

(1974) 08 P&H CK 0008
In the Punjab And Haryana At Chandigarh
Case No : L.P.A. No. 5 of 1973

Lakshmiratan Engineering Works	Vs	APPELLANT
The Industrial Tribunal and Another		RESPONDENT

Date of Decision : 19-08-1974

Acts Referred:

Industrial Disputes Act, 1947 — Section 33(1), 33(2), 33A, 33C(2)

Citation : (1976) 1 ILR (P&H) 694

Hon'ble Judges : R.S. Narula, C.J.; M.R. Sharma, J

Bench : Division Bench

Advocate : J.P. Goyal and S.P. Jain, for the Appellant; J.V. Gupta, for the Respondent

Final Decision : Dismissed

Judgement

R.S. Narula, C.J.—The questions that arise in this case relate to the true scope and proper construction of the proviso to Clause (b) of Sub-section (2) of Section 33 of the Industrial Disputes Act (14 of 1947) (hereinafter called the Act). These questions have arisen in the following circumstances:

Kanhaya Lal Sharma Respondent No. 2 (hereinafter referred to as the employee) was dismissed on grounds of misconduct with effect from February 15, 1969, by order of the Manager of the Appellant-company, dated February 14, 1969 (Annexure "J" to the writ petition). Notice Annexure "K" of the same date was given by the Appellant to the employee in which after referring to his misconduct, etc., and telling him that he had been dismissed from the Appellant's service with effect from February 15, 1969, it was stated as below:

In view of the pendency of an industrial dispute relating to this organisation before the Industrial Tribunal, Haryana, an application for the approval of our action in dismissing you from the service of this company, is simultaneously being made by the Management as required under the provisions of Section 33(2) (b) of the Industrial Disputes Act, 1947. You can collect your legal dues from the

Accounts Department on 15th February, 1969, along with one month's wages of which you are entitled to as per provisions of the Industrial Disputes Act, 1947, vis-a-vis the approval from the Tribunal, and 37 days average pay as suspension allowance at the rate of half of your average pay as per Clause 20(11) of the Standing Orders, when the suspension was necessitated for purposes of enquiry. For rest of the days, you have not been found entitled to any suspension allowance for your own default.

This notice was served on the employee on February 14, 1969. He did not turn up on February 15, 1969, to collect the amount offered to him in the notice. February 16, 1969, happened to be Sunday. On Monday next, that is on February 17, 1969, the Appellant remitted to the employee by money order the amount of his one month's salary. By now it is the common case of both sides that the amount remitted to the employee did not include the sum of Rs. 6 to which he was entitled in terms of some ad hoc relief which had been granted to him by the Appellant by accepting the recommendations of the Wage Board. The employee accepted the amount remitted to him by money order without lodging any protest. On the same day, that is on February 17, 1969, the Appellant made application Annexure "L" to the Industrial Tribunal, Haryana, under the proviso to Section 33(2)(b) of the Act for approval of the order of the employee's dismissal. In paragraph 17 of the application, the Appellant had stated as follows:

That Shri Kanhaya Lal Sharma having not come to the factory on 11th February, 1969, as directed, was sent for on the 15th February, 1969 and having declined to come and also when the Labour Officer, Shri R.P. Jaggi himself having gone to his house on the 15th and 17th February, 1969, not having found him there and 15th February, 1969, being a postal holiday due to "Maha Shivratri", and 16th February being a Sunday, the dismissal order has been sent to him today the 17th February, 1969, by registered A.U. at his house address. His one month's salary as required to be paid to him u/s 33(2)(b) of the Industrial Disputes Act, 1947, has been sent to him by money order today, the 17th February, 1969,-- vide money order receipt No. 4319, dated 17th February, 1969.

