

**AFR**

**Reserved**

**Chief Justice's Court**

**Category-A**

**Case :-** WRIT - C No. - 5577 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And 2 Others

with

**Case :-** WRIT - C No. - 5578 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And 2 Others

with

**Case :-** WRIT - C No. - 5580 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

with

**Case :-** WRIT - C No. - 5582 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

with

**Case :-** WRIT - C No. - 5583 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

with

**Case :-** WRIT - C No. - 5585 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

with

**Case :-** WRIT - C No. - 5586 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

with

**Case :-** WRIT - C No. - 5588 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr

with

**Case :-** WRIT - C No. - 5590 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

with

**Case :-** WRIT - C No. - 5591 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

with

**Case :-** WRIT - C No. - 5593 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

with

**Case :-** WRIT - C No. - 5594 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

with

**Case :-** WRIT - C No. - 5597 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

with

**Case :-** WRIT - C No. - 5598 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

with

**Case :-** WRIT - C No. - 5599 of 2015

**Petitioner :-** Kisan Sahkari Chini Mills Ltd.

**Respondent :-** Presiding Officer Labour Court And Anr.

With

**Category-B**

**Case :-** WRIT - C No. - 2392 of 2009

**Petitioner :-** M/S The Ganga Kisan Sahkari Chini Mills Ltd. And Anr.

**Respondent :-** Mahipal Singh And Others

with

**Category-C**

**Case :-** WRIT - C No. - 17065 of 2018

**Petitioner :-** Phool Kumar

**Respondent :-** Presiding Officer Industrial Dispute Tribunal (5) U.P., Meerut and another

**Appearances-** Sri Samir Sharma, learned Senior Counsel assisted by Sri Diptiman Singh, Amicus Curiae, Sri Satyam Singh, learned counsel for Kisan Sahkari Chini Mills, Sri Gopal Narayan, learned counsel for the workmen and Ms. Akanksha Sharma, learned Standnig Counsel for the State-Respondents.

**Hon'ble Arun Bhansali,Chief Justice**

**Hon'ble Vikas Budhwar,J.**

**(Per: Vikas Budhwar, J.)**

1. Noticing divergent views and finding it difficult to reconcile, the learned Single Judge vide order dated 03.02.2015 has referred the following questions to be answered by Larger Bench.-

“Whether workmen of Kisan Sahkari Chini Mill Ltd. whose services are governed by the Standing Order Covering The Condition of Employment of Workmen In Vacuum Pan Sugar Factories In U.P. can raise industrial dispute involving the provisions of U.P. Industrial Dispute Act, 1947 ?”

**Facts**

2. Broadly, the facts of the case are that Kisan Sahkari Chini Mills Ltd. (in short ‘Sugar Mill’) is engaged in the business of

manufacturing of sugar by vacuum pan process and claims to have obtained a licence under the provisions of U.P. Vacuum Pan Sugar Factories Licensing Order, 1969 (in short 'Licensing Order 1969').

3. In exercise of the powers conferred under clause (3) of Article 348 of the Constitution of India read with clause (b) of Section 3 of the U.P. Industrial Disputes Act, 1947 (in short 'U.P. I.D. Act, 1947'). The State of Uttar Pradesh framed Standing Orders regulating the Condition of Employment of Workmen in Vacuum Pan and Sugar Factories of Uttar Pradesh on 27.09.1988. Owing to demand for revision of the Standing Orders, revised Standing Orders Governing the Condition of the Employees and Workmen in Vacuum Pan Sugar Factories in Uttar Pradesh came to be framed on 29.04.2022.

4. Dispute with regard to termination of the employment of the workmen resulted in reference under Section 4-K of the U.P. I.D. Act, 1947 which in turn got registered as adjudication cases. Objections were preferred by the Sugar Mill taking a ground that since the Sugar Mills are governed under the provisions of U.P. Cooperative Societies Act, 1965 (in short 'Co-operative Act, 1965') read with U.P. Cooperative Societies Employees Service Regulations, 1975 (in short 'Regulations, 1975'), therefore, the adjudicating courts under the U.P. I.D. Act, 1947 had no jurisdiction and authority to adjudicate the said disputes. The said objections came to be rejected by the Labour Courts holding that it had the competence to adjudicate the said disputes. Several writ petitions were filed before this Court, category 'A' against the order rejecting the objections raised by the Sugar Mill, category 'B' writ petition filed against the reference orders and category 'C' writ petition filed by the Workmen wherein challenge was raised to the order of the Labour Court holding that it had no jurisdiction to adjudicate the dispute since it falls under the provisions of the Co-operative Act, 1965.

5. On 29.08.2022, this Court appointed Amicus Curiae to assist the Court.

**Arguments of Amicus Curiae**

6. Sri Samir Sharma, Senior Advocate assisted by Sri Diptiman Singh, Amicus Curiae, submitted that the Sugar Mills are though engaged in manufacture of Sugar like private sector Sugar Mills but there lies a slight distinction that in the case of the petitioner-Sugar Mill the manufacture of Sugar is by Vacuum Pan Process. For the said purpose, a statutory licence is to be obtained under the provisions of Licensing Order, 1969. It is also submitted that in the Sugar Mills in question, the works are being executed by the employees and the workmen. As regards, the condition of the services of the workmen in Vacuum Pan Sugar Factories are concerned they are governed by the Standing Orders notified on 27.09.1988 which stood revised on 29.04.2022. With respect to the employees their service conditions are governed under *U.P. Cooperative Sugar Mills and Distilleries Employees Service Regulation, 2015* (in short 'Regulation, 2015). According to the Amicus Curiae, since the Standing Orders issued from time to time specifically deals with the condition of the services of the workmen and reference has been made in the Standing Orders for adjudication of the dispute relating to condition of services by the adjudicating forum under the U.P. I.D. Act, 1947, thus, the provisions of the Cooperative Act, 1965 and Regulations, 1975 would not apply. Argument is that the provisions of Cooperative Act, 1965 and the Regulations, 1975 have no application particularly when Section 70 of the Cooperative Act, 1965 does not deal with the contingency of adjudication of the disputes regarding disciplinary action through arbitration. It is contended that the judgment in the case of *Ghaziabad Zila Sahkari Bank Limited Vs. Additional Commissioner (2007) 11 SCC 756* would have no application in the facts of the case particularly when the dispute in the case of Ghaziabad Zila Sahkari

Bank Limited (supra) was with regard to grant of ex gratia to the employees, whereas in the present case at hand the dispute is of termination of the engagement/employment which obviously comes within the realm of disciplinary action. It is, thus, submitted that once there happens to be specific Standing Orders occupying the field then the provisions of the Cooperative Act, 1965 would not be of any application and it is the adjudicating authority under U.P. I.D. Act, 1947 which is the only competent forum to decide such type of disputes.

