

NAGPUR HIGH COURT

Bhagwat Rai

Vs

Union of India

Civil Revn. No. 579 of 1950

(Mangalmurti and Deo, JJ.)

17.04.1952

ORDER

Mangalmurti, J.

1. This is an application for revision under Section 25, Small Cause Courts Act by Bhagwat Rai who had filed Civil Suit No.83 of 1950 in the Court of Shri S.L. Sharma, First Civil Judge, (Class II), Bilaspur, empowered under Section 18, C.P. Courts Act.

2. Bhagwat Rai worked as a Fitter-coolie under the Inspector of Works, Bengal Nagpur Railway, Bilaspur. His case is that he was not paid a part of his wages for the months of November 1948 and March 1949 amounting to Rs. 76-4-0 and that as he was illegally suspended on 22nd March 1949 by defendant 2 L.C. Mehta, Inspector of Works, and reinstated on 22nd April 1949 he was entitled to Rs. 53-0-0 on account of the wages for the period of suspension. He, therefore, instituted a suit on 7th March 1950 for recovery of Rs. 137-3-3 inclusive of interest. The defendants filed written statements on 27th April 1950 but they did not raise any objection about the jurisdiction of the Court. On 19th July 1950, however, they filed an application contending that the Court could not entertain the suit as it was for the recovery of wages which could have been recovered by an application under Section 15, Payment of Wages Act. The plaintiff replied by saying that the defendants had waived the objection regarding jurisdiction by not raising it in the written statement. The lower Court held that it was not waived and after hearing arguments allowed it and dismissed the suit.

3. This case was set down for hearing by a Division Bench as V.R. Sen, J., who initially heard it held that the question of jurisdiction is of general importance.

4. The learned counsel for the applicant raised before us the following four contentions:

- (i) That the sums claimed in the suit were neither deductions from the wages nor sums in respect of which there was delay in payment of the wages but there was refusal either because payment was made or because it was not due and so they could not have been

recovered by an application under Section 15, Payment of Wages Act;

(ii) That they could also not be recovered under Section 15, Payment of Wages Act on the date the suit was filed because six months had already elapsed from the date on which the alleged deductions were made or the payment of wages was due to be made and so no application could be made on that date under Section 15 'ibid';

(iii) That the application under Section 15, Payment of Wages Act is an additional remedy to the ordinary remedy of a suit and not a remedy which has been substituted by law for the ordinary remedy of a suit;

(iv) That the defendants had waived this objection as to jurisdiction by not raising it in the written statements.

(5) The sums claimed by the applicant are:

(a) Rs. 10/4/- Wages for November 1948;

(b) Rs. 66/-/- Wages for March 1949; and

(c) Rs. 53/-/- Wages for the period of suspension from 22nd March 1949 to 22nd April 1949.

6. The defense is that the amount of Rs. 10-4-0 and the wages for March upto 22nd March 1949 have been paid and that the plaintiff remained absent from duties without permission from 22nd March 1949 to 22nd April 1949 and is not consequently entitled to wages for this period.

7. The applicant thus says that the payment is due to him and it is delayed beyond the time fixed by Section 5, Payment of Wages Act while the defendants deny it. There is thus a dispute as to the amount payable to the employed person and its consideration is within the competence of the Authority appointed under section 15 of the Act, as would appear from clause (a) of the proviso to sub-s.(3) thereof. The learned counsel for the applicant contended that these were not delayed payments and cited in support - '*Simpalax Manufacturing Co., Ltd. v. Alla-Ud-Din*', which contains the following observations at page 196 :

"There seems to be no authority directly to the point; but it seems to me clear that delayed wages can only mean wages which are admittedly due, but the payment of which has been postponed on some excuse or another. This view seems to be confirmed by the proviso to sub-S.(3) of section 15 in which it is said that a direction should not be made when the delay in the payment of wages is due to a 'bona fide' dispute as to the amount payable to the employed person. This seems to suggest that any 'bona fide' disputes as to the amount payable are to be tried by the civil Courts, for otherwise there would be no authority capable of making an order for payment when the amount is in fact due. For these reasons, I hold that the jurisdiction of the Civil Courts is not barred in a case like this....."

With the greatest respect we find ourselves unable to accept this view. It is not warranted by the proviso to sub-s.(3) of section 15 which reads thus:

"Provided that no direction for the payment of compensation shall be made in the case of

delayed wages if the authority is satisfied that the delay was due to:

(a) a 'bona fide' error or 'bona fide' dispute as to the amount payable to the employed person....."

Thus the proviso prohibits only the making of a direction for the payment of "compensation" in the case of delayed wages and does not prohibit the making of a direction regarding the refund of the amount deducted or the payment of the delayed wages laid down in sub-S.(3) of Section 15. The proviso also does not suggest that any 'bona fide' disputes as to the amounts payable are to be tried by the civil Courts. On the other hand it wants the authority to satisfy itself if the delay was due to a 'bona fide' error or *bona fide* dispute as to the amount payable to the employed persons. In - '*Modern Mills Ltd. v. Mangalvedhekar*²', their Lordships of the Bombay High Court treated such a refusal to pay as deductions, and after referring to sub-s.(2) of section 15 observed:

"Therefore it is competent to the authority appointed under Section 15(1) to determine whether any deduction has been made from the wages of an employed person contrary to the provisions of the Act....."