In paragraph 18 of the said application, the Appellant offered the employee to collect his 37 days average pay as suspension period allowance as per provisions of the Standing Orders besides his other dues from the Accounts Department of the factory on any working day during office hours. That particular offer is not directly concerned with the requirements of the proviso in question. In his reply (Annexure "M", dated April 1, 1969), to the application for approval (Annexure "L"), no plea was taken by the employee about the non-payment of the disputed amount of Rs. 6 or about the amount paid to him by money order being deficient. The employee did, however, make a separate application (Annexure "N"), dated April 1, 1969, u/s 33-C(2) of the Act for payment of his earned leave wages amounting to Rs. 402 for the years 1967-68, and for wages for suspension period of four months and 19 days at half the normal wages amounting to Rs. 417. In all he claimed Rs. 819 in that application. Notice of that

application having been given to the Appellant, the claim of the employee contained in Annexure "N" was settled to the satisfaction of the employee by payment of a sum of Rs. 615 to him which was evidenced by the employee's receipt Annexure "O" which is in the following words:

Received the following amount from Messrs Lakshmiratan Engineering Works Ltd., through Mr. R.P. Jaggi, Labour Officer, N.I.T., Faridabad in full and final settlement of all my dues as per details below:

(1) 651/2 days leave with wages @ Rs. 180 per month ... Rs. 393.00

(2) 37 days wages for suspension period pending enquiry ... Rs. 222.00

Total ... Rs. 615.00

(Rupees six hundred and fifteen only)

Sd/- . . ., Kanhaya Lal Sharma, 26-6-1969.

2. An objection was taken by the employee before the Industrial Tribunal that the amount of one month's wages paid to him by money order was deficient, inasmuch as the amount due to him on account of interim relief had not been paid to him. The Appellant did not for a moment canvass before the Tribunal that there was either any clerical or accidental error in the calculation of the amount remitted to the employee by money order or that the offer made to the employee in the notice Annexure "K" was for the whole amount including the disputed sum of Rs. 6. The position taken up on behalf of the Appellant before the Tribunal is summed up in the impugned order of the Tribunal in the following words:

The position taken up on behalf of the management is that interim relief does not constitute a part of the wages because this relief is being paid by the management voluntarily on the basis of the recommendations of the Wage Board which have no statutory force. The contention of the learned representative of the management is correct to this extent that the recommendations of the Wage Board are not binding on the parties and the management is not bound to implement the recommendation or to pay any interim relief but the position is different if the management of their own accord choose to grant any interim relief to their workman in pursuance of an agreement express or implied.

The above-quoted contention of the Appellant was rejected by the Tribunal, and it was held that the Appellant was not entitled to deduct from the workman's wages for one month the amount of the interim relief which had been granted to the employee voluntarily by the Appellant, and which was not claimed to be any ex-pratia payment. When that contention failed, the representative of the management asked for further time for arguments, and when he was not able to find any authority in support of the view that interim relief does not constitute a part of the wages, he made a statement that the management was prepared to pay the amount of the interim relief as well. This is stated in the last paragraph of the impugned order of the Tribunal. This matter was dealt with and disposed

of by the Tribunal in the following words:

He (representative of the management) stated that if the Tribunal is of the opinion that the interim relief also forms part of the wages, the management have no objection to make this payment also because this constitutes only a very small part of the wages. This submission of the learned representative of the management is also correct but the question is whether the services of the Applicant can be considered to have been validly terminated with effect from 15th February, 1969, when the mandatory requirement of the law i.e. tender of one month's wages has not been knowingly complied with. Had it been the case of the management that they intended to pay full one month's wage due to the workman and a lesser amount has been paid to him by reason of a bona fide mistake in the calculation then the matter would have been different. We have already seen that the position in the present case was that the management all along took up the stand that the interim relief does not constitute a part of the wages and therefore, it was not sent to the workman along with his wages and dearness allowance, etc., and when this question came up for arguments and the attention of the learned representative of the management was drawn to the definition of the term "Wages" as given in Clause (rr) of the Industrial Disputes Act and reproduced above, the learned representative of the Management asked for further time for arguments and when he was not able to find any authority in support of the view that interim relief does not constitute a part of the wages, he made a statement that the management are prepared to pay the interim relief as well. Under these circumstances there is no option but to hold that the omission to pay the interim relief was intentional on the part of the management.