7. Lastly, it has been argued that the judgment in the case of ***Ram Shankar Vaish Vs. Presiding Officer, Labour Court 2011 (131) FLR 391*** lays correct law while holding that the Labour Court has the absolute and sole jurisdiction to adjudicate the case.

**Arguments of the Counsel for Kisan Sahkari Chini Mills Ltd.**

8. Sri Satyam Singh who appears for the Sugar Mills had sought to argue that in view of the judgment of Hon'ble Supreme Court in the case of *Ghaziabad Zila Sahkari Bank Limited* (supra), it is beyond shadow of doubt that it is only the provisions of Cooperative Act, 1965 which would apply in the disputes in question as the Cooperative Act, 1965 being a special enactment would prevail upon the general enactment and the Labour Court has no authority under law to adjudicate the said disputes.

9. Submission is that in view of Section 135 of the Cooperative Act, 1965, the provisions of U.P. I.D. Act, 1947 would not apply to the cooperative societies and once the Sugar Mills is a cooperative society then obviously the provisions of Section 70 of the Cooperative Act, 1965 would apply and the matter being arbitrable the Labour Court would have no jurisdiction to adjudicate the said disputes. He seeks to rely upon the judgments in the case of (i) ***Brij Bhushan Singh and another Vs. State of U.P. and Others, 2009(2) ADJ 314***, decided on

19.12.2008, (ii) *Cooperative Cane Development Union Limited Vs. State of U.P. and Others*, Writ-C No. 23765 of 2005, decided on 18.04.2011, (iii) *Farrukhabad Dugdh Utpadak Sahkari Sangh Ltd. Vs. Presiding Officer, Labour Court, Lko. & others*, Writ-C No. 11386 of 1993, decided on 04.08.2011, (iv) *Sunder Lal Vs. The L.S.R. Sahkari Samiti Ltd. & Others*, Writ-A 42227 of 1992 decided on 29.11.2011, (v) *Secretary Sadhan Sahakari Samiti Ltd. Vs. Presiding Officer, Labour Court, Faizabad and Another*, Writ-C No. 11395 of 2017, decided on 04.04.2022, (vi) *Pradeshik Cooperative Diary Federation Ltd. & another Vs. State of U.P. & Others*, Writ-C No. 48700 of 2010, decided on 23.05.2012, (vii) *Aliganj Kshetriya Sahakari Samiti Ltd. Bareilly Vs. Murali Lal Sharma & another*, 2012 (135) FLR 536, decided on 23.07.2012, and (viii) *Firozabad Dugdh Utpadak Sahkari Sangh Ltd. Vs. P.O., Labour Court, Agra & Others*, Writ-C No. 25816 of 1999, decided on 31.07.2012.

#### Arguments of the counsel for Workmen

10. Sri Gopal Narayan, learned counsel for the workmen has supported the arguments of Amicus Curiae while adding that Section 70 of the Cooperative Act, 1965 deals with the disputes which may be referred to arbitration as envisaged under clauses (a), (b), (c) and (d) of sub-section (1) and it is restricted to the disputes relating to constitution, management or business of cooperative society which excludes a dispute regarding disciplinary action taken against a paid servant. According to him, the dispute in the case in hand is of termination of the engagement/services which obviously falls within the category of disciplinary action as the termination has been an outcome of misconduct.

11. Submission is that a workman cannot be remediless as once Section 70 of the Cooperative Act, 1965 does not contemplate any arbitration in the matter of the dispute regarding disciplinary action

taken against a paid servant then the only recourse available to the workmen is to approach the competent forum under the U.P. I.D. Act, 1947 in the wake of the clauses of the standing orders as applicable from time to time. It is submitted that the judgment in the case of Ghaziabad Zila Sahkari Bank Limited (supra) is distinguishable on the facts of the case and is not applicable as it relates to the dispute of ex gratia payment which nowhere falls under the category of dispute relating to disciplinary action.

### **Argument Advanced on behalf of State of Uttar Pradesh**

12. Ms. Akanksha Sharma, learned Standing Counsel has also supported the argument of the learned Amicus Curiae while contending that the dispute in the case in hand is amenable to the adjudicating authority under the U.P. I.D. Act, 1947. She while relying upon the judgment in the case of *Maharashtra State Cooperative Housing Finance Corporation Ltd. Vs. Prabhakar Sitaram Bhadange, (2017) 5 SCC 623* has contended that the dispute relating to constitution, management or the business of the cooperative society would not take into its ambit the disputes regarding disciplinary actions taken against the paid servants, specifically when the said disputes have been ousted from being referred to arbitration. According to the learned Standing Counsel, the judgment in the case of *Ghaziabad Zila Sahkari Bank Limited* (supra) is distinguishable in the facts of the case.

13. Before we proceed to answer the questions framed by the learned Single Judge, it would be apposite to have a quick survey of the statutory provisions.-

### **Statutory Provisions**

#### **U.P. Vacuum Pan Sugar Factories Licensing Order, 1969**

2. “Definitions.- In this order unless the context otherwise requires:



(a) "Producer of Sugar" means a person carrying on the business of manufacturing sugar by vacuum pan process and at its own option, ethanol either directly from sugarcane juice or from molasses, including B-Heavy molasses, or both."

**3. "Grant of Licence.-** (1) No sugar shall be manufactured from sugarcane by a producer of sugar by vacuum pan process unless he has obtained from the State Government a licence therefor in the form prescribed in Schedule 1.

(2) An application for grant or renewal of a licence under clause (i) shall be submitted to the Sugar Commissioner by the date prescribed in Schedule II in the form prescribed in Schedule III and accompanied by a satisfactory proof of the fee prescribed in Schedule IV:

Provided that the State Government may renew the licence for which an application for renewal is received after the expiry of the prescribed date for receipt of such an application, if State Government is satisfied that there was reasonable cause for the delay."

**Standing Orders**

<b>Standing Orders dated 27.09.1988</b>	<b>Standing Orders dated 29.04.2022</b>
Now, therefore, in exercise of the powers under clause (b) of section 3 of the U. P. Industrial disputes Act, 1947 (U. P. Act no. 28 of 1947) and insupersession of Government Notification no. 5436-ST- XXXVI-A-208-ST/58, dated October 3, 1958, as amended from time to time, the Governor is pleased to order that all vacuum pan sugar factories in Uttar Pradesh shall comply with the standing orders as annexed hereto, and to direct with reference to section 19 of the said Act that notice of this order shall be given by publication in the official gazette.	Now, therefore, in exercise of the powers under clause (b) of Section 3 of the U.P. Industrial Disputes Act, 1947 (U.P. Act 28 of 1947) and in supersession of Government Notification No. 5692(HI)/XXXVI-2-110 (HI)-77, dated September 27, 1988, as amended from time to time, the Governor is pleased to order that all vacuum pan sugar factories in Uttar Pradesh shall comply with the Standing Orders as annexed hereto, and to direct with reference to Section 19 of the said Act that notice of this order shall be given by publication in the Gazette.

