

(1962) 07 KAR CK 0006
In the Karnataka High Court
Case No : Writ Petition No. 601 of 1960

K. Shivashankarappa

APPELLANT

Vs

Workmen of Jayalakshmi Textiles and Another

RESPONDENT

Date of Decision : 16-07-1962

Acts Referred:

Industrial Disputes Act, 1947 — Section 10

Citation : AIR 1964 Kar 295

Hon'ble Judges : Kalagate, J;A.R. Somnath Iyer, J

Bench : Division Bench

Advocate : E.S. Venkataramiah, for the Appellant;

Judgement

Somnath Iyer, J.—The management of the industry called "Jayalakshmi Textiles" is the petitioner before us, and the complaint made on its behalf is against one portion of award made by the. Labour Court, Bangalore, in a reference made to it u/s 10 of the Industrial Disputes Act, at the instance of the workmen of the industry. Many demands were made by those workmen and an award pursuant to the reference made u/s 10, was made granting most of them. But the only part of the award which is challenged in this writ petition is the dearness allowance allowed by the Labour Court at a flat rate of Rs. 6-50 nP. for each work- man a month. Although the Labour Court in Paragraph 17 of its award did address itself to the question whether the financial stability and economic condition of the industry justified the award of any dearness allowance to the workmen, it did not proceed, to rest its decision on any finding that there was such basis for the fixation or the award of any dearness allowance, but thought that because the Industry has made some profits in the year 1957-58 and had also reduced its wage expenses by about Rs. 9,000/-, there was a case for the award of dearness allowance.

2. Mr. Venkataramiah complained that the award in this regard is arbitrary and does not test upon an intelligible principle or ground. This complaint is to our mind substantial. Now, it is a very well recognised principle that deafness

allowance could be awarded in cases in which the scales of pay fall short of the living wage. The application of the mind of the Labour Court was therefore, necessary to the question whether the scales of pay obtaining in the industry fell short of the living wage and how far that gap between the living wage and the scale of pay could be neutralised, by the award of dearness allowance, having due regard to the advantages enjoyed by the workmen, and which the industry had the capacity to pay.

Far from addressing itself to these considerations which form the foundation of the award for the payment of the dearness allowance by the Labour Court, it took into consideration extraneous circumstances such as that the Industry made some profits in the year 1957 and 1958 and that there was diminution in the amount of wages paid by it to its workers during those years. That part of the award by which the workmen were awarded dearness allowance cannot be sustained. It is accordingly quashed. There will however be no Order as to costs.

3. Order accordingly.