

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

WRIT PETITION NO.5000 OF 2024

Sarva Shramik Sanghatana
(A Registered Trade Union)
“SHRAMIK”, Royal Crest,
Plot No.31, Lokmanya Tilak
Colony, Road No.3,
Dadar (East), Mumbai – 400 014.

....Petitioner

V/S

Crompton Greaves Consumer
Electricals Limited
Tower 3, 1st Floor, East Wing,
Equinox Business Park
L.B.S. Marg, Kurla (West)
Mumbai – 400 070.

....Respondent

Ms. Jane Cox i/b Mr. Vinayak Suthar *for the Petitioner.*

Mr. P. M. Palshikar with Mr. Mahendra M. Agavekar and
Ms. Shraddha Chavan *for Respondent.*

**CORAM : SANDEEP V. MARNE, J.
RESERVED ON : 25 NOVEMBER 2025.
PRONOUNCED ON: 02 DECEMBER 2025.**

JUDGMENT:

1. Petitioner-Union has filed the present Petition challenging the Award dated 24 April 2023 passed by Industrial Tribunal, Mumbai answering Reference (IT) No.23 of 2012 in the negative. The Industrial Tribunal has thus rejected the prayer of Petitioner-Union for the

differential amount between Voluntary Retirement Scheme (**VRS**) implemented for workmen of Kanjurmarg factory and VRS implemented for workmen of Worli factory. The Industrial Tribunal has also rejected the demand of the workmen of Kanjurmarg factory for arrears of Rs.18,000/- as per settlement dated 1 January 2002. The Industrial Tribunal has also rejected the demand of workmen of Kanjurmarg factory for bonus of Rs.9,000/- paid to the workmen of Worli factory for the period from 1 April 2000 to 31 March 2001.

2. Petitioner is a registered Trade Union espousing the cause of workmen employed in Kanjurmarg factory of the Respondent-employer. Respondent-Crompton Greaves Consumer Electricals Ltd is a resultant Company arising out of demerger scheme approved by this Court in respect of erstwhile Crompton Greaves Limited (**CGL**). At the relevant time in the year 2001, CGL was manufacturing and marketing various electrical goods and had factories at Kanjurmarg, Worli and Bhandup. It had also set up manufacturing units in Goa, Nashik and Gwalior, where the manufacturing activities from Mumbai were transferred in a gradual manner. Association of Engineering Workers (**AEW**) was a recognized Union for all the three factories, and service conditions of all the workmen employed in the three factories were settled by way of settlement executed between CGL and AEW. CGL offered VRS to the workers working in Fans Division (Kanjurmarg factory) by notice dated 30 July 2001 introducing CGL Voluntary Retirement Scheme 2001 (Fans). The Scheme was to remain in force till 4 August 2001. Later, a chart was published on 10 August 2001 showing increased compensation by Rs.50,000/-. According to

Petitioner, the workers in Fans Division at Kanjurmarg were forced and coerced into signing cyclostyled applications to avail benefit under the VRS. This is how 236 workmen were relieved on the same day of signing of the applications. Some more workers who were on leave were subsequently forced to sign similar applications and were relieved on various dates upto 31 August 2001.

3. On 19 August 2001, CGL put up a fresh notice of VRS namely CGL Voluntary Retirement Scheme 2001 (M1 Worli). That the VRS for M1 Worli was identical to the VRS of Fans Division. In the meantime, charter of demand submitted by AEW to CGL on 20 November 2000 resulted into a settlement dated 14 February 2002, which was given effect to from 1 January 2002. Under the said settlement, CGL agreed to pay a lumpsum amount towards arrears to the workers. However, those who were forced to avail VRS were denied the benefit of settlement.

4. Accordingly, the workmen who were forced to apply for VRS between 13 August 2001 to 31 August 2001 jointly filed Complaint of Unfair Labour Practice being Complaint (ULP) No.710 of 2002. Another Complaint (ULP) No.336 of 2003 was also filed by few more workers. However by order dated 19 September 2009 both the Complaints were disposed of as not maintainable, granting liberty to avail alternate remedies.