No other ground having been urged before the Industrial Tribunal, he held that the provision of Section 33(2)(b) of the Act had not been complied with and therefore, declined to approve of the employee's dismissal. That order of the Tribunal was sought to be quashed by a writ in the nature of Certiorari in the Appellant's C.W.P. No. 2587 of 1970. The learned Single Judge before whom the writ petition came up for final disposal dismissed it by his order, dated October 12, 1972.

3. The first argument which was pressed before the learned Judge was the same which had been advanced before the Tribunal, namely that the interim relief could not be claimed by the employee as a matter of legal right, and the recommendations of the Wage Board were not binding on the Appellant. That argument was rightly repelled by the learned Single Judge, and has not been advanced before us at all. On the other hand that stand has been expressly given up before us by the learned Counsel for the Appellant.

4. The next point that was urged before the learned Single Judge was that the employee did not even appear to be aware of his entitlement to the ad hoc or interim relief when he made the application u/s 33(2) (Annexure "N") claiming wages at the rate of Rs. 180 per mensem for the period of leave and suspension, or even when he passed out the receipt Annexure "O" in full and final settlement

of his dues for those periods. That argument did not find favour with the learned Judge in Chambers on the ground that there could be no estoppel where the truth of the real position was known to the management-Appellant, and on the additional ground that the employer's obligation to make the pay ment or tender of one month's wages in accordance with the proviso to Section 33(2)(b) of the Act at the time of the filing of his application for approval of the proposed action of the workman's dismissal from service may appear to be independent of his obligations to pay the wages for leave and suspension periods.

5. Lastly it was held by the learned Judge that even if there was some error of fact in the decision of the Tribunal, a mere wrong decision cannot be corrected by a writ of Certiorari as that would be using the writ petition as an appeal, and that there was no manifest error apparent on the face of the impugned order.

6. This appeal has been preferred against the said order of the learned Single Judge dismissing the Appellant's writ petition. It may be mentioned at this stage that two workmen had been dismissed by the Appellant in almost similar circumstances, that is the employee and one Ganga Parshad. The only difference between the two cases at the stage of the proceedings before the Industrial Tribunal was that whereas Ganga Parshad had expressly taken up the plea that one month's wages had not been paid to him in reply to the application for approval, no such specific plea had been taken up by the employee in his written reply to the application of the Appellant. The writ petition was also dismissed by the same judgment of the learned Single Judge. Whereas L.P.A. No. 6 of 1973 preferred by the present Appellant against the judgment of the learned Judge in Chambers dismissing the writ petition against Ganga Parshad was dismissed by Harbans Singh. C.J. and Tuli. J. on February 2. 1973, in limine, the present appeal was admitted by the same Bench on the same day. The distinction between the two cases on account of which the two appeals met different fate at the motion hearing is clear from the orders passed by the learned Judges at that stage. In the present appeal it was stated by the Motion Bench admitting the appeal as below:

Mr. J.P. Goyal (with Mr. S.P. Jain) says the point of one month's wages was not taken by the Respondent before the Industrial Tribunal, and he had given a full and final receipt Notice.

While dismissing L.P.A. 6 of 1973. the Motion Bench observed:

In this case the Respondent worker did take the plea that one month's wages were not paid. Dismissed.