Their Lordships of the Bombay High Court further observed at page 343: "The contention of Mr. Rege is that the Modern Mills refused to pay the bonus to the employee because they were required not to pay that bonus under the award of the Industrial Court. But it is for the authority under Section 15(2) to determine whether such a deduction made by the employers was an authorised deduction under Section 7. If the contention of the employer is that he is required by the award not to pay the wages, it is for the authority to be satisfied that such a contention is a valid one, and in order to determine that he must construe the award and be satisfied that the award on which the employer is relying requires the employer not to pay the bonus. It is impossible to contend, in my opinion, that it is not open to the authority under the Payment of Wages Act to construe the award in order to determine whether the deduction made by the employer was an authorised deduction or not."

In - '*A.R. Sarin v. B.C. Patil*³', we get the following observations of their Lordships of the Bombay High Court at pages 425 and 426:

"We would like to make it clear, as the matter is of considerable importance, as to what we think is the jurisdiction of the Authority under the Statute. It is certainly competent to the Authority to construe the terms of the contract of employment in order to determine what wages are to be paid, and even if the contract of employment has been terminated, it is open to him to construe its terms in order to determine whether any sums are payable by reason of the termination. It would also be open to him to determine whether a person has been employed or not, because the question of contract of employment and the terms of the contract can only arise provided the person seeking relief was employed. The mere denial of the factum of employment cannot oust the jurisdiction of the Authority. If the employer denies or disputes the fact that the servant was employed by him, it will be for the Authority to decide that question and it is only after the question of employment has been decided that the question would arise

as to what are the terms of the contract and what is the liability of the master under the terms with regard to wages. It has been suggested by Mr. Seervai that this construction of the statute really confines the jurisdiction of the Authority only to cases where wages are admitted, and Mr. Seervai says that if the Legislature intended that the Authority should only try cases of admitted wages, there was nothing easier than for the Legislature to have so stated. It is not correct that our decision leads to the conclusion that the jurisdiction of the Authority is so limited or restricted because there may be various cases within its jurisdiction where the liability to wages is denied or disputed and which the Authority would still be competent to decide. The question as to whether X amount or Y amount is due under the terms of the contract is a case where wages may not be admitted. The employer may say that X amount is due and the servant might say that Y amount is due, and the Authority would have to decide on a true construction of the terms of the contract as to what is the amount due. Therefore, the jurisdiction of the Authority really is to determine the terms of the contract in so far as they relate to the payment of wages and in so far as he has to decide the liability of the employer to pay wages under the terms of the contract."

We respectfully agree with this view, and hold that the sums claimed by the applicant could have been recovered by an application under Section 15, Payment of Wages Act.

8. The learned counsel for the applicant next contended that the jurisdiction of civil Court is not excluded as the remedy under the Payment of Wages Act is an additional remedy and was not available on the date of the suit. We do not agree. Section 22(d) excludes the jurisdiction of a civil Court to entertain a claim which could have been recovered by an application under section 15 of the Act. This exclusion is absolute and does not depend on the choice of the claimant. The jurisdiction of the civil Court is not revived by his omission to make an application under section 15 within the time allowed by law.

9. Their Lordships of the Bombay High Court in - '*A.R. Sarin v. B.C. Patil*', *AIR 1951 Bombay 423*, supra, after looking at the purpose of the Payment of Wages Act and also its general provisions observed at page 424:

"Therefore the jurisdiction of the Authority appointed under this section is clearly limited to (1) all claims arising out of deductions from wages and (2) delay in payment of the wages. It must be borne in mind that section 22 ousts the jurisdiction of civil Courts in respect of all claims which can be entertained by the Authority under Section 15. Therefore, the scheme of the Act is to set up a special tribunal, confer a special jurisdiction upon that tribunal, and to the extent that special jurisdiction is conferred upon that tribunal, to oust the jurisdiction of ordinary civil Courts."

These contentions, therefore, fail.

10. The learned counsel for the applicant then contended that the defendants had waived this

objection as to jurisdiction by not raising it in the written statements dated 27th April 1950. They, however, raised it by an application on 19th July 1950. This is not an objection as to the place of suing, and Section 21, Civil Procedure Code has no application. Moreover, Section 21 deals with the powers of appellate and revisional Courts and not of the Court of first instance. In this case the objection was decided against the applicant by the original Court itself. The objection in the present case is about the want of inherent jurisdiction over the subject-matter i.e., inherent incompetency of the Court itself and such an objection cannot be waived. Lord Watson in delivering the judgment of the Board in - '*Ledgard v. Bull*⁴', said:

".....(But) when the Judge has no inherent jurisdiction over the subject-matter of a suit, the parties cannot, by their mutual consent, convert it into a proper judicial process, although they may constitute the Judge their arbiter, and be bound by his decision on the merits when these are submitted to him."

The principles laid down in - '*Ledgard v. Bull*', 9 All 191 (PC)(SUPRA), were reiterated by their Lordships of the Privy Council in - '*Meenakshi Naidu v. Subramania Sastri*⁵', in which their Lordships in the course of their judgment said:

"In the present case there was an inherent incompetency in the High Court to deal with the question brought before it and no consent could have conferred upon the High Court that jurisdiction which it never possessed."

So this contention of the learned counsel for the applicant also fails.

11. The application for revision is, therefore, hereby dismissed with costs. Counsel's fee Rs. 25/-.

Application dismissed.

Cases Referred.

¹ AIR 1945 Lah 195

² AIR 1950 Bom 342

³ AIR 1951 Bom 423

⁴ 9 All 191 (PC)

⁵ 14 Ind App 160 : 11 Mad 26 (PC)