5. In pursuance of liberty granted by the Industrial Court, the concerned workmen jointly approached CGL vide letter dated 20 May 2010 and raised demands for payment of same amount as was paid to

workmen of Worli establishment, amount of Rs.18,000/- arising out of settlement dated 1 January 2002, amount of Rs.9,000/- towards bonus and 18% interest. Since no response was received from CGL, the concerned workmen joined the Petitioner-Union which sought intervention of Conciliation Officer. Conciliation Officer submitted failure report. By order dated 4 July 2012, the Additional Commissioner (Labour), Mumbai referred the dispute to Industrial Tribunal, Mumbai.

6. Petitioner-Union filed Statement of Claim, which was resisted by CGL by filing Written Statement. Parties led evidence in support of their respective cases. The Industrial Tribunal has rendered Award dated 24 April 2023 answering the Reference in the negative. Aggrieved by the Award dated 24 April 2023, the Petitioner-Union has filed the present Petition.

7. Ms. Cox, the learned counsel appearing for the Petitioner would submit that the Industrial Tribunal has grossly erred in answering the Reference in the negative. That the Industrial Tribunal failed to appreciate that the service conditions of workmen at Kanjurmarg and Worli establishments were identical and that therefore it was improper on the part of the employer to implement two different VRS thereby discriminating amongst similarly placed employees. That acceptance of voluntary retirements by members of Petitioner-Union is not a voluntary act as there were forced and coerced to accept the same. That there is functional integration between the workers employed in all the three establishments at Kanjurmarg, Worli, and Bhandup, and at several instances, the workmen were freely transferred from one

establishment to another. That therefore it was impermissible to offer lesser benefits to workers of Kanjurmarg factory as compared to workers of Worli factory. She would invite my attention to cross-examination of management witness, who admitted in his deposition that all the settlements executed in the past applied to workers of all the three establishments at Kanjurmarg, Bhandup and Worli. She would therefore submit that the service conditions of all the workmen in the three establishments were identical, making it impermissible for the Respondent to discriminate amongst them. That the Industrial Tribunal has erroneously rejected the claim for difference of benefits payable under the two Voluntary Retirement Schemes.

8. So far as the second demand for payment of bonus is concerned, Ms. Cox would submit that the bonus was for the period from 1 April 2000 to 31 March 2001, and that therefore the members of the Petitioner-Union were entitled to the amount of bonus. If the ex-gratia/bonus was declared before 12 August 2001, the same would have been paid to the members of the Petitioner-Union.

9. So far as the demand for payment of lumpsum amount of Rs.18,000/- out of settlement dated 1 January 2002 is concerned, Ms. Cox would submit that the settlement was executed in pursuance of demand dated 20 November 2000. She would submit that mere subsequent signing of the settlement could not be the reason for denial of lumpsum amount payable under the settlement to workers who were forcibly retired under VRS. That the said lumpsum amount

actually represents an amount of arrears from 20 November 2000 and that therefore the same must be paid to the members of the Petitioner-Union. She would rely upon provisions of Section 18(3)(d) of the Industrial Disputes Act, 1947 in support of her contention that the benefit of settlement must be paid 'to all workmen as on the date of dispute'. She would submit that combined effect of proviso added for State of Maharashtra to sub-section (1) and clause (d) of sub-section (3) of Section 18 of the Industrial Disputes Act would clearly indicate that the benefit of settlement must be paid to all workers in respect of period from the date of dispute. That since the lumpsum payment represents the amount of arrears payable from the date of raising of demand/dispute, the said lumpsum payment must necessarily be paid to the members of the Petitioner-Union. She would submit that contract cannot overwrite the statutory provisions. That the Industrial Tribunal has erred in not appreciating this fundamental principle and in erroneously relying on only contractual stipulations. On above broad submissions, Ms. Cox would pray for setting aside the impugned Award and for grant of all the three demands raised by the Petitioner-Union.

