
(1985) 02 SC CK 0003

In the Supreme Court Of India

Case No : Civil Appeal No. 345 of 1985 (Arising out of Special Leave Petition
(Civil) No. 460/84)

Calcutta Dock Labour Board and Another

APPELLANT

Vs

Smt. Sandhya Mitra and Others

RESPONDENT

Date of Decision : 11-02-1985

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Section 6, 60, 8
Payment of Gratuity Act, 1972 — Section 1(3), 13, 14, 4, 5

Citation : AIR 1985 SC 996 : (1985) 50 FLR 322 : (1985) LabIC 714 : (1993) 3
LLJ 412 : (1985) 1 SCALE 213 : (1985) 2 SCC 1 : (1985) 2 SCR 826 : (1985) 1
SLJ 189 : (1985) 17 UJ 571

Hon'ble Judges : Ranganath Misra, J;P. N. Bhagwati, J

Bench : Division Bench

Final Decision : Allowed

Judgement

Rangnath Mishra, J.—Special leave granted.

2. The short question which falls for decision in this appeal is whether gratuity payable to a workman employed under the Calcutta Dock Labour Board hereinafter referred to as 'Board' is attachable for satisfaction of a decree of the Court. Md. Safiur Rehman was a dock worker and gratuity was payable to him under one of the three prevailing schemes of the Board. Respondent filed a suit before the Court of Small Causes at Calcutta asking for recovery of a sum of money against the widow and son of the said Md. Safiur Rehman after his death and prayed for attachment of the gratuity payable to the said workman. The Court made an order and called upon the Board to withhold payment of the amount whereupon the Board pointed out to the Court that gratuity was not liable to attachment. On receipt of such intimation, the Court made an order requiring the Board to show cause as to why it may not be proceeded against for disobedience of the Court's direction. The Chief Judge of the Court of Small Causes examined the objection against attachment and overruled the same. Against the rejection of the objection the appellants moved the High Court at

Calcutta and contended that the gratuity payable to the workman was not liable to attachment. A Division Bench of the High Court examined the tenability of the contention and came to the following conclusion:

On a careful consideration of the legal position we, however, find that the learned Chief Judge is right in his conclusion. Plaintiffs a legal right to attach any debt payable to his debtor or legal representative. This right, however, is always subject to exceptions made by any statutory provision. Section 13 of the Payment of Gratuity Act no doubt bars attachment but that only is in respect of gratuity payable under that Act. The gratuity now under attachment is payable not under the Act. Section 60 of the CPC as amended may bar attachment of gratuity as now under consideration. But that section as it now stands had not been made applicable to Presidency Small Causes Court. u/s 8 of the Code, the High Court adopted certain provisions of the Code including Section 60 as amended upto 1965 and made them applicable to Presidency Small Causes Court. Section 6, Clause (g) so adopted reads as follows:

(g) Stipends and gratuities allowed to pensioners of the Government or payable out of any service, family pension fund notified in Official Gazette by the Central Government or the State Government in this behalf and political pensioners.

This clause does not cover the gratuity payable by the Board to a registered dock worker and the subsequent amendment of this clause not having been adopted and made applicable by the High Court to Presidency Small Causes Court, the learned Chief Judge is light in his conclusion.

Next reliance is placed on Rule 9 of the Gratuity Rules which no doubt purports to exempt gratuity from attachment. But these rules not having been made by the Central Government on powers delegated by the Parliament under the Dock Workers (Regulation of Employment) Act, but by the Board on sub-delegation of powers under the scheme, the same in our view cannot override the legal right of the plaintiff.

3. Mr. Mukherjee appearing for the appellants maintained that the view taken both by the Chief Judge of the Small Causes Court as also the Division Bench of the High Court is contrary to law and, therefore, cannot be sustained. The respondents had filed an appearance through counsel but no one participated in the hearing.

4. Section 1(3) of the Payment of Gratuity Act (39 of 1972) ('Act' for short), provides that the Act shall extend to ports. 'Port' has been defined in Section 2(n) of the Act. There can be no dispute that the Calcutta Port is covered by the Indian Ports Act, 1908. It is true that under one of the three schemes framed by the Calcutta Dock Labour Board 1 gratuity was payable to Md. Safiur Rehman, but such gratuity must be taken to be covered by Section 4 of the Act, in the absence of any notification contemplated u/s 5 authorises the appropriate Government by notification and subject to such conditions as may be specified in that notification to exempt, inter alia, any port to which the Act applies, from the

operation of the provisions of the Act, if in the opinion of the appropriate Government the employees in the port are in receipt of gratuity or pensionary benefit not less favourable than the benefits conferred under the Act. Neither the Chief Judge nor the High Court has found that there has been a notification as contemplated u/s 5 of the Act in this case. It had also not been contended at any stage by the respondents that such a notification had been made.

5. Reference may now be made to Sections 13 and 14 of the Act which are very relevant.

13. Protection of gratuity - No gratuity payable under this Act shall be liable to attachment in execution of any decree or order of any civil, revenue or criminal court.

14. Act to override other enactments, etc.?The provisions of this Act or any rule made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Act or in any instrument or contract having effect by virtue of any enactment other than this Act.

6. We may point out that by Central Act No. 25 of 1984 Section 13 has been amended with effect from July 1, 1984, and the amended section reads thus:?

No gratuity payable under this Act and no gratuity payable to an employee employed in any establishment, factory, mine, oilfield, plantation, port, railway company or shop exempted u/s 5 shall be liable to attachment in execution of any decree or order of any civil, revenue, or criminal court.

In the absence of any notification within the meaning of s. 5 of the Act the amendment is not relevant for consideration. Section 14 has overriding effect and Section 13 gives total immunity to gratuity from attachment. The preamble of the Act clearly indicates the legislative' intention that the Act sought to provide a scheme for payment of gratuity to all employees engaged in, inter alia, ports and under this Act gratuity was payable to workers like Md. Safiur Rehman. The gratuity which was payable to him squarely came within the purview of the Act and, therefore, became entitled to immunity u/s 13 thereof.

7. In Section 60 of the CPC provision for exemption from attachment has been made and a detailed list has been provided in Sub-section (1) thereof in Clauses (a) to (p). Clause (g) thereof exempts stipends and gratuities allowed to pensioners of the Government or of a local authority or of any other employer from attachment. It may be pointed out that the words "local authority" or "other employer" were inserted into the statute by the amending Act of 1976 with effect from February 1, 1977. The Chief Judge as also the High Court relying on the provisions of Section 8 of Code took the view that unless extended by the High Court of Calcutta, the protection of s. 60 was not available in regard to proceedings before the Presidency Small Causes Court at Calcutta. It appears that the Calcutta High Court in exercise of power u/s 8 of the Code had extended the provisions of the Section 60 of the Code but the High Court seems to have

wrongly taken the view that the effect of Section 97 of the Amending Act of 1976 was that the notification of the High Court was no more effective unless re-made. It is wholly unnecessary for the disposal of this appeal to examine that aspect as in our view the immunity u/s 13 of the Act is adequate to accept the appeal and find against the respondent. We, therefore, allow the appeal and hold that the Chief Judge as also the High Court were in error in taking the view that gratuity payable to Md. Safiur Rehman was liable to attachment. Parties are directed to bear their own costs.