2026:UHC:10671

# HIGH COURT OF UTTARAKHAND AT NAINITAL

**HON'BLE THE ACTING CHIEF JUSTICE SRI MANOJ KUMAR TIWARI**

**WRIT PETITION (M/S) NO. 2127 OF 2024**

**20TH NOVEMBER, 2026**

Belrise Industries Ltd. .....Petitioner.

Versus

State of Uttarakhand & others ....Respondents.

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| Counsel for the Petitioner | : | Mr. Gopal Narain, Mr. Amar Murti Shukla and Mr. Anand Singh, learned counsel. |
| Counsel for the State | : | Mr. Ganesh Kandpal, learned Additional Advocate General. |
| Counsel for Respondent No.3 | : | Mr. M.C. Kandpal, learned Senior Counsel assisted by Mr. D.S. Mehta, learned counsel. |

**The Court made the following:**

**JUDGMENT:(per Hon'ble The Acting Chief Justice Sri Manoj Kumar Tiwari)**

Employer has filed this writ petition challenging order dated 19.07.2024, passed by Assistant Labour Commissioner, Udham Singh Nagar, in proceedings under Section 6H (1) of U.P. Industrial Disputes Act, 1947 *(for short "the Act")*.

2. By the said order, petitioner (employer) was directed to deposit the amount, as claimed by workmen on the strength of a settlement within ten days, failing which, necessary action was to be taken against petitioner.

3. Petitioner has challenged said order on the ground that the settlement arrived at between management and workmen was not registered because of objection by workmen and as per Section 6B of the Act, unregistered settlement is not binding upon the parties.

4. Section 6-B of the Act is reproduced below:-

> ***"6-B. Settlement outside conciliation proceedings.-****(1) A settlement arrived at by agreement between the employer and workmen otherwise than in the course of conciliation proceeding shall except as provided in sub-section (4), be binding on the parties to the agreement:*
>
> *Provided that if the period for which a settlement shall remain in force has not been laid down in such settlement itself, it remain in force for one year from the date of its registration.*
>
> *(2)As soon as settlement referred to in sub-section (1) has been arrived at, the parties to the settlement or any one of them may apply to the Conciliation Officer of the area concerned in the prescribed manner for registration of the settlement.*
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> *(3)On receipt of application for registration under sub-section (2) the Conciliation Officer or an authority noticed by the State Government in this behalf, either : (i) register the settlement in the prescribed manner, or (ii) refuse registration if it considers it to be inexpedient to do so on public grounds affecting social justice, or if the settlement has been brought about as a result of collusion, fraud or misrepresentation.*
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> *(4)Where a settlement under sub-section (1) has been refused registration, it shall not be binding under this Act.]"*

5. Mr. M.C. Kandpal, learned Senior Counsel appearing for respondent no.3, however, submits that petitioner (employer) has honoured the settlement by granting annual increment and other benefits to some of the workmen, therefore, employer cannot refuse to

pay same benefits to other workmen, who were also party to the settlement. He also relies upon a judgment rendered by learned Single Judge of Hon'ble Delhi High Court, in the case of ***Wearwell (India) Pvt. Ltd. vs. Raju,*** reported in ***2022 SCC OnLine Del 370***. Paragraph No.16 of said judgment is reproduced below:-

> *"16. A perusal of the above two decisions shows that settlements entered into in Industrial Disputes are valid and legal, even though provisions similar to Order XXIII Rule 3 CPC do not exist in the ID Act. Settlements can be entered into between Management and Workman even outside the court/ conciliation proceedings as is clear from Section 18(1) ID Act. Such settlements would be valid and legal. Upon a settlement being entered into, parties may place the same before the forum concerned and the same can be recorded, upon the Court being satisfied that the terms are legal, just and fair. The usual procedure for recording a settlement would be that parties would file an application and appear before the court and confirm the settlement. However, in a case where one party chooses not to appear and not to confirm the settlement, the Court would have to consider as to whether settlement has in fact been arrived at or not and if the Court is satisfied that the settlement has been arrived at, there is no reasons as to why the Court should not accept the settlement and despite the settlement, again go into the merits of the matter. Purpose of providing such provisions of settlement is that there is finality to the settlement and parties should not be relegated to continue to avail of their legal remedies leading to delays involving expending of precious judicial time."*

6. He also relies upon judgment rendered by learned Single Judge of Bombay High Court, in the case of ***Cipla Ltd. vs. Anant Ganpat Patil & others,*** reported in ***2008 (1) Mh. L.J. 477***. Paragraph No.24, on which heavy reliance was placed by learned counsel for the respondents, is reproduced below:-

> *"24. The petitioners ought to have extended the benefits of the settlement to the workmen without insisting on an undertaking/ declaration on two counts: firstly because the benefits or obligations under the settlement were not conditional*

*upon the workmen signing the undertaking and secondly, since the settlement was signed between a recognized union and the petitioners and, therefore, binding on all workmen present and future. The insistence on an undertaking/ declaration by virtue of Clause 14 of the settlement is opposed to public policy as by the declaration certain rights which are available to a workman can be abrogated at the whim of the employer. The petitioners have committee an unfair labour practice by not extending the settlement to the workmen. Therefore the Industrial Court has rightly held that the petitioners have committeed an unfair labour practice under Item 9 of Schedule IV of the MRTU and PULP Act."*

7. Per contra, learned counsel for the petitioner submits that both the judgments relied upon by learned counsel for respondent deal with Industrial Disputes Act, 1947 (Central). He submits that there is no requirement of registration under Section 18 of the Central Industrial Disputes Act, 1947, while it is mandatory under the U.P. Industrial Disputes Act, 1947.

8. Section 18 of the Central Industrial Disputes Act, 1947 is reproduced below:-

*"**18. Persons on whom settlements and awards 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.*

*(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 a case where a notification has been issued under sub-section (3A) of section 10A] or [an award 7 [of a Labour Court, Tribunal or National 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 dispute, unless the Board, [arbitrator,] [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."*

9. Learned counsel for the petitioner relied upon judgment rendered by learned Single Judge of Hon'ble Allahabad High Court, in the case of ***Raza Textile Labour Union vs. R. Mohan & others,*** reported in ***1964 SCC OnLine All 402***. Paragraph Nos.37 and 38 of the said judgment are reproduced below:-

> *"37. I am afraid I cannot agree to this proposition. The Legislature of this State while legislating Section 6-B of the Act had before it the provisions of the Central Industrial Disputes Act and Rules framed thereunder and also the provisions of the Acts and Rules framed by various States and, therefore, it must be held that it deliberately made a departure and provided for registration of a settlement. The proviso to subsection (1) of Section 6-B of the Act says that if the period for which a settlement shall remain in force has not been laid down in such settlement itself, it shall remain in force for one year from the date of its registration. It is, therefore, clear that the Legislature intended the settlement to be registered as the period of one year during which the settlement has to remain in force is to be counted from the date of its registration. In my view, there can be no escape from the fact that Section 6-B of the Act contemplates a settlement to be registered in the prescribed manner.*
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> *38. Industrial disputes are collective disputes and any settlement of those disputes must have collective backing of the workmen. It was for this reason that registration of the settlement was provided for in the Act so that every workman may know regarding the settlement and it was for this reason that a provision was made in Rule 26 of the U.P. Industrial Disputes Rules for a copy of the memorandum of settlement to be affixed by the parties to the settlement to a notice board at or near the entrance or entrances of the establishment concerned and the copy has to remain so affixed for a period of 15 days before making the application for registration. Registration of a settlement has been deliberately introduced in the Act to enable the workmen, as a body, to have confidence in the settlement. The scheme of the Act is to protect the interest of workmen as a body. It could not be intended by the Legislature that a single workman or a few workmen may sign a settlement and thereby make it binding on the entire body of*

*workmen without the entire body of workmen coming to know about the settlement. If the argument of Mr. Jagdish Swarup is to be accepted it would mean that any office bearer of a Union may enter into a settlement on behalf of the entire body of workmen and sell the rights of all the workmen and thereby cause material danger to the workmen. It was to prevent this that registration of a settlement has been provided for in the Act. Sub-section (4) of Section 6-B of the Act provides that "where a settlement under sub-section (1) has been refused registration, it shall not be binding under this Act". It is pertinent to note that a reference in sub-section (4) has been made to sub-section (1) of Section 6-B and not to sub-section (2) of that section which says that as soon as a settlement has been arrived at, the parties to the settlement or any one of them may apply to the Conciliation Officer of the area concerned in the prescribed manner for registration of the settlement. The law, therefore, envisages that every settlement must be sent for registration and it is wrong to say that the provisions in Section 6-B of the Act for registration of a settlement are discretionary. I do not agree with Mr. Jagdish Swarup that the settlement in this case has merged into the award and has lost its identity and, therefore, its registration was not necessary. Since the requirement regarding registration of a settlement has been incorporated in the Act by the Legislature it was necessary for the settlement in this case to be registered and in the absence of registration the settlement could not be the basis of the award of the Arbitrator. No settlement can be binding unless it is registered. Since the award has been made on the basis of the settlement which was not registered, as require by the Act, there is a manifest error of law apparent on the face of the record in it. The fact is that "an error apparent on the face of the record cannot be defined precisely or exhaustively, there being an element to indefiniteness inherent in its very nature, and it must be left to be determined judicially on the facts of the each case". See Hari Vishnu Kamath v. Syed Ahmed Ishaque ( [1955 (1) S.C.R. 1104.] )."*

10. Hon'ble Supreme Court, in the case of ***Bhuvnesh Kumar Dwivedi vs. Hindalco Industries Ltd.***, reported in ***(2014) 11 SCC 85***, held that in view of principle laid down in the case of ***U.P. State Sugar Corporation Ltd. vs. Om Prakash Upadhyay***, reported in ***(2002) 10 SCC 89***, the provisions of U.P. Industrial Disputes Act, 1947 remain unaffected by the provisions of Industrial Disputes (Amendment and Miscellaneous Provisions) Act, 1956 (36 of 1956).

Paragraph No.24 of the said judgment is reproduced below:-

> *"24. It is argued by the learned counsel for the appellant that there is no provision in pari materia with this provision in the U.P. ID Act. Therefore, even if the service of the appellant is terminated on expiry of the contract period of service, it would fall within the definition of retrenchment under the U.P. ID Act for non-compliance with the mandatory requirement under Section 6-N of the U.P. ID Act. The order of termination against the appellant is rendered void ab initio in law, therefore, the appellant is entitled to be reinstated with back wages and consequential benefits. In support of this contention, the learned counsel has aptly relied upon the decision of this Court in U.P. State Sugar Corpn. Ltd. v. Om Prakash Upadhyay [U.P. State Sugar Corpn. Ltd. v. Om Prakash Upadhyay, (2002) 10 SCC 89 : 2003 SCC (L&S) 77] , with regard to the applicability of the provision of Section 2(oo)(bb) of the ID Act which was amended provision after the U.P. ID Act, the relevant paragraphs of which read as under: (SCC pp. 91-93, paras 3 & 5-8)*
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> > *"3. On the application of the State Act or the Central Act to the case on hand, the High Court followed a Division Bench ruling in Jai Kishun v. U.P. Coop. Bank Ltd. [Jai Kishun v. U.P. Coop. Bank Ltd., 1989 UPLBEC 144 (All)] and made it plain that the provisions of Section 2(oo)(bb) of the Central Industrial Disputes Act would not apply in respect of proceedings arising under the U.P. Industrial Disputes Act. The High Court also noticed the contrary view in this regard in PushpaAgarwal v. Regl. Inspectress of Girls Schools [(1995) 70 FLR 20 (All)] but held that in Jai Kishun case [Jai Kishun v. U.P. Coop. Bank Ltd., 1989 UPLBEC 144 (All)] the relevant provisions had been duly considered which are not taken note of in Pushpa Agarwal case [(1995) 70 FLR 20 (All)] and on that basis, it followed the decision in Jai Kishun case [Jai Kishun v. U.P. Coop. Bank Ltd., 1989 UPLBEC 144 (All)] . It is this judgment that is brought in appeal before us in these proceedings.*
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> > *5. The law is settled that under the Central Act every case of retrenchment would not include a case of contractual termination which came to be introduced under the Central Act by amending Act 49 of 1984 which purports to exclude from the ambit of the definition of 'retrenchment' inter alia: (i) termination of service of a workman as a result of the non-renewal of the contract of employment between the employer and the workman concerned on its expiry, or (ii) termination of the contract of employment in terms of a stipulation contained in the contract of employment in that behalf. Such a case is not available under the U.P. Industrial Disputes Act. If the U.P. Industrial Disputes Act covers the present case then termination of the services of the respondent would certainly result in retrenchment while it is not so under the Central Industrial Disputes Act in view of exceptional clauses referred to above. While the former situation results in retrenchment, the latter situation does not amount to retrenchment if the same case would arise under the State Industrial Disputes Act. Thus operation of*

*the two enactments would bring to the forefront the obvious repugnancy between them. In such a case as to how the question is to be resolved needs to be considered in the present case.*

*6. Inasmuch as the enactments, both by the State and the Centre, are under the Concurrent List, we are urged to look to Article 254(2) of the Constitution of India. If we view from that angle, the U.P. Industrial Disputes Act also covers the same field as the Central Industrial Disputes Act. However, Section 2(oo)(bb) is obviously a special provision enacted in order to understand the meaning of 'retrenchment' and that is the law made by Parliament subsequent to the State enactment and naturally falls within the proviso to Article 254(2). If that is so, the Central Act will hold the field because in the State enactment there is no provision akin to Section 2(oo)(bb) of the Central Industrial Disputes Act. Therefore, we would have taken that view but for the special provisions in the Central Act which we will advert to hereinafter.*

*7. Section 1(2) of the Central Act provides that the Act 'extends to the whole of India' and this sub-section was substituted for the original sub-section (2) by the Industrial Disputes (Amendment and Miscellaneous Provisions) Act, 1956 (36 of 1956) with effect from 29-8-1956. Under that Act, Section 31 (which came into force from 7-10-1956) has been introduced which reads as follows:*

*'31. Act not to override State laws.—(1) If, immediately before the commencement of this Act, there is in force in any State any Provincial Act or State Act relating to the settlement or adjudication of disputes, the operation of such an Act in that State in relation to matters covered by that Act shall not be affected by the Industrial Disputes Act, 1947 as amended by this Act. …'*

*8. Sub-section (1) of the said section makes it clear that the operation of the State Act will not be affected by the Central Act."*

11. In the case of ***Engineering Kamgar Union vs. M/s Electro Steels Castings Ltd. & another,*** reported in ***2004 (6) SCC 36***, Hon'ble Supreme Court, while considering the issue of repugnancy between the provisions of U.P. Industrial Disputes Act, 1947 and Industrial Disputes Act (Central), held that U.P. Industrial Disputes Act having received Presidential assent, provisions thereof, would prevail over the

provisions of Central Act. Paragraph Nos.36 and 38 of the said judgment are reproduced below:-

> *"36. Keeping in view the plain language used in Article 254(2) of the Constitution of India, we are of the opinion that the State Act in the fact and circumstance of this case, keeping in view the Presidential assent given thereto shall prevail over the Central Act.*
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> *38. The question, however, is to be considered having regard to the fact situation obtaining herein. The conflict between the Central Act and the State Act was apparent. The State of Uttar Pradesh inserted Section 6-V by Act 26 of 1983 being conscious of the fact that an Act had been passed to the contrary by Parliament in terms of Act 46 of 1982. So long Chapter V-B was applicable to an industrial establishment engaging 300 or more persons, the State did not insert any provision and allowed Parliament to occupy the field relating to layoff, retrenchment and closure of industrial undertakings. Only when the number of workmen having regard to the legislative policy as would appear from the Statement of Objects and Reasons was brought down to 100 from 300 for the purpose of applicability of Chapter V-B of the Central Act, the amendment was brought in by the State. The provisions contained in Section 6-V by reason of the 1983 amendment by the legislature of the State of Uttar Pradesh must have been made consciously in relation whereto only the legislation was reserved for the Presidential assent. If the contention of the appellant was that the assent of the President was obtained without clearly informing him the purpose for which the same was sought for, it was necessary for them to raise such a plea in this behalf in the writ petition. Not only such a plea had not been raised in the writ petition or before the High Court, no such plea has been raised even in the special leave petition. We agree with Mr Jayant Bhushan that in such a situation, the appellant should not be permitted to raise the said question. We would, therefore, proceed on the presumption that the State amended the Act having regard to the provisions of the Central Act and the Presidential assent was sought for only on account thereof.*
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> *39. Section 114(e) of the Indian Evidence Act raises a presumption that all official acts must have been performed regularly. Section 114(f) of the said Act raises a presumption that the common course of business has been followed in particular cases. The said presumptions, therefore, would apply in this case also. In any event, we do not find any reason to allow the appellant to raise the said plea before this Court for the first time."*

12. Perusal of impugned order indicates that learned Assistant Labour Commissioner did not

examine whether the settlement sought to be enforced by workmen was registered as per Section 6-B of the U.P. Industrial Disputes Act, 1947.

13. Plain reading of Section 6-B(4) of the Act indicates that a settlement, which has been refused registration, shall not be binding under the Act. The import of sub-section (4) of Section 6-B of the Act, however, was not considered by learned Assistant Labour Commissioner. Thus, impugned order is interfereable.

14. Accordingly, impugned order dated 19.07.2024, passed by Assistant Labour Commissioner, Udham Singh Nagar, is set-aside. Application filed by workmen under Section 6H(1) of the Act shall stand restored to the file of Assistant Labour Commissioner, which shall be decided afresh after considering all relevant aspects.

15. The amount deposited by petitioner in terms of order dated 27.08.2024, shall be refunded by Registry to the petitioner (employer) within two weeks.

16. The writ petition stands disposed of in aforesaid terms.

17. Pending application, if any, also stands disposed of.

**(MANOJ KUMAR TIWARI, A.C.J.)**

Dated: 20th November, 2026
NISHANT

NISHANT KUMAR