10. The Petition is opposed by Mr. Palshikar, the learned counsel appearing for the Respondent-employer. He would submit that the Industrial Tribunal has made in-detailed enquiry in respect of each of the three demands of the Petitioner-Union. That the entire evidence on record is appreciated and a plausible view is taken. That this Court cannot sit as appellate Court over the said findings and in absence of element of perversity in the findings recorded by the Industrial Tribunal, this Court need not exercise jurisdiction under Article 227 of

the Constitution of India. That there was gross delay in raising of industrial dispute. That Petitioner-Union did not challenge the validity of VRS introduced for Kanjurmarg establishment and in absence of challenge to VRS, its effect cannot be challenged. That once the relationship between members of the Petitioner-Union and the employer was brought to an end by termination of contract, any subsequent VRS implemented in respect of workers of Worli establishment cannot be applied to members of Petitioner-Union. He would deny the contention that there was any element of force or coercion for the workers of Kanjurmarg establishment while implementing the VRS. That 68 workers at Kanjurmarg establishment did not accept the VRS. This shows that acceptance of voluntary retirement was a matter of voluntary choice exercised by the concerned workers. That VRS at Kanjurmarg establishment was implemented in consultation with recognized union. That the Industrial Tribunal has rightly rejected demand for payment of bonus/ex-gratia as it is established that the bonus or ex-gratia actually paid to other workers was mere advance amount. So far as the demand for payment of lumpsum amount under the settlement is concerned, Mr Palshikar would submit that the same is rightly rejected as the settlement is made applicable only in respect of workers who were on the rolls of the employer as on 1 January 2002. He would accordingly pray for dismissal of the Petition.

11. Rival contentions of the parties now fall for my consideration.

12. Petitioner-Union is aggrieved by the Award dated 24 April 2023 by which the entire Reference has been answered in the negative. For

better understanding of the exact import of the impugned Award, it would be necessary to consider the demands which led to making of the Reference vide order dated 4 July 2012. The Schedule of Reference was as under:

I] Whether the workmen of Kanjurmarg establishment after accepting the benefits of V.R.S. can demand V.R.S. subsequently declared for Worli factory workmen?

II] Whether the workmen of Kanjurmarg factory are entitled to the benefits for arrears of Rs.18,000/- as per settlement dated 1.1.2002?

III] Whether the workmen of Kanjurmaarg factory are entitled for Bonus Rs.9000/- paid to Worli factory workmen for the period of 1.4.2000 to 31.3.2001?

IV] Whether workers are entitled for interest at the rate of 18% on the arrears arising out of demands no. 1, 2 & 3?

13. The first demand of the Petitioner-Union was in respect of discriminatory treatment allegedly meted out to the workmen of Kanjurmarg establishment vis-à-vis the workmen of Worli establishment in the matter of VRS benefits. It is contended that the workmen of Worli establishment were given far better terms under VRS introduced few days after retirement of the members of the Petitioner-Union at Kanjurmarg establishment. The Petitioner-Union did not challenge the validity of VRS implemented at Kanjurmarg establishment. Its limited grievance was with regard to non-payment of difference of benefits as compared to VRS implemented at Worli establishment.

14. It is settled position of law that floating of VRS is just an offer made by the employer to the employees and it is for the employees to decide whether to accept the terms of VRS and opt for retirement. There is no compulsion on the employees to opt for retirement under

VRS. In that sense, implementation of VRS is like a performance of contract. The contract gets completed on acceptance of proposal of the employee and acceptance of the proposal by the employer.

15. It is sought to be contended that the members of the Petitioner-Union were forced to accept the VRS. The Industrial Tribunal has considered the said contention in the light of evidence appearing on record. The Tribunal considered the fact that the VRS was floated at Kanjurmarg establishment on 30 July 2001, and about 68 workers did not opt for voluntary retirement under the Scheme. The Tribunal held that there was sufficient time for workmen to weigh pros and cons of the Scheme. After considering evidence on record, the Industrial Tribunal has recorded a finding of fact that there was no force or coercion in the matter of implementation of VRS at Kanjurmarg establishment. This finding of fact is well supported by the evidence on record and does not suffer from the vice of perversity. In exercise of jurisdiction under Article 227 of the Constitution of India, this Court cannot interfere in the said findings of fact. Therefore, the contention on behalf of the Petitioner-Union about use of force or coercion in the matter of implementation of VRS at Kanjurmarg establishment deserves rejection.