7. Sub-section (1) of Section 33 of the Act prohibits alteration of the conditions of service applicable to any workman to his prejudice by an employer during the pendency of any conciliation proceedings or any proceedings before a Labour Court or Tribunal in respect of any industrial dispute save with the express permission in writing of the authority before which the proceedings are pending. Sub-section (2) of Section 33 is in these terms:

During the pendency of any such proceeding in respect of an industrial dispute, the employer may, in accordance with the standing orders applicable to a workman concerned in such dispute, or, where there are no such standing orders, in accordance with the terms of the contract, whether express or implied, between him and the workman,--

(a) alter, in regard to any matter not connected with the dispute, the conditions of service applicable to that workman immediately before the commencement of such proceeding, or

(b) for any misconduct not connected with the dispute discharge or punish, whether by dismissal or otherwise, that workman:

Provided that no such workman shall be discharged or dismissed, unless he has been paid wages for one month and an application has been made by the employer to the authority before which the proceeding is pending for approval of the action taken by the employer.

The employee had been dismissed by the Appellant on the ground of misconduct during the pendency of reference No. 56 of 1967, before the Industrial Tribunal, Faridabad. It is, therefore, the common case of both sides that obtaining of the approval of that Tribunal under the proviso in question was necessary for the Appellant. An application for approval u/s 33(2)(b) cannot be granted unless the two conditions precedent specified in the proviso have been satisfied, namely:

(i) that the employee has been paid "wages for one month"; and

(ii) an application has been made by the employer to the authority before which the proceeding is pending.

The second condition was admittedly satisfied in this case by the application (Annexure "L"), dated February 17, 1969, having been made by the Appellant to the Tribunal. The entire dispute relates to the fulfilment of the first condition. Whereas the case of the employee which has found favour with the Tribunal as well as with the learned Single Judge is that the said requirement was not satisfied, inasmuch as the amount paid to him by money order admittedly fell short of the amount due to him as one month's wages by Rs. 6, the submission of the Appellant is that the requirement of payment of one month's wages has been substantially complied with by the Appellant by serving notice Annexure "K" followed up by the money order.

8. Mr. Goyal, the learned Counsel for the Appellant, submitted that:

(i) the offer made by the Appellant to the employee in the former's notice, dated February 14, 1969 (Annexure "K"). should by itself be treated as tender of the amount due, and therefore, equivalent to actual payment thereof for purposes of the proviso to Section 33(2)(b);

(ii) the Appellant is not liable to be penalised by dismissing its application for approval of the order of the employee's dismissal simply because the amount

paid to the employee was deficient by a petty sum of Rs. 6 due to a bona fide error in calculation of his dues; and

(iii) even if the amount paid by an employer to the employee happens to be less than one month's wages, the requirements of the proviso are satisfied if the employee does not protest against the deficiency, and in any case if he accepts the short payment in full and final settlement of his claim. In the present case the employee accepted the amount paid to him in full settlement of his claim without any protest.

9. Counsel has placed reliance for almost all of his above-quoted submissions on the judgment of their Lordships of the Supreme Court in the Management of Delhi Transport Undertaking Vs. Industrial Tribunal, Delhi and Another, . What happened in that case was this. The management of the Delhi Transport Undertaking proposed to dismiss its employee Hari Chand, Conductor, with effect from October 31, 1961, during the pendency of an industrial dispute. An application, dated October 28, 1961, was filed by the Undertaking before the Tribunal for its approval under the proviso to Section 33(2)(b). A memorandum was issued to Hari Chand on October 30, 1961 informing him of the order of dismissal, and intimating to him that he should report to the Accounts Officer of the Undertaking to receive the payment of one month's wages due to him u/s 33(2)(b), and to surrender his uniform, etc. Whether Hari Chand did not appear before the Accounts Officer or was refused payment is not relevant for our purposes. The fact remains that one month's wages were not paid to him at that stage. He, therefore, filed a complaint u/s 33-A of the Act on November 3, 1961, complaining of non-payment of one month's wages to him. On the same day, the amount equivalent to his one month's wages (there was no dispute about the quantum of the amount remitted to him) was remitted by the Undertaking to Hari Chand by money order. Thereupon his complaint u/s 33-A was dismissed by the Tribunal. On those facts the Tribunal declined to accord its approval and dismissed the Undertaking's application under the proviso. The Undertaking preferred an appeal (by special leave to the Supreme Court against the decision of the Tribunal. It was in the course of disposing of the said appeal that the Supreme Court observed in answer to the question:

whether the application for approval should have been rejected because wages for one month were not actually paid before the order of dismissal as required by the proviso to Section 33(2)(b) of the Act,

that the proviso does not require that the wages for one month should have been actually paid because in many cases the employer can only tender the amount before dismissal, but cannot force the employee to receive the payment before the dismissal becomes effective. On facts it was found by the Supreme Court that Hari Chand had not purposely received the wages offered to him by the memorandum informing him of his dismissal from service because he intended to make a complaint against the Undertaking, and therefore, the tender had been made to him on the 30th before the order of dismissal came into force. It was in

the above-mentioned circumstances that their Lordships held that there was no failure on the part of the Undertaking to comply with the requirements of the proviso. The material difference between the facts of that case and the one in hand is obvious. The question that was agitated in the case of the Management of Delhi Transport Undertaking (*supra*) was as to what may in peculiar circumstances amount to payment of the wages within the meaning of the proviso. That is not the question here. It has not been agitated on behalf of the employee at any stage that the amount ultimately paid to him was not tendered to him within time. His complaint is confined to the deficiency in the quantum of payment. No such dispute arose in the case decided by the Supreme Court. Whether the tender of the amount of wages due to a workman under the proviso to Section 33(2)(b) is or is not valid so as to absolve the employer of his liability to pay the amount for the purpose of the proviso is a question of fact which must necessarily be decided on the facts and in the circumstances of a given case. In the case of the Management of Delhi Transport Undertaking (*supra*), it was obvious that there was no fault of the employer in withholding payment, and that it was the workman, who had deliberately refused to accept the same. The employee in our case never refused to accept payment of the amount remitted to him by money order. He has not made any Capital of the fact that the amount was not paid to him earlier. Whereas the Appellant had tried to justify non-payment of the sum of Rs. 6 on account of interim relief at all earlier stages in this litigation, the learned Counsel for the Appellant did not canvass that point before us. In fact he conceded that the law laid down by the Tribunal in that respect, and upheld by the learned Single Judge is correct, and that an additional sum of Rs. 6 on account of the amount due by way of interim relief, did form part of the wages of the employee for one month and should have been included in the amount remitted to the employee by money order. There would indeed have been strength in the argument of Mr. Goyal about the offer made in the notice Annexure "K" being sufficient to satisfy the requirements of the proviso if the Appellant had intended to offer to the employee his full one month's wages including the sum of Rs. 6 in question. This cannot be said to be true in the circumstances of the instant case, for more than one reason. Firstly, no such plea was taken up at the initial stage before the Tribunal. Secondly, when the deficiency was pointed out to the Appellant before the Tribunal, it did not offer to make up the same, but tried its best to justify the short payment, by arguing that the amount due on account of the interim relief could not be considered to be a part of the employee's wages for purposes of the proviso. It was not urged at any stage before the Tribunal or before the learned Single Judge or even before us that the shortfall in payment was due to some miscalculation or clerical error. From the facts and circumstances detailed in the opening part of this judgment, it is abundantly clear that the Appellant deliberately abstained from including the sum of Rs. 6 in question in the remittance as it was advised that it did not form part of the wages to which the employee was entitled. The offer made in Annexure "K" which does not specify the amount of the wages for one month has to be read in the light of the other admitted facts and circumstances.

It cannot possibly be argued that whereas the Appellant did not include the sum of Rs. 6 in the money order remittance as it thought that the said amount was not due to the employee, the Appellant had still offered to the employee to collect the same as a part of his wages when inviting the employee to the office of the Appellant for collecting his dues. In the circumstances of this case, therefore, the offer made in Annexure "K", even if it amounts to a tender by itself cannot be said to be for the whole amount, but must be presumed and treated to be an offer of the amount which was ultimately remitted by the Appellant to the employee by money order on February 17, 1969.

