is made out.

11) Petition as such fails, stands dismissed.

[NITIN W. SAMBRE, J.]