16. Coming to the aspect of alleged discrimination between two similarly placed workmen of Kanjurmarg and Worli establishments, it is contended on behalf of the Petitioner-Union that the maximum amount payable to the workers of Kanjurmarg establishment under the VRS was Rs.7,00,000/- whereas Respondent offered maximum

amount of Rs.8,00,000/- to the workers opting for VRS in Worli establishment. However, in the present case, the VRS was implemented in Kanjurmarg establishment at the prior point of time and the VRS for Worli establishment was introduced subsequently. The members of the Petitioner-Union did not challenge the VRS introduced at Kanjurmarg establishment and on the contrary, participated in the same. Upon acceptance of options exercised and proposals made by members of the Petitioner-Union, a concluded contract came into effect and employer-employee relationship got severed. Therefore, subsequent introduction of another scheme for workers of Worli establishment on 23 August 2001 did not create any right in favour of the members of the Petitioner-Union to claim difference between the amounts payable under the two Schemes.

17. Mere similarity between service conditions of workers in Kanjurmarg and Worli establishments did not mean that the concluded contract could be reopened by entertaining demand of workers of Kanjurmarg establishment for payment under VRS introduced for different establishments. It may happen that the employer may introduce multiple Voluntary Retirement Schemes in respect of same establishment at different points of time. If the goal of retiring desired number of workers is not achieved on account of non-participation in the Scheme by desired number of workers, it is always open for the employer to introduce another VRS scheme by offering better terms to the remaining workers of same establishment. Such act does not amount to discrimination between two similarly placed workers. As observed above, implementation of VRS is contractual in nature. It is a

commercial bargain between employer and employees. VRS is often introduced to downsize the workforce and to optimize the operations with reduced workforce. The employer takes a commercial call and makes the offer, which is voluntary in nature and the workers can refuse to participate in the scheme if the terms offered are not suitable to them. If the VRS is introduced in the wake of ensuing closure of establishment, it is for the workmen to take a call to retire by accepting the commercial bargain and look for another job or to take a risk of construing in the service and remain exposed to likely transfer to another establishment or closure. As the employer makes a commercial decision in making the offer, employee also takes a call by considering various factors like availability of alternate job in the market, opportunity to invest the VRS benefits, etc. It cannot be that the commercial bargain offered by the employer is accepted by the employee, VRS benefits are secured and then the employee turns around and seeks more monies from the employer by engaging the employer in litigation. VRS cannot therefore be open ended bargain where the employees can avail and enjoy VRS benefits and then take a *volte face* and demand higher amounts.

18. In the present case, the two schemes pertain to two different establishments. Even if they were to be part of the same establishment, the plea of discrimination could not have been accepted, for the reasons indicated above. In that view of the matter, similarity of service conditions between workers of two establishments or existence of alleged functionally integrality are totally irrelevant factors.

19. In my view, the Industrial Tribunal has rightly appreciated the above position while rejecting the demand of members of Petitioner-Union for payment of difference amount arising out of VRS implemented in respect of Worli establishment.

20. So far as the demand for payment of bonus of Rs.9,000/- is concerned, it is conclusively established that no bonus was actually paid to any workers. The amount of Rs.9,000/- paid to the workers turned out to be an advance amount. The Petitioner-Union failed to adduce evidence to prove that the said amount of Rs.9,000/- was paid towards bonus/ex gratia. In absence of any concrete evidence for holding that any worker was paid bonus/ex gratia of Rs.9,000/-. The demand of the Petitioner-Union for payment of bonus has rightly been rejected.

21. The third and the last demand raised by the Petitioner-Union was in respect of amount of Rs.18,000/- allegedly paid to the workers under the settlement dated 14 February 2002. Since members of the Petitioner-Union were already retired through implementation of VRS in August 2001, the benefits flowing through the Settlement dated 14 February 2002 are denied to them. Perusal of Settlement dated 14 February 2002 would indicate that the wages of permanent workers on rolls of the Respondent-employer as on 1 January 2002 were revised. Various other benefits were made applicable to the workers under the settlement Agreement. Petitioner-Union does not have any qualms above prospective revision of wages and other allowances under the settlement dated 14 February 2002. Their limited grievance is that a lumpsum amount was agreed to be paid in lieu of arrears of wages and

that since the lumpsum amount represents arrears of wages in respect of period when members of the Petitioner-Union were in service, the said lumpsum amount must be paid to them. Clause 5.5 of the settlement Agreement dealt with lumpsum payments and it was agreed between the parties as under:

5.5 LUMP SUM PAYMENTS

The parties have discussed this issue in detail. The Company's capacity to pay has substantially gone down. At the same time, workmen have extended operation. Hence, as a very special case and without setting any precedent for the future, it has been mutually agreed as follows:

In addition to advance given at Diwali 2001, an amount of Rs. 14,000/- (Rupees Fourteen Thousand only) will accrue to each workman, on signing of this Settlement. From this amount, 50%, i.e. Rs 7,000/- (Rupees Seven Thousand only), will be paid to the workmen (along with their wages for February, 2002. The remaining amount of Rs. 7,000/- (Rupees Seven Thousand only), shall be deposited with the Company under its Fixed Deposit Scheme for a period of three years from the date of deposit and the receipt thereof, shall be given to the individual workman. The amount so deposited shall earn Interest as per the Company's Rules in that behalf.

At the end of October, 2003, a further amount of Rs.4,000/- (Rupees Four Thousand only) will accrue to each workman and the same shall also be deposited with the Company under its Fixed Deposit Scheme for a period of three years and the receipt thereof, shall be given to the individual workman. The amount so deposited, shall earn interest as per the Company's Rules: In that behalf.

These lumpsum payments will be ad hoc payments and shall not be reckoned for the purpose of any other indirect benefits such as Provident Fund, Gratuity, etc.

These lumpsum payments will not accrue to those employees who were actually present for less than 120 days during the calendar year 2001.

22. However, under clause 6.1, the Settlement was made applicable only to workers, who were on payrolls of the Company on the effective date of 1 January 2002. Clause 6.1 of settlement Agreement reads thus:

6.1 That this Settlement shall come into effect from 1 January 2002 unless otherwise specified in the body of this Settlement and will be applicable to the workmen who are on the rolls of the Company on the effective date of this Settlement.

Difference in wages for January 2002, will be paid alongwith wages for February 2002. Advance given alongwith wages for January 2002, will be adjusted while paying wages for February 2002.

23. Under clause 5.5 of the Settlement Agreement, the recognized Union admitted the reduced financial capacity of the employer and it was mutually agreed that in addition to advance already paid in Diwali 2001, a further amount of Rs.14,000/- shall accrue to each workmen on signing the settlement. The said amount of Rs.14,000/- was to be paid in a deferred manner as indicated under the Agreement. At the end of October 2003, a further amount of Rs.4,000/- was to be paid to the workers through fixed deposits. Said lumpsum payments of Rs.14,000/- plus Rs.4,000/- were to be treated as *ad-hoc* payments incapable of being counted for the purpose of any other indirect benefits such as Provident Fund, Gratuity etc

24. According to Ms. Cox, the amount of Rs.9,000/- paid to the workers in Diwali 2001 was claimed to be the advance amount by the Respondent-employer. She would accordingly submit that the total lumpsum payment made to the workers was Rs. 9,000+Rs.14,000 = 23,000. She has submitted that if the amount of Rs.9,000/- is denied to the workers of the Petitioner-Union on the ground that the same was not Diwali bonus/ex-gratia, and if the same is to be treated as advance payable under the Settlement, the members of the Petitioner-Union who were granted VRS in August 2001 must be paid the entire amount of Rs.23,000/-.

25. The claim of the Petitioner-Union for lumpsum amount of Rs.9,000+14,000=23,000/- is premised on their claim that the lumpsum amount represented arrears of wages in respect of the period from 20 November 2000 when charter of demands was submitted by AEW to CGL. It is contended that under Maharashtra Amendment to Section 18 of the Industrial Disputes Act, proviso has been inserted to sub-section (1), under which once a settlement has been entered into with a recognized union then the same is required to be implemented in respect of all persons referred to in clauses (c) and (d) of sub-section (3). Under clause (d) of sub-section (3) of Section 18, all persons employed in the establishment are required to be paid the benefits of settlement. Section 18 of the Industrial Disputes Act as amended by Maharashtra Amendment reads thus:

18. Persons on whom settlements are binding.--

(1) A settlement arrived at by agreement between the employer and workman otherwise than in the course of conciliation proceeding shall be binding on the parties to the agreement.