<p>2. This order shall come into force with immediate effect and shall, in respect of matters covered by it, bind the vacuum pan sugar factories and the workmen employed there in for a period of one year in the first instance.</p>	<p>2. This order shall come into force from the date of publication of notification and shall, in respect of matters covered by it, bind the vacuum pan sugar factories and the workmen employed therein up to the date of new/next notification. It shall be mentioned in appointment letter of every new workman that their services will be governed by this standing order.</p> <p>3. There shall be no other service conditions of workmen of all vacuum pan sugar factories in addition to this standing order.</p>
<p>"Workman" shall have the same meaning as assigned to it under the U.P. Industrial Disputes Act, 1947/Industrial Disputes Act, 1947.</p>	<p>"Workman" shall have the same meaning as assigned to it under the Uttar Pradesh Industrial Disputes Act, 1947/Industrial Disputes Act, 1947 and according to nature of work without any consideration of wage ceiling limit.</p>
<p><b>B. Classification of workmen</b></p> <p>1. Workmen shall be classed as:</p> <p>(1) Permanent,</p> <p>(2) Seasonal,</p> <p>(3) Temporary,</p> <p>(4) Probationers,</p>	<p><b>B. Classification of workmen</b></p> <p>1. Workmen shall be classed as:</p> <p>(i) Permanent,</p> <p>(ii) Seasonal,</p> <p>(iii) Temporary,</p> <p>(iv) Probationers,</p>

<p>(5) Apprentices, &amp; (6) Substitutes.</p>	<p>(v) Apprentices, and (vi) Substitutes.</p>
<p>An "Apprentice" means a person as defined in section 2(a) of U.P. Industrial Disputes Act, 1947.</p>	<p>An "Apprentice" means a person as defined in the Uttar Pradesh Industrial Disputes Act, 1947 and Apprenticeship Act, 1961.</p>
<p><b>Termination (Employment-</b></p> <p>1. The employment of a workman, permanent or seasonal may be terminated in the following cases;</p> <p>(a) Genuine retrenchment;</p> <p>(b) Infirmity and disability;</p> <p>(c) Misconduct;</p> <p>Provided that before terminating the services of a seasonal workman on grounds (a) and (b) the management shall give 15 days' notice of their intention to do so during the season. It shall not be permissible to give such a notice till 15 days after the commencement of the season and during that period the workman concerned shall have the right to represent his case to the State Labour Commissioner. The aforesaid notice shall then remain in suspense pending final decision in the matter by the State Labour Commissioner, or if he so</p>	<p><b>Termination of Employment:</b></p> <p>1. The employment of a workman permanent or seasonal workman permanent or seasonal may be terminated in the following cases:</p> <p>(a) Genuine retrenchment;</p> <p>(b) Infirmity and disability;</p> <p>(c) Misconduct:</p> <p>Provided that before terminating the service of a seasonal workman on grounds (a) and (b) the management shall give fifteen days' notice of their intention to do so during the season. It shall not be permissible to give such a notice till fifteen days after the commencement of the season and during that period the workman concerned shall have the right to represent his case to the Labour Commissioner, Uttar Pradesh who shall decided the representation of workman within thirty days.</p> <p>The management shall be at liberty to</p>

<p>directs, by Additional. Labour Commissioner or the Regional Deputy Labour Commissioner.</p>	<p>take decision if representation is not decided within thirty days. In case of termination of employment due to infirmity and disability. if Labour commissioner is not satisfied, shall refer the matter to Medical Board, whose decision shall be final:</p>
<p>Provided also that the provision regarding retrenchment on grounds (a) and (b) laid down in the preceding proviso shall not apply to permanent workmen who will be governed in the matter of retrenchment by the Industrial Disputes Act, 1947, as amended from time to time.</p> <p>Note. All vacancies occurring as a result of retrenchment shall be filled in accordance with the provisions of U.P. Industrial Disputes Act, 1947/Industrial Disputes Act, 1947.</p>	<p>Provided further that the provision regarding retrenchment on grounds (a) and (b) laid down be the preceding proviso shall not apply to permanent workmen who will be governed in the matter of retrenchment by the Industrial Disputes Act, 1947, as amended from time to time.</p> <p>Note. All vacancies occurring as a result of retrenchment shall be filled in accordance with the provisions of the Uttar Pradesh Industrial Disputes Act, 1947/Industrial Disputes Act, 1947.</p>
<p>4. The reasons for the termination of service shall be given by the Manager in the notice referred to in the first proviso to clause (1) above.</p> <p>5. Unless he has qualified for getting notice under Sec.6-N of the U.P. Industrial Disputes Act, 1947 the employment of a probationer. substitute, temporary or apprentice</p>	<p>4. The reasons for the termination of service shall be given by the Manager in the notice referred to in the first proviso to clause (1) above.</p> <p>5. Unless he has qualified for getting notice under Sec.6-N of the U.P. Industrial Disputes Act, 1947 the employment of a probationer. substitute, temporary or apprentice workman may</p>

<p>workman may be terminated by the Manager without any notice or any payment in lieu of notice.</p>	<p>be terminated by the Manager without any notice or any payment in lieu of notice.</p>
<p>If the termination of a workman's service is the subject matter of an industrial dispute, he shall be allowed to live in the factory quarter allotted to him till the dispute is finally decided, provided that the worker continues to utilise his quarter for his stay and for his family members and does not subject the same.</p>	<p>If the termination of a workman's service is the subject-matter of an industrial disputes, he shall be allowed to live in the factory quarter with all facilities and amenities allotted to him till the dispute is finally decided:</p> <p>Provided that the worker continues to utilise his quarter for his stay and for his family members and does not sublet the same.</p>
<p>The workmen who are in employment at the time of enforcement of these Standing Orders shall have the right to get their age modified as per clause 3 above with in one year of enforcement of Standing Orders. He shall have the right to represent to the Regional Addl./ Dy. Labour Commissioner of the area concerned within one month of notice of retirement. Such representations shall normally be disposed of within a period of one month of the date of receipt of representation of the workmen, and the orders passed by the Addl./Deputy Commissioner regarding the age of the concerned workman shall be and shall not be questioned by any party before any court. In case Regional Add/Dy. Labour Commissioner allows the representation of the employer shall modify the record of age of the</p>	