10. The next question that remains to be dealt with relates to the claim of the Appellant that the employee having accepted the amount tendered to him by money order without any protest, it should be held that the requirements of the proviso were satisfied. I am unable to agree with this submission. A statutory duty is cast on the employer to tender the whole of the amount of one month's wages to the employee as a condition precedent for invoking the jurisdiction of the Tribunal to grant the requisite approval. In view of the scheme of the Act, which is a piece of social legislation, the employee is not permitted to contract out of his rights in that respect. The employer is, therefore, bound to pay or tender the full wage of one month to the workman if he wants to succeed in his application under the proviso irrespective of whether the employee is prepared to take some lesser amount or even to forgo the whole amount. In any case it is clear on the facts of this case, that the employee never accepted the amount in full settlement, and never agreed to forgo his claim for the deficiency. He accepted whatever was tendered to him by money order, and supported the objection about the deficiency at the hearing of the Appellant's application u/s 33(2)(b) by the Tribunal. The argument of the learned Counsel for the Appellant that the employee's receipt (Annexure "O"), dated June 26, 1969, having been drawn expressly in full and final settlement of his claim does not leave it open to the employee to claim that the payment was not made in full must be rejected on the short ground that the receipt Annexure "O" for Rs. 615/- relates to the claim made by the employee u/s 33-C(2) of the Act for Rs. 812/- as per his application (Annexure "N"), dated April 1, 1969. That payment has nothing whatever to do with the payment of one month's wages required under the proviso. The receipt of the sum of Rs. 615/- in full and final settlement only meant that no part of the claim of the employee u/s 33-C(2) contained in Annexure "N" survived after receiving that payment. Nor is there any force in the argument of Mr. Goyal that merely omitting to specify any amount against the relevant column in the prescribed form of Annexure "N" relating to wages in lieu of notice should amount to an admission on the part of the employee about his having given up the claim for one month's wages. On the facts of this case, therefore, it cannot possibly be held that the employee gave up his claim to the additional sum of Rs. 6/- to which he was admittedly entitled or that he accepted any amount in full settlement of the amount due to him under that provision. The finding of fact recorded by the Tribunal in that respect in favour of the

employee is unassailable. Even otherwise such a finding cannot be interfered with in Certiorari proceedings.

11. The judgment of the Supreme Court in the The Hindusthan General Electrical Corporation Ltd. Vs. Bishwanath Prasad and Another, , on which reliance was also placed by Mr. Goyal is not at all relevant for deciding any of the propositions of law canvassed by Mr. Goyal before us. Emphasis was laid by Mr. J.V. Gupta, learned Counsel for the employee, on the fact that the Appellant had not raised the question of Annexure "K" amounting to sufficient tender, or the point of inadvertent bona fide error in calculating the amount, or even about the employee having accepted the amount in full settlement before the Tribunal, and therefore, it should not be permitted to raise those mixed questions of law and fact for the first time before this Court in writ proceedings, as the decision of the Tribunal is within its jurisdiction, and there is no error of law apparent on the face of the order of the Tribunal which may justify interference therewith by way of a writ in the nature of Certiorari. There is great force in this submission of Mr. Gupta. From whatever angle therefore, this case is looked at the appellant cannot succeed. The judgment of the learned Single Judge appears to me to be correct, and I would uphold the same.

12. No other point having been argued by Mr. Goyal, this appeal has to be and is hereby dismissed. In view of the fact, however that the appellant is likely to be foisted with substantial liability for payment to the employee due only to an erroneous impression of the appellant regarding the correct legal position, we leave the parties to bear their own costs in this appeal as well as in the writ petition.