Provided that, where there is a recognised union for any undertaking under any law for the time being in force, then such agreement (not being an agreement in respect of dismissal, discharge, removal, retrenchment, termination of service, or suspension of an employee) shall be arrived at between the employer, and the recognised union only; and such agreement shall be binding on all persons referred to in clause (c) and clause (d) of sub-section (3) of this section.

(2) Subject to the provisions of sub-section (3), an arbitration award which has become enforceable shall be binding on the parties to the agreement who referred the dispute to arbitration.

(3) A settlement arrived at in the course of conciliation proceedings under this Act or an arbitration award in case where a notification has been issued under sub-section (3-A) of section 10-A or an arbitration award in a case where there is a recognised union for any undertaking under any law for the time being in force or an award of a Labour Court, Tribunal or National Law Tribunal which has become enforceable shall be binding on -

(a) all parties to the industrial dispute;

(b) all other parties summoned to appear in the proceedings as parties to the disputes, unless the Board, \$, Labour Court, Tribunal or National Tribunal, as the case may be, records the opinion that they were so summoned without proper cause;

(c) where a party referred to in clause (a) or clause (b) is an employer, his heirs, successors or assigns in respect of the establishment to which the dispute relates;

(d) where a party referred to in clause (a) or clause (b) is composed of workmen, all persons who were employed in the establishment or part of the establishment, as the case may be, to which the dispute relates on the date of the dispute and all persons who subsequently become employed in that establishment or part.

26. Thus, combined reading of proviso to Section 18 (1) with Section 18(3)(d) would indicate that if a settlement is executed with recognized Union, the benefit thereof must be paid to all persons employed in establishment to which the dispute relates and who were working as on the date of the dispute.

27. However, in the present case, there is nothing to indicate that the lumpsum payment agreed to be paid under clause 5.5 of the Settlement were paid towards arrears of wages from 20 November 2000 as sought to be suggested. Though the charter of demands may have been submitted on 20 November 2000, and though the settlement may have been a result of such charter of demands, there is no agreement for payment of any arrears in respect of period prior to 1 January 2002. As observed above, clause 6.1 of the Settlement made it emphatically clear that the effective date for the Settlement was 1 January 2002. Furthermore, clause 6.4 of the Settlement makes it further clear that those demands included in the charter of demands dated 20 November 2000 but not covered by the Settlement are deemed to have been dropped by the Association. Clause 6.4 of the settlement reads thus:

6.4 That all other demands included in the Charter of Demands dated 20th November 2000, and the demands subsequently raised during the negotiations but not covered by this Settlement, have been dropped by the Association.

28. Thus, the workers of the recognized Union may have demanded arrears of wages from 20 November 2000 and even if the dispute is treated to have arisen on 20 November 2000, there is nothing on record to indicate that there is any agreement for payment of any wages from 20 November 2000. The contention raised on behalf of the Petitioner-Union that the lumpsum payment of Rs.9,000+14,000 was towards arrears of wages is nothing but the figment of imagination in absence of any contractual stipulation in that regard.

29. The recognized Union has accepted the condition that the wage revision would start to commence from 1 January 2002, which would imply that the demand for wage revision from 20 November 2000 is impliedly dropped as per clause 6.4 of the settlement. Merely because lumpsum payment was agreed to be paid under clause 5.5 of the settlement, it cannot be inferred that the same was towards arrears of wages from 20 November 2000. Clause 6.1 of settlement makes it emphatically clear that the said lumpsum payment was admissible only to workmen who were on rolls of the Company on the effective date of 1 January 2002. Therefore, there is no question of granting such lumpsum payment to the members of the Petitioner-Union.

30. Considering the overall conspectus of the case, I am of the view that the Industrial Tribunal has rightly answered the Reference in the negative. No case is made out for interference in the well-considered Award made by the Industrial Tribunal. Findings recorded by the

Industrial Tribunal are supported by evidence on record. In absence of any element of perversity or irrationality in the findings, there is no warrant for interference in the impugned Award.

31. The impugned Award appears, to my mind, to be unexceptional. The Petition must fail. The Writ Petition is accordingly dismissed without any order as to costs.

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signed by
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(SANDEEP V. MARNE, J.)