

CASE NO.:
Appeal (civil) 1208-1209 of 2001

PETITIONER:
Mukesh K. Tripathi

RESPONDENT:
Sr. Divn. Manager, L.I.C. & Ors.

DATE OF JUDGMENT: 06/09/2004

BENCH:
N. Santosh Hegde, S.B. Sinha & A.K. Mathur

JUDGMENT:
J U D G M E N T

S.B. SINHA, J:

These appeals are directed against a judgment and order dated 8.1.1999 passed by the High Court of Judicature at Allahabad in Civil Misc. Writ Petitions No. 30393 of 1996 and 28474 of 1998 whereby and whereunder the writ petitions filed by the Respondent herein were allowed setting aside an award dated 28.5.1996 passed by the Central Government Industrial Tribunal cum Labour Court, Kanpur.

The basic fact of the matter is not in dispute.

The Appellant was appointed by the Life Insurance Corporation of India (hereinafter called and referred to for the sake of brevity as "the Corporation") on or about 16.7.1987 as Apprentice Development Officer. The relevant terms and conditions contained in the offer of appointment are as under:

"2. You will be taken, at the outset, as an Apprentice for a period of one year commencing from 16.7.1987 on a stipend of Rs. 1250/- per month, and will be given two months theoretical training at Divisional Office, Kanpur and thereafter the (sic) months Branch training followed by Field Training in a Branch as may be decided to us. You will faithfully and diligently apply yourself to the course of training fixed for you and carry out all orders and directions given to you.

3. On completion of the apprenticeship period, if your work and conduct are found satisfactory, you will be appointed as a Development Officer on probation on a monthly basic pay of Rs. 700/- and such other