

Tejinder Singh Vs The Labour Court

Court: High Court Of Punjab And Haryana At Chandigarh

Date of Decision: Jan. 30, 2014

Acts Referred: Industrial Disputes Act, 1947 " Section 12(3), 33-C(2)

Citation: (2014) 3 SCT 482

Hon'ble Judges: Bharat Bhushan Parsoon, J

Bench: Single Bench

Advocate: T.S. Sidhu, Advocate for Vikas Singh, Advocate for the Appellant; Yatinder Sharma, Additional Advocate General and Pardeep Bajaj, Advocate for the Respondent

Final Decision: Dismissed

Judgement

Bharat Bhushan Parsoon, J.

The petitioner prays for a writ of certiorari quashing the order dated 12.3.1996 (Annexure P-1) passed by

the Labour Court, Bathinda whereby his applications u/s 33-C(2) of the Industrial Disputes Act, 1947 (hereinafter called the Act) for recovery of

a sum of Rs. 4,400/- for the period from 14.7.1993 to 13.9.1993 @ Rs. 2,100/- per month and for recovery of another sum of Rs. 7,800/- for

the period from 14.9.1993 to 13.12.1993 @ Rs. 2,600/- per month for the services rendered by him as a Salesman with the respondent No. 1

Society, had been dismissed on the ground that there was authorization by the Society for Hardeep Singh, Secretary and Gurcharan Singh,

Committee Member jointly to represent the respondent-Society and not for Hardeep Singh, Secretary alone. The facts of the case are in a narrow

compass. Admittedly, respondent No. 1 society is a registered body under the Punjab Cooperative Societies Act, 1961 and its proceedings are

conducted on the basis of the resolutions passed by the Society.

2. The petitioner asserts that the Society had effected a settlement with him through its President Balwinder Singh and Secretary Hardeep Singh

and the doctrine of promissory estoppel mandates that they cannot now back out from the agreement entered into by them for and on behalf of the

Society with the petitioner. On the other hand, stand of the respondent-Society is that it had not authorized Balwinder Singh and Hardeep Singh

but had rather authorized Gurcharan Singh and Hardeep Singh to represent it. The respondent-Society has also taken another ancillary plea that

the settlement (Annexure P-2) u/s 12(3) of the Act is not a valid agreement in the eyes of law in as much as it has been signed by Balwinder Singh

President and Hardeep Singh, Secretary merely as witnesses to the said document and not as a necessary party.

3. Hearing has been provided to the counsel for the parties while perusing the paper book.

4. No doubt, a perusal of settlement (Annexure P-2) makes it emphatically clear that President Balwinder Singh and Secretary Hardeep Singh

have not signed the same merely as witnesses alone because in the very beginning of the document there is a heading with the caption ""Parties

Names"" where name of both these individuals appear. Therefore, the plea of the respondent-Society to the effect that they had signed the

document merely as a witnesses is unfounded and untenable and the same is consequently rejected.

5. However, the matter does not end here. A perusal of Proceeding Book (Annexure P-3) shows that the Administrative Committee of the

respondent-Society had given authority to Hardeep Singh Secretary and Gurbachan Singh Committee Member ""to contest the case of Shri

Tejinder Singh former Secretary personally and authority has been given to engage the lawyer and meet the expenses"" and not to enter into any

settlement with Tejinder Singh.

6. Therefore, in the considered view of this Court, even if it is presumed for the sake of argument that Hardeep Singh Secretary had been given

authority by the Administrative Committee of the respondent-Society to act on its behalf, the scope of such authorization is only to the extent to

engage the lawyer and to meet the expenses"" and not to enter into any settlement with the petitioner. In these circumstances, the plea of

promissory estoppel is not available to the petitioner. Hon"ble Supreme Court in R.S. Madanappa and Others Vs. Chandramma and Another, has

held that, ""the object of estoppel is to prevent fraud and secure justice between the parties by promotion of honesty and good faith. Therefore,

when one person makes a misrepresentation to the other about a fact, he would not be shut out by the rule of estoppel if that other person knew

the true state of facts and must consequently not have been misled by the misrepresentation"". As regards the ultra vires decisions, the Hon"ble

Andhra Pradesh High Court in M. Deo Narain Reddy v. Govt. of Andhra Pradesh, AIR 2004 NOC 332 (AP) has held that, ""the doctrine of

promissory estoppel is not applicable to ultra vires decisions"".

Therefore, when there was no proper authorization for Hardeep Singh Secretary by the respondent-Society to enter into a settlement with the

petitioner, the respondent-Society is not bound by the doctrine of promissory estoppel, the same being ultra vires the decision of the respondent-

Society.

For the discussions aforesaid, present petition is dismissed with a resultant modification in the impugned order to the extent that the reference shall

be deemed to have been dismissed for lack of proper authorization with the representatives of the respondent-Society.

No order as to costs.