



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

234

**CWP-26771-2016 (O&M)
Date of Decision: 11.08.2024**

CATTLE FEED PLANT AND FARM WORKERS UNION

....Petitioner

VERSUS

INDUSTRIAL TRIBUNAL LUDHIANA AND ORS.

....Respondents

CORAM : HON'BLE MR. JUSTICE KULDEEP TIWARI

Present : Mr. Parminder Singh, Advocate, for the petitioner.

Mr. A.S. Chadha, Advocate, for respondents no.2 & 3.

KULDEEP TIWARI. J. (Oral)

1. The instant petition is directed against the award dated 16.08.2016 (Annexure P-4), as passed by the respondent No.1-Industrial Tribunal, Ludhiana, where through, the claim petition filed by the petitioner-Union, for grant of regular pay scale, on account of regularization of the workmen w.e.f. 01.10.2001, was declined, and the workman was not held entitled for regular pay scale, which has caused grievance to the petitioner, and propelled him to file instant writ petition, cast under Article 226/227 of Constitution of India. The illegality of impugned order was challenged on the ground that the learned Tribunal concerned, has not appreciated the facts, in terms of appointment letter, and subsequently, order dated 11.10.2001, wherefrom, the services of workmen were regularized.



2. The facts *qua* which there is no wrangle between the parties, which are essential for adjudication are as under:-

(i) The petitioner union-workers were working as *Palledar* with the respondents no.2 and 3-Cooperative Society. They were employed on contract basis, through their respective contractor, and were not paid wages directly. Considering the same to be an unfair trade practice, petitioner union-workers raised certain demands and also filed a representation. Neither their demands were acceded to, nor their representation was decided, which led the workers to file a civil writ petition (CWP-11802-1999), with a prayer for issuance of a direction upon the management of respondents-cooperative society, to regularize their services.

(ii) The writ petition bearing CWP-11802-1999, was disposed of vide order dated 23.08.1999, which reads as under:-

“Without going into the merits of this case at present, we find it appropriate to dispose of this writ petition by directing respondent no.1 to take a decision on the representation dated 29.04.1999, Annexure P-2 within a period of one month from the date of the receipt of the copy of the order or production of the certified copy thereof by the petitioner. We hope and expect that respondent no.1 will dispose of the representation by passing a speaking order.”

(iii) During the initial proceedings, as initiated under the Industrial Disputes Act, 1947 (for short ‘the ID Act’), a compromise was arrived between the petitioner-Union, and the respondents-Management on dated 05.09.2000, where through,



the respondents-Management had agreed to absorb 20 number of workers, w.e.f. 01.10.2000, who were engaged through the contractor and it was also agreed that they will get their wages of work at 'piece rate basis', and payment of minimum wages as per law. Consequent thereupon, the workmen were issued appointment letter(s), which is placed with the instant writ petition as Annexure R-2/1. As per the terms and conditions of the appointment letter, the petitioners were put on a six month probation period, and after completion of probation, their services were regularized through an order dated 11.10.2001 (Annexure P-3), by the Appointing Authority. At the time of passing of the regularization order (supra), it was specifically observed that the terms and conditions of their services shall be in accordance with the appointment letter issued to them.

3. The grievance which propelled the petitioner-Union, to raise the industrial dispute was that, despite their being an order of regularization, the petitioner's workers are not being paid regular pay scale, rather they are being paid minimum wages, and therefore, it is a clear cut violation of principle of equal pay, for equal work. The industrial dispute as raised by the petitioner-Union led to competent authority for making a reference to learned Tribunal under Section 10(1)(d) of the ID Act, for adjudication on the following issues which reads as under:-

“Whether the workmen as shown in demand notice dated 08.01.2007 namely Sarvshri Balbir Singh, Bir Singh, Megh Nath, Ram Tirath, Radhey Sham, Jaswant Singh, Ram Kishan, Malkiat Singh, Rajinder



Kumar, Bhajan Singh, Ram Kewal, Chet Ram, Harmesh Singh Swaran Singh, Gurnam Singh, Sher Singh, Sia Ram and Gurmit Singh to whom the respondents had given appointment letters dated 01.10.2001 are entitled to pay scale and arrears at par with regular employees: if so, on which terms?

4. The reference was answered against the workmen, and they were not found entitled for regular pay scale.

5. Learned counsel for the petitioner-Union, would submit that the terms and conditions of the appointment letter clearly reflects that petitioner-Union's workers are entitled for regular pay scale. He draws attention of this Court towards Conditions No.3, 5 & 13, to submit that the moment their services were regularized, they were entitled to regular pay scale. He further submits that though there is no post of *Palledar*, as prescribed under the Rules and Regulations governing the service conditions of the petitioner-Union, their job is equal to that of Dumper, which finds a place in the service regulation of the Milkfed. He further submits that in para 8 of the instant petition, the petitioner has taken a specific plea in this regard. However, the respondent-management has not clearly denied this averment, therefore, it is a deemed admission on their part.

6. The submissions as made by the learned counsel for the petitioner-Union, are vociferously opposed by learned counsel for the respondent-Cooperative Society. He draws attention of this Court towards the terms and conditions of the agreement arrived at between the workmen/Union and the Management, to submit that they cannot claim more than the terms and conditions of the compromise. He further submits that



there is a specific condition in the compromise, to the effect that upon absorption, all workmen will get their wages for the work at 'piece rate wages', and the payment of minimum wages as per law. He also submits that all the terms and conditions of the appointment letter is to be read jointly, which reflects that the petitioners were offered to be absorbed as Palledar, on piece rate basis, and even the rate were specifically prescribed therein. He, in addition, submits that the order of regularization clearly speaks that even after regularization of their services, the terms and conditions of their appointment letter shall remain the same. Finally, he submitted that there is no post of Palledar in the Rules and Regulations adopted by Milkfed, entitling the petitioners to claim equal pay for equal work.

7. This Court has heard the submissions of learned counsel for the parties, at length, and finds that there is no merit in the submissions, as made by the petitioner-Union, rather, this Court is of the considered view that the Award passed by learned Tribunal concerned, has passed the test of legality, on the hereinafter assigned reasons:-

- i. That the terms and conditions on which the compromise effected between the workmen and Management are essential to understand the entitlement of the petitioner. The relevant para is extracted hereinbelow:-

Conditions of Compromise

1. Out of 26 employees who had given demand notice six employees' have given resignations voluntarily and the Management has accepted them. Their accounts have



been settled and the payments shall be made within one week.

2.The Management agreed that those employees i.e. 20 in number who were of the contractor shall be absorbed w.e.f. 01.10.2000. They will get their wages for the work at piece rate basis and payment of minimum wages as per law shall be ensured.” (emphasis supplied)

8. From the above, it is clearly spell out that the petitioner-Union’s workers will be absorbed w.e.f. 01.10.2000, and they will get wages for the work at ‘piece rate basis’ and payment of minimum wages as per law.

9. In pursuance of the compromise, the petitioner-Union’s workmen were absorbed as Palledar, on piece rate basis and they were issued appointment letter dated 02.09.2000. The terms and conditions of the appointment letter are essential to understand the status of petitioner-Union’s workers. The subject of the appointment letter reads as ***‘Appointment as Palledar on piece rate basis’***.

“You are, hereby absorbed under Direct payment System as Paledar on piece on piece Rate basis as detailed below:

1. From 1 kg to 60 kg piece = 26 Paisa (twenty Six Paisa Only) of
(Per piece by Head Load) Stock & other by transport.
2. From 61 kg to 100 kg piece = 31 Paisa (Thirty One Paisa Only)
(Per piece by Head Load) Stock & other by transport.

You will be eligible to minimum wages fixed by the Pb. Govt. or patti (piece Rate) fixed above whichever is higher shall be paid to you for actually performing the duty. The loading of



finished cattle feed and other products will be loaded in the trucks as per the instructions of management. And stacking of finished feed bags will be made upto the height of 16 bags or desired by the management. The unloading of the raw material from the incoming trucks and its stacking will be made upto 20 bags height or as desired by the management. All the raw materials will be shifted by Head load and the raw material bags stacked for away from the production will be transferred in the tractor trolley/truck. Reasonable increase in wages/patti will be made as per Govt. notification in respect of monthly wages.”

10. The condition No.2 clearly spells out that the Palledars were held to be eligible to minimum wages fixed by Punjab Government or Patti (piece rate), fixed as per appointment letter or whichever is higher, shall be clinched **to him for actually performing duty**. The petitioner emphasized on conditions No.3, 5 and 13, therefore, it is also essential to be extracted hereinafter for apt adjudication.

“1 & 2 XX XX XX

3. *In case you wish to leave the service of the Federation after regularization of your service with this organization you shall have to give one months salary in lieu of the notice period.*

4. XX XX XX

5. *Other condition of your service shall be governed by the rules and regulations of the Milkfed in force from time to time and by the various Labour laws.*

6 to 12. XX XX XX

13. *For the period you worked as temporary/probationary, you shall have not absolute right or claim to be called or taken as a permanent employee unless you have been regularised”.*

14 & 15. *XX* *XX* *XX*



11. It is the case of the petitioner that on completion of the probation, the petitioners were regularized as permanent employees, therefore, they cannot be denied the regular pay scale. However, the order of regularization dated 11.10.2001, clearly spells out that the other terms and conditions of the appointment letter shall remain the same. The relevant portion is extracted hereinafter:

“The following Paledars working on probation since 01.10.2000 are hereby considered to have completed their probation period satisfactorily as on 30.09.2001. Accordingly, their services are hereby regularized with effect from 01.10.2001. The other terms and conditions of their appointment letter issued to them shall remain same.

Sr. No.1	Name of Paledars S/Sh.
1.	Balbir Singh
2.	Bir Singh
3.	Megh Nath
4.	Ram Tirth
5.	Radhe Shyam
6.	Jaswant Singh
7.	Ram Kishan
8.	Malkiat Singh
9.	Rajinder Kumar
10.	Bhajan Singh
11.	Ram Kewal
12.	Chet Ram
13.	Harmesh Singh
14.	Swaran Singh
15.	Gurnam Singh
16.	Sher Singh
17.	Sie Ram
18.	Gurmeet Singh.
19.	Surinder Singh.”

12. According to the already extracted terms and Conditions No.1 and 2, the petitioners were only entitled for the ‘piece rate wages’. As per record, the petitioners were paid the wages at the rate of ‘piece rate basis’ admissible to the Paledars and the same were increased regularly as per



conditions of the appointment letter. Earlier, the petitioners were paid minimum wages as 'unskilled worker' and after completion of 10 years of service as 'unskilled worker', they were granted the minimum of 'semi-skilled workers' w.e.f. 01.09.2012, and further after completion of 5 years of service as 'semi-skilled workers', they were granted minimum wages of 'skilled-worker' w.e.f. 1.9.2017.

13. It is also relevant to mention here that there is no post of Palledar under the service regulations, which were adopted by respondents no.2 and 3-Management. Though, the counsel for the petitioner-Union tried to impress upon this Court that the duties of Palledar, are as equal to the duties of a Dumper, which is a regular cadre post, however, he is unable to point out any terms and conditions of service of a Dumper, to establish petitioners entitlement for "equal pay for equal work". All the above facts reveals that the arrangement between the workmen and the management is to ensure permanent work to the workmen of the union, and not to give appointment on regular cadre post.

14. All the aforesaid aspects have been dealt with by the learned Tribunal in Para No.18, which is extracted hereinafter:-

"Perusal of record reveals that there is nothing on record showing that except the workmen, there is no other employee of the management working as Palledar. Although, it is the case of the workmen that dumpers, helpers etc. working with the management are getting salary in regular pay scale, but there is no evidence on record showing that said dumpers and helpers etc. are performing similar duties or functions. Moreover, it is the specific case of the management that mode of appointment of Dumpers and Helpers is different as they have been



*appointed through regular recruitment against sanctioned posts. As already stated herein above, the workmen have been absorbed w.e.f. 1.10.2000 as Palledars by the management as per settlement dated 5.09.2000. They completed the probation period on 1.10.2001. Their services are specifically governed by settlement dated 5.09.2000 Ex.M1, execution of which is admitted. From cross-examination of WW-1 Gurmit Singh, WW-3 Rajinder and WW-8 Sher Singh workmen, it is evident that they have admitted the execution of settlement dated 5.09.2000 Ex.M1 executed on behalf of the workmen by their Union with the management. As per this settlement Ex.M/3, 26 workers had served demand notice Ex.M1, out of whom, 6 workers have voluntarily furnished resignation which has been accepted by the management and they were paid their dues within one week. Further, the management had agreed to absorb the remaining 20 workers w.e.f. 1.10.2000 and they were to be paid on piece rate basis or the minimum wages fixed by the Punjab Government. Both the workers and the management agreed to the settlement which was signed by Sh. O.P.Mehta, Secretary, AITUC. WW-1 Gurmit Singh, Malkiat Singh, Chet Ram and Gurmit Chand, being representatives of the Union of the workers and Sh. M.M.Vadera, the then General Manager of the management, in the presence of the Joint Labour Commissioner. So, It is evident that the workmen have been absorbed as Palledars by the management on the basis of this settlement dated 5.09.2000 Ex.M/3. The present industrial dispute has been raised by the same Union by issuing demand notice dated 8.01.2007. Execution of settlement Ex.MI is admitted and it has not been challenged by the Union/workmen in demand notice or the statement of claim. The authorized representative of the management referred to law laid in cases **State of Uttaranchal Versus Jagpal Singh Tyag, 2006 LLR 254 (SC)** where it was held that where a workman has received the wages under a settlement, he cannot challenge its validity without justifiable reasons and settlement will not be held as illegal when the workman fail to prove that it was obtained by fraud or concealment of facts; **Barauni Refinery Pragatisheel Shramik Parishad Versus Indian Oil Corporation Limited and Others, 1990 (2) RSJ 533 (SC)** where it was held that settlements are divided into two*



categories (i) those arrived at outside the conciliation proceedings and (ii) those arrived at in the conciliation proceedings. Settlement arrived at in course of conciliation proceedings is to be at par with an award of an adjudicatory authority; **National Engineering Industries Limited Versus State of Rajasthan and others, 2000 LLR 228 (SC)** where it was held that a settlement arrived at in the course of conciliation proceedings with a recognized majority union will be binding on all workmen of the establishment even those who belong to the minority union which had objected the same; **Workmen of the Motor Industries Co. Ltd. Versus Management of Motor Industries Co. Ltd. and another, 1969 AIR (SC) 1280** where it was held that settlement arrived at before the conciliation Officer is binding on all workmen until validly terminated and **State of Tamil Nadu an Others Versus Amala Annai Higher Secondary School, (2009) 2 SCC (L&S) 608** where it was held that creation and sanction of post is the prerogative executive and courts cannot arrogate to themselves a purely executive power and the High Court erred in directing the appellant state to sanction one post of Junior Assistant to respondent school contrary to applicable GOMs and rules”.

15. The award (supra), is also examined by this Court and finds no perversity requiring any interference. Consequently, the instant writ petition is **dismissed**.

16. However, it goes without saying that the respondents no.2 and 3-Co-operative Society, shall keep on paying applicable minimum wages as mentioned in Annexure R-2/2.

(KULDEEP TIWARI)
JUDGE

11.08.2025

Deepak Patwal/deepak

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|------------------------------|--------|
| 1. Whether speaking/reasoned | Yes/No |
| 2. Whether reportable | Yes/No |