<p>workman immediately on receipt of the said orders.</p>	
<p>If any question arises as to the application or interpretation of these Standing Orders, any employer/workmen may refer it to the Labour Commissioner of the State and the Labour Commissioner shall after giving the parties on opportunity of being heard, decide the question.</p>	<p>If any question arises to as the application or interpretation of these Standing Orders, any employer/workmen may refer it to the Labour Commissioner of the State and the Labour Commissioner shall after giving the parties in opportunity of being heard, decide the question within ninety days.</p> <p>W. Grievance redressal committee</p> <p>There shall be a grievance redressal committee comprising of one member of every registered Trade Unions and equivalent representative of management. The tenure of committee shall be three years and it shall be reconstituted after expiry of the tenure. If mutual agreement is not arrived on any disputed issue it shall be referred to regional Additional/Deputy Labour Commissioner, who shall decide after hearing the representative of unions and management.</p>

**Uttar Pradesh Co-operatives Societies Act, 1965**

**“Section 1. Short title, extent and commencement.** - (1) This Act may be called the Uttar Pradesh Co-operative Societies Act, 1965.  
(2) It extends to the whole of the State of Uttar Pradesh.  
(3) It shall come into force from such date as the State Government may, by Notification in the Gazette, appoint in this behalf. Provided that while appointing such date the State Government may

declare that any provision to be specified in the declaration shall not come into force from the date so appointed and in that case such provisions shall come into force from such date or dates as the State Government may similarly appoint in that behalf.”

**“Section 70. Disputes which may be referred to arbitration. - (1)** Notwithstanding anything contained in any law for the time being in force, if any dispute relating to the constitution, management of the business of a co-operative society other than a dispute regarding disciplinary action taken against a paid servant of a society arises-

- (a) among members, past members and persons claiming through members, past members and deceased members; or
- (b) between a member, past member or any person claiming through, a member, past member or deceased member, and the society, its committee or management of any officer, agent or employee of the society, including any past officer, agent or employee; or
- (c) between the society or its committee and any past committee, any officer, agent or employee or any past officer, past agent or past employee or the nominee, heir or legal representative of any deceased officer, deceased agent, or deceased employee of the society; or
- (d) between a co-operative society and any other co-operative society or societies;”

**“Section 135. Certain Acts not apply to co-operative societies. -** The provisions contained in the Industrial Disputes Act, 1947 (Act XIV of 1947), and the UP. Industrial Disputes Act (U.P. Act XVIII of 1947), shall not apply to Co-operative Societies.”

#### **The U.P. Co-operative Societies Employees Service Regulations, 1975**

**“Section 2 (xi).** 'employee' means a person in whole-time service of a co-operative society, but does not include a casual worker employed on daily wages or a person in part-time service of a society;”

**“Section 103.** The provisions of these regulations to the extent of their inconsistency, with any of the provisions of the Industrial Disputes Act, 1947, U.P. Dookan Aur Vanijya Adhishthan Adhiniyam, 1962, Workmen's Compensation Act, 1923 and any other labour laws for the time being in force, if applicable to any co-operative society or class of co-operative societies, shall be deemed to be inoperative.”

**U.P. Co-operative Sugar Mills and Distilleries Employees Service Regulations, 2015**

“No. 02/2016/117/SC/18-2-2016-77/12 TC. In exercise of the powers under sub-section 2 section 122 of Uttar Pradesh Co-operative Societies Act, 1965 (U.P. Act no. XI of 1966), the Governor is pleased to approve the regulations framed by the Authority as required under Government Notification no. 474/XII-G-1-1987-7-(13)76 T.C. dated March 31, 1987 regarding recruitment, emoluments terms and conditions of service including disciplinary control of the employees of Uttar Pradesh Co-operative Sugar Factories and Distilleries Employees.

**1. Short title, extent and commencement.-** (1) These Regulation may be called the Uttar Pradesh Co-operative Sugar Mills and Distilleries Employees Service Regulations, 2015.

(2) They shall apply to the employees of Uttar Pradesh Co-operative Sugar Mills and Distilleries”

“(3) Apprentices and Trainees, during the period of Apprenticeship or training.”

**U. P. SUGAR WAGE BOARD, 1991**

“The Governor is pleased to order the publication of the following English translation of notification No. 556(HI)/XXXVI-2-115(HI)-89, dated January 31, 1991 for general information:

**No. 556 (HI)/XXXVI-2-115 (HI)-89**

*Lucknow: Dated January 31, 1991*

Whereas by its Resolution No. V-23030/1-85-750A, dated July 17, 1985, the Government of India decided to set up a third Wage Board for the Sugar Industry to consider question of further revision of the present wage structure in the industry and also to make incidental recommendations;

And, Whereas the report submitted by the said Wage Board was considered by the Government of India and by Resolution No. V-24014/21-89-WB, dated December 29, 1989, it accepted the recommendations of the said Wage Board with certain modifications:



And, Whereas the matter of implementation of the said Resolution of Government of India was considered at Tripartite Conference held in this State on 23rd October, 1989 in which the representatives of the employers namely, the U. P. Branch of the Indian Sugar Mill Association. Cooperative Sugar Federation and U.P. State Sugar Corporation and representatives of various workers' associations operating in the sugar Industry of U. P. were present;

And, Whereas by another Tripartite Conference held on 26th September, 1990 some of the unresolved matters were finally taken up bringing about unanimous accord between the employers and the workmen on the implementation of the recommendations of the said Wage Board:

And, Whereas in the opinion of State Government, it is necessary to implement the recommendations of the said Wage Board as accepted by Government of India for the maintenance of public order and supplies and services essential to the life of the community and for maintaining employment;

Now, Therefore, in exercise of the powers under sub-clause (b) of Section 3 of the U.P. Industrial Disputes Act, 1947 (U.P. Act No. XXVIII of 1947), the Governor is pleased to make the following Order and to direct with reference to Section 19 of the said Act that notice of this Order shall be given by publication in the official Gazette.

“1. This order shall apply to-

- (i) all the Vacuum Pan Sugar Factories in this State;
- (ii) all employees in the Vacuum Pan Sugar Industry falling within the definition of the term "workman" in the Industrial Disputes Act, 1947 as amended up to date.”

**Analysis:**

14. Undisputedly, the sugar mills have been established under the provisions of the Cooperative Act, 1965. It is also not in dispute that the sugar mills are engaged in manufacturing of sugar through vacuum pan process and holds licences under the provisions of

Licensing Order, 1969. In order to regulate the Conditions of the Employment of Workmen in Vacuum Pan Sugar Factories of Uttar Pradesh, Standing Orders have been issued wayback on 27.9.1988 which underwent revision on 29.04.2022. The moot question which has been referred to us and is to be answered is whether in the wake of the provisions contained under Cooperative Act, 1965 and the Regulations, 1975 framed thereunder, the provisions of U.P. I.D. Act, 1947 would apply or not.

15. Evidently, the Cooperative Act, 1965 was enacted in order to consolidate and amend the law relating to cooperative societies in Uttar Pradesh and received the assent of the President on 24.03.1966. As per Section 135, the provisions contained in the U.P. I.D. Act, 1947 was made inapplicable to cooperative societies. However, on 30.12.1967 though the Cooperative Act, 1965 was enforced with effect from 26.01.1968 except Section 135. Section 70 of the Cooperative Act, 1965 deals with settlement of dispute which contains a *non obstante* clause providing that the disputes relating to constitution, management or business of a cooperative society other than the dispute regarding disciplinary actions taken against a paid servant may be referred to Registrar for action in accordance with the provisions of the acts and the rules and no Court shall have jurisdiction to entertain any suit or other proceedings in respect of such dispute. In line with the Cooperative Act, 1965, Regulations 1975 came to be enforced. Sub-clause (ii) of Regulation 2 defines employee which means a person in whole-time servant of cooperative society, but does not include a casual worker employed on daily wage or a person part time service in society. Further, Chapter II deals with the strength of staff recruitment, appointment, probation, conformation, termination and retirement. With respect to the conditions of the employment of workmen in Vacuum Pan Sugar Factories of the State of Uttar Pradesh, Standing Orders was issued on

27.09.1988 under Section 3 in exercise of the powers under clause (b) of Section 3 of U.P. I.D. Act, 1947 which underwent revision on 29.04.2022. Apart from the same, 2015 Regulations came to be framed for regulating service conditions of the employee in the U.P. Cooperative Sugar Mills and Distilleries. In addition to the same, a notification was issued constituting U.P. Sugar Wage board known as **U.P. Sugar Wage Board, 1991** regulating the coverage and wage structure of workmen in Vacuum Pan Sugar Factories in the State of Uttar Pradesh and they were assigned the same definition which found place in the Industrial Disputes Act, 1947 as amended from time to time.

16. Interestingly, the workmen has not been defined either in the Regulation, 1975 or in the Regulation, 2015. What has been referred to and defined is employee. Conversely, the Standing Order defines workmen and the word 'workmen' has been used in various provisions either dealing with the classification of workmen, appointment, confirmation, termination etc. The word employee is not defined. Not only this in exercise of the powers under-sub-section (b) of Section 3 of the U.P. I.D. Act, 1947, the U.P. Sugar Wage Board, 1991 was constituted wherein its coverage was made to all the Vacuum Pan Sugar Industries in the State of Uttar Pradesh and Employees in the Vacuum Pan Sugar Industries falling within the definition of workmen in the U.P. I.D. Act, 1947 as amended from time to time providing for wage structure. Bearing in mind the above noted statutory enactment, the provisions contained under Section 70 of the Cooperative Act, 1965 is to be interpreted.

17. To put it otherwise, the only disputes relatable to constitution, management or business of a cooperative societies amongst the members, past members, persons claiming through members, past members, deceased members and the Committee of Management or an officer, agent or employee of the society including past officer,

agent or employee or any officer or between the society or its committee or any past committee, any officer, agent or employee or any past officer etc., are only liable to be referred for settlement of dispute to arbitration.

18. In the case of R.C. Tiwari (supra) the appellant therein was dismissed from service for a proven misconduct, dispute was referred to the Registrar under the provisions of Section 55 of the ***M.P. Cooperative Societies Act, 1960*** wherein the dismissal was found to be valid and thereafter matter was referred to the Labour Court in view of the provisions contained under U.P. I.D. Act, 1947 which was held to be not maintainable. While interpreting the provisions of Section 55 of the M.P. Cooperative Societies Act, 1960, the Apex Court held that the powers conferred under Section 55 to the Registrar was inclusive of determination of condition of employment in societies as the words “terms and conditions of employment” was employed in the said context.

19. The judgment in the case of R.C. Tiwari (supra) came to be relied upon and followed in the case of Ghaziabad Zila Sahkari Bank Ltd. (supra). In the said case, the dispute was of ex gratia payment to the employees while taking note of Section 70 of the Cooperative Act, 1965, the Hon’ble Supreme Court came to the conclusion that the dispute of ex gratia payment was amenable to the adjudicating authority under the Cooperative Act, 1965 and not under the U.P. I.D. Act, 1947 as there was no restraint or bar in adjudication of the said dispute. The judgment in the case of Ghaziabad Zila Sahkari Bank Ltd. came to be followed in the decisions of this Court in (i) ***Brij Bhushan Singh and another*** (supra), (ii) ***Cooperative Cane Development Union Limited*** (supra), (iii) ***Farrukhabad Dugdh Utpadak Sahkari Sangh Ltd.*** (supra), (iv) ***Sunder Lal*** (supra), (v) ***Secretary Sadhan Sahakari Samiti Ltd.*** (supra), (vi) ***Pradeshik Cooperative Diary Federation Ltd. & another*** (supra), (vii) ***Aliganj***

*Kshetriya Sahakari Samiti Ltd. Bareilly* (supra) and (viii) *Firozabad Dugdh Utpadak Sahkari Sangh Ltd.* (supra).

20. The word 'business' employed in Section 91(1) of the Maharashtra Cooperative Societies Act, 1961 was interpreted by Hon'ble Apex Court in *Deccan Merchants Co-operative Bank Ltd. Vs. M/s. Dalichand Jugraj Jain and Others, AIR 1969 SC 1320* Section 91(1) of the Maharashtra Cooperative Societies Act reads as under.-

"91. (1) Notwithstanding anything contained in any other law for the time being in force, any dispute touching the constitution, elections of the office bearers, conduct of general meetings, management or business of a society shall be referred by any of the parties to the dispute, or by a federal society to which the society is affiliated, or by a creditor of the society, to the Registrar, if both the parties thereto are one or other of the following:

(a) a Society, its committee, any past committee, any past or present officer, any past or present agent, any past or present servant or nominee, heir or legal representative or any deceased officer, deceased agent or deceased servant of the society, or the liquidator of the society;

(b) a member, past member or a person claiming through a member, past member or a deceased member of a society, or a society which is a member of the society;

(c) a person, other than a member of the society, who has been granted a loan by the society, or with whom the society has or had transactions under the provisions of Section 45, and any person claiming through such a person;

(d) a surety of a member, past member or a deceased member, or a person other than a member who has been granted a loan by the society under Section 45, whether such a surety is or is not a member of the society;

(e) any other society, or the Liquidator of such a society.

It was held as under.-

“16. The principal questions which arise on the interpretation of Section 91 are two: (1) what is the meaning of the expression "touching the business of the society?" and (2) what is the meaning of the expression "a person claiming through a member" which occurs in Section 91 (1) (b)?

17. The answer depends on the words used in the Act. Although number of cases have been cited to us on similar expressions contained in various other Acts, both Indian and English, in the first instance, it is advisable to restrict the enquiry to the terms of the enactment itself, because the legislatures have been changing the words and expanding the scope of references to arbitrators or to the Registrars step by step. The sentence, namely, "notwithstanding anything contained in any other law for the time being in force" clearly ousts the jurisdiction of Civil Courts if the dispute falls squarely within the ambit of Section 91 (1). Five kinds of disputes are mentioned in sub-sec. (1); first, disputes touching the constitution of a society; secondly, disputes touching election of the office-bearers of a society; thirdly, disputes touching the conduct of general meetings of a society; fourthly, disputes touching the management of a society; and fifthly, disputes touching the business of a society. It is clear that the word "business" in this context does not mean affairs of a society because election office-bearers, conduct of general meetings and management of a society would treated as affairs of a society. In this -section the word "business" has been used in a narrower sense and it means the actual trading or commercial or other similar business activity of the society which the society is authorised to enter under the Act and the Rules and its -laws.

18. The question arises whether the dispute touching the assets of a society would be a dispute touching the business of a society. This would depend on the nature of the society and the rules and bye-laws governing it. Ordinarily, if a society owns buildings and lets out parts of buildings which it does not require for its own purpose it cannot be said that letting out of those parts is a part of the business of the society. But it may be that it is the business of a society to construct and buy houses and let them out to its members. In that case letting out property may be part of its business. In this case, the society is a co-operative bank and ordinarily a co-operative bank cannot be said to be engaged in business when it lets out properties owned by it. Therefore, it seems to us that the present dispute

between a tenant and a member of the bank in a building which has subsequently been acquired by the Bank cannot be said to be a dispute touching the business of the Bank, and the appeal should fail on this short ground.”

21. Hon’ble Supreme Court in *Co-operative Central Bank Ltd. and Others Vs. The Additional Industrial Tribunal, Andhra Pradesh and Others 1969 (2) SCC 43* had the occasion to consider the provisions of Section 61(1) of the Andhra Pradesh Cooperative Societies Act, 1964 akin to Section 70 of the Cooperative Act, 1965, Section 61(1) reads as under:-

61. Disputes which may be referred to the Registrar:-

(1) Notwithstanding anything in any law for the time being in force, if any dispute touching the constitution, management or the business of a society, other than a dispute regarding disciplinary action taken by the society or its committee against a paid employee of the society, arises-

(a) among members, past members and persons claiming through members, pas past members and deceased members; or

(b) between a member, past member or person claiming through a member, past member or deceased member and the society, its committee or any officer, agent or employee of the society; or

(c) between the society or its committee and any past committee, any officer, agent or employee, or any past officer, past agent or past employee or the nominee, heir or legal representative of any deceased officer, deceased agent, or deceased employee of the society; or

(d) between the society and any other society,

such dispute shall be referred to the Registrar for decision.

The following was observed.-

7. Applying these tests, we have no doubt at all that the dispute covered by the first issue referred to the Industrial Tribunal in the present cases could

not possibly be referred for decision to the Registrar under Section 61 of the Act. The dispute related to alteration of a number of conditions of service of the workmen which relief could only be granted by an Industrial Tribunal dealing with an industrial dispute. The Registrar, it is clear from the provisions of the Act, could not possibly have granted the reliefs claimed under this issue because of the limitations placed on his powers in the Act itself. It is true that Section 61 by itself does not contain any clear indication that the Registrar cannot entertain a dispute relating to alteration of conditions of service of the employees of a registered society; but the meaning given to the expression "touching the business of the society, in our opinion, makes it very doubtful whether a dispute in respect of alteration of conditions of service can be held to be covered by this expression. Since the word "business" is equated with the actual trading or commercial or other similar business activity of the society, and since it has been held that it would be difficult to subscribe to the proposition that whatever the society does or is necessarily required to do for the purpose of carrying out its objects, such as laying down the conditions of service of its employees, can be said to be a part of its business, it would appear that a dispute relating to conditions of service of the workmen employed by the society cannot be held to be a dispute touching the business of the society.

Further, the position is clarified by the provisions of sub-section (4) of Section 62 of the Act which limit the power to be exercised by the Registrar, when dealing with a dispute referred to him under Section 61, by a mandate that he shall decide the dispute in accordance with the provisions of the Act and the Rules and bye-laws. On the face of it, the provisions of the Act, the rules and the bye-laws could not possibly permit the Registrar to change conditions of service of the workmen employed by the society. For the purpose of bringing facts to our notice in the present appeals, the rules framed by the Andhra Pradesh Government under the Act, and the bye-laws of one of the appellant Banks have been placed on the Paper-books of the appeals before us. It appears from them that the conditions of service of the employees of the Bank have all been laid down by framing special bye-laws. Most of the conditions of service, which the workmen want to be altered to their benefit, have thus been laid down by the by-laws, so that any alteration in those conditions of service will necessarily require a change in the bye-laws. Such a change could not possibly be directed by the Registrar when, under Section 62(4) of the Act,



he is specifically required to decide the dispute referred to him in accordance with the provisions of the bye-laws. It may also be noticed that a dispute referred to the Registrar under Section 61 of the Act can even be transferred for disposal to a person who may have been invested by the Government with powers in that behalf, or may be referred for disposal to an arbitrator by the Registrar. Such person or arbitrator, when deciding the dispute, will also be governed by the mandate in Section 62(4) of the Act, so that he will also be bound to reject the claim of the workmen which is nothing else than a request for alteration of conditions of service contained in the bye-laws. It is thus clear that, in respect of the dispute relating to alteration of various conditions of service, the Registrar or other person dealing with it under Section 62 of the Act is not competent to grant the relief claimed by the workmen at all. On the principle laid down by this Court in the case of the *Deccan Merchants Cooperative Bank Ltd.*, (supra), therefore, it must be held that this dispute is not a dispute covered by the provisions of Section 61 of the Act. Such a dispute is not contemplated to be dealt with under Section 62 of the Act and must, therefore, be held to be outside the scope of Section 61.”

22. In *Gujarat State Cooperative Land Development Bank Ltd. v. P.R. Mankad and Others (1979) 3 SCC 123*, the Hon'ble Supreme Court was confronted with the issue of the termination of a supervisor and while interpreting the provisions contained under the Bombay Cooperative Societies Act, 1925 read with Gujarat Cooperative Societies Act, 1961, the following was observed.-

17. The relevant part of Section 54 of the Act of 1925, reads thus :

(1) (a) if any dispute touching the constitution or business of a Society arises between members or past members of the Society or persons claiming through a member or a past member or between members or past members or persons so claiming and any officer, agent or servant of the Society or its Committee, and any officer, agent, member or servant of the Society past or present, it shall be referred to the Registrar for decision by himself or his nominee. . .

18. The corresponding Section 96 of the Act of 1961 lays down:

(1) Notwithstanding anything contained in any other law for the time being in force, any dispute touching the constitution, management or business of a Society shall be referred in the prescribed form . . . if the parties thereto are from amongst the following:-

(a) a Society, its Committee, any past Committee, any past or present officer, any past or present agent, any past or present servant or nominee, heir or legal representative of any deceased officer, deceased agent or deceased servant of the Society, or the Liquidator of the Society. . . .

22. As regards the first test, it is to be noted that the expression "any dispute" has not been defined in the Acts of 1925 and 1961. The term "dispute" means a controversy having both positive and negative aspects. It postulates the assertion of a claim by one party and its denial by the other. The word "any" prefixed to "dispute" may, at first glance, appear to give the expression "any dispute" a very wide amplitude covering all classes of disputes, whatever be their nature. But the context of these provisions, the object and scheme of the Acts of 1925/1961 show that the Legislature never intended to give such a wide scope to this expression. The related provisions and the scheme of the Acts unerringly indicate that the expression "any dispute" has been used in a narrower sense limited to contested claims of a civil nature, which could have been decided by civil or revenue courts, but for the provisions with regard to compulsory arbitration by the Registrar or his nominee, found in Section 54 of the Act of 1925, Section 96 of the Act of 1961. The first indication of this being the right construction, is discernible in sub-section (2) of Section 96 which states that when any question arises whether for the purposes of sub-section (1) a matter referred to for decision is a dispute or not, the question shall be considered by the Registrar, whose decision shall be final. This means it is incumbent on the Registrar to decide as a preliminary issue, whether the dispute is of a kind under sub-section (1) of Section 96 falling within his jurisdiction. If this preliminary issue is found in the negative, he will have no further jurisdiction to deal with the matter.

23. Recently in Maharashtra State Cooperative Housing Finance Corporation (supra) again the provisions of Section 91(1) of the

Maharashtra Cooperative Societies Act, 1960 came to be explained by the Hon'ble Supreme Court while observing as under:-

11. In the aforesaid conspectus, we have to examine as to whether this power which is available with the civil court to grant damages is now given to the Cooperative Court under Section 91 of the Act. We may also mention at this stage that some of the States have statutes which contain provisions regarding management and regulations of the cooperative society, where specific machinery under these State Cooperative Societies Acts is provided for resolution of employment disputes as well, between the cooperative societies and its employees, that too by excluding the applicability of the labour laws. No doubt, in such cases, the disputes between the cooperative societies and its employees, including the workmen, would be dealt with by such machinery and the general Act, like the Industrial Disputes Act, would not be applicable (see *Ghaziabad Zila Sahkari Bank Ltd. v. Labour Commr.*) and *Dharappa v. Bijapur Coop. Milk Producers Societies Union Ltd.*). Pertinently, in the instant case, Section 91 specifically excludes the disputes between the cooperative society as employer and its "workmen". Ultimately, the outcome depends upon the powers that are given to the Cooperative Court or the stipulated tribunal d created under such Acts. It is in this hue we have to find out as to whether Section 91 of the Act at hand empowers Cooperative Courts to decide such disputes.

12. A reading of the provisions of Section 91 would show that there are two essential requirements for conferment of exclusive jurisdiction on the Cooperative Court which need to be satisfied:

(i) The first requirement is that disputes should be "disputes touching" the constitution of the society or elections of committee or its officers or conduct of general meetings or management of the society, or business of the society; and

(ii) The second requirement is that such a dispute is to be referred to the Cooperative Court by "enumerated persons" as specified under subsection (1) of Section 91.

13. When we read the provision in the aforesaid manner, we arrive at a firm conclusion that service dispute between the employees of such

cooperative society and the management of the society are not covered by the aforesaid g provision. The context in which the word "officers" is used is altogether different, namely, election of the committee or its officers. Thus, the word "officers" has reference to elections. It is in the same hue expression "officer" occurs second time as well.

19. The learned counsel for the respondent referred to the judgment of this Court in *R.C. Tiwari v. M.P. State Coop. Mktg. Federation Ltd.* However, a close scrutiny of the said judgment would reveal that the power of the Registrar to deal with the dispute of dismissal from service of the employee was recognised having regard to Section 55 of the M.P. Cooperative Societies Act, 1960 which gave specific power to the Registrar to determine conditions of employment, working conditions and disciplinary actions taken by the society arising between the society and its employees. Therefore, that judgment would be of no help to the respondent.

20. It may be noted that the High Court, in the impugned judgment, has itself proceeded on the basis that if the dispute relates to reinstatement, the Cooperative Court will not have any jurisdiction. The main reason for conferring jurisdiction upon the Cooperative Court in the instant case is that the Cooperative Court has replaced the civil court and, therefore, powers of the civil court are given to the Cooperative Court. However, the High Court erred in not further analysing the provisions of Section 91 of the Act which spells out the specific powers that are given to the Cooperative Court and those powers are of limited nature. Our aforesaid analysis leads to the conclusion that the disputes between the cooperative society and its employees are not covered by the said provision. We may hasten to add that if the provision is couched in a language to include such disputes (and we find such provisions in the Cooperative Societies Acts of certain States) and it is found that the Cooperative Society Act provides for complete machinery of redressal of grievances of the employees, then even the jurisdiction of the Labour Court/Industrial Tribunal under the Industrial Disputes Act shall be barred having regard to the provisions of such a special statute vis-à-vis general statute like the Industrial Disputes Act (see Ghaziabad Zila Sahkari Bank Ltd.).

21. In *Gujarat State Coop. Land Development Bank Ltd. v. P.R. Mankad*, an employee working as Additional Supervisor was removed from service by giving one month's pay in lieu of notice under the Staff Regulations. He had issued a notice under the Bombay Industrial Relations Act, 1946, as he was an employee as defined under Section 2(13) of the said Act. One of the questions that was considered by this Court was whether a dispute raised by the said employee for setting aside his removal from service on the ground that it was an act of victimisation and for reinstatement in service with back wages was one "touching the management or business of the society", within the contemplation of the Cooperative Societies Act. This Court held that the expression "any dispute" referred to in Section 96 of the Gujarat Cooperative Societies Act, 1961 did not cover a dispute of the kind raised by the respondent employee against the Bank.

22. As a result, this appeal is allowed, the order<sup>1</sup> of the High Court is set aside and the Division Bench judgment<sup>2</sup>, on which reliance is placed by the High Court in the impugned judgment, is overruled. As a consequence, it is held that the petition filed by the respondent before the Cooperative Court is not maintainable. It would, however, be open to the respondent to file a civil suit. Needless to mention, in such a civil suit filed by the respondent, he would be at liberty to file application under Section 14 of the Limitation Act, 1963 in order to save the limitation. No costs."

24. Applying the principles of law culled out in the above noted decisions an irresistible conclusion stands drawn that the dispute touching the business of the society cannot be intermingled with the dispute pertaining to employment and service matters as they are on a different footing. An additional fact also needs to be noticed that Section 70 of the Cooperative Act, 1965 excludes disputes regarding disciplinary action to be taken against the paid servant. Nonetheless the workmen are not remediless as once the service conditions does not fall under the Cooperative Act, 1965 then in view of the Standing Orders issued from time to time the workmen have a remedy to approach the Labour Courts having jurisdiction over the matter. The rule making authorities were conscious about the inter-play between the different statutory enactments and that is why a boundary was

carved providing for different adjudicatory forums for the different classes of employees. The purport in the different statutory enactments itself is self indicative of the fact that the service conditions are to be governed differently under the different enactments.

25. In *Bhavnagar University Vs. Palitana Sugar Mill (P) Ltd. (2003) 2 SCC 111*, Hon'ble Supreme Court in para 59 held as under.-

59. A decision, as is well known, is an authority for which it is decided and not what can logically be deduced therefrom. It is also well settled that a little difference in facts or additional facts may make a lot of difference in the precedential value of a decision. [See *Ram Rakhi v. Union of India*, *Delhi Admn. (NCT of Delhi) v. Manohar Lal*, *Haryana Financial Corpn. v. Jagdamba Oil Mills and Nalini Mahajan (Dr) v. Director of Income Tax (Investigation)*.]

26. The said decision came to be followed in the case of *Escorts Ltd. v. Commissioner of Central Excise, Delhi-II, (2004) 8 SCC 335*, the following was observed.-

8. Courts should not place reliance on decisions without discussing as to how the factual situation fits in with the fact situation of the decision on which reliance is placed. Observations of courts are neither to be read as Euclid's theorems nor as provisions of a statute and that too taken out of their context. These observations must be read in the context in which they appear to have been stated. Judgments of courts are not to be construed as statutes. To interpret words, phrases and provisions of a statute, it may become necessary for Judges to embark into lengthy discussions but the discussion is meant to explain and not to define. Judges interpret statutes, they do not interpret judgments. They interpret words of statutes; their words are not to be interpreted as statutes. *In London Graving Dock Co. Ltd. v. Horton (AC at p. 761)*, Lord MacDermott observed: (All ER p. 14 C-D)

"The matter cannot, of course, be settled merely by treating the ipsissima verba of Willes, J., as though they were part of an Act of Parliament and applying the rules of interpretation appropriate

thereto. This is not to detract from the great weight to be given to the language actually used by that most distinguished judge,..."

10. Circumstantial flexibility, one additional or different fact may make a world of difference between conclusions in two cases. Disposal of cases by blindly placing reliance on a decision is not proper.”

27. In *Bharat Petroleum Corporation Ltd. And another vs N.R. Vairamani And Another 2004 (8) SCC 579*, a note of caution was flagged that the Court should not place reliance on the decisions without discussing as to show the factual situation fits in with the situation of the decision on which reliance is placed, it was held as under.-

“9. Courts should not place reliance on decisions without discussing as to how the factual situation fits in with the fact situation of the decision on which reliance is placed. Observations of courts are neither to be read as Euclid’s theorems nor as provisions of a statute and that too taken out of their context. These observations must be read in the context in which they appear to have been stated. Judgments of courts are not to be construed as statutes. To interpret words, phrases and provisions of a statute, it may become necessary for judges to embark into lengthy discussions but the discussion is meant to explain and not to define. Judges interpret statutes, they do not interpret judgments. They interpret words of statutes; their words are not to be interpreted as statutes. In London Graving Dock Co. Ltd. v. Horton (AC at p. 761) Lord MacDermott observed: (All ER p. 14 C-D)

“The matter cannot, of course, be settled merely by treating the ipsissima verba of Willes, J., as though they were part of an Act of Parliament and applying the rules of interpretation appropriate thereto. This is not to detract from the great weight to be given to the language actually used by that most distinguished judge,...”

28. The aforesaid principles of law came to be referred in the case of State of *Orissa Vs. MD. Illiyas 2006 (1) SCC 275* and *Mavilayi Service Cooperative Bank Ltd. & Others Vs. Commissioner of Income Tax, Calicut & another 2001 (7) SCC 90*.

29. In view of the foregoing discussions the answer to the question referred to us is as follows.-

“Industrial Dispute under the provisions of U.P. Industrial Disputes Act, 1947 can be raised by workmen of the *Kisan Sahkari Chini Mills Ltd.*, whose service conditions are governed by Standing Orders covering the condition of employment of workmen in *Vacuum Pan Sugar Factories* in Uttar Pradesh.”

30. The legal corollary would be that the judgment in the cases of (i) *Brij Bhushan Singh and another* (supra), (ii) *Cooperative Cane Development Union Limited* (supra), (iii) *Farrukhabad Dugdh Utpadak Sahkari Sangh Ltd.* (supra), (iv) *Sunder Lal* (supra), (v) *Secretary Sadhan Sahakari Samiti Ltd.* (supra), (vi) *Pradeshik Cooperative Diary Federation Ltd. & another* (supra), (vii) *Aliganj Kshetriya Sahakari Samiti Ltd. Bareilly* (supra) and (viii) *Firozabad Dugdh Utpadak Sahkari Sangh Ltd.* (supra) holding that the Labour Court is bereft of jurisdiction to adjudicate the service disputes of the workmen in Vacuum Pan Sugar Factories in Uttar Pradesh governed by the Standing Orders covering the condition of employment of workmen is not a correct law.

31. Since we have answered the reference holding that the Labour Court has jurisdiction and competence to adjudicate the said disputes and this is the sole question involved in the writ petitions therefore, it would be a futile exercise to send the matters back to the learned Single Judge. Therefore, we ourselves have undertaken the task to decide the writ petitions.

32. Accordingly, the writ petitions are being decided in the following manner.-

(a) Category ‘A’ writ petitions (Writ-C Nos. 5577 of 2015, 5578 of 2015, 5580 of 2015, 5582 of 2015, 5583 of 2015, 5585 of 2015, 5586 of 2015, 5588 of 2015, 5590 of 2015, 5591 of 2015,



5593 of 2015, 5594 of 2015, 5597 of 2015, 5598 of 2015, 5599 of 2015) are dismissed.

(b) Category 'B' writ petition (Writ-C No. 2392 of 2009) is dismissed.

(c) Category 'C' writ petition (Writ-C No. 17065 of 2018) is allowed.

(d) The concerned Labour Court(s) shall proceed with the adjudication case(s) and proceed to pass award strictly in accordance with law with most expedition.

33. Before parting, we accord our appreciation to the able assistance rendered by the Amicus Curiae.

**Order Date :-** 12.08.2024  
Rajesh

(Vikas Budhwar, J)      (Arun Bhansali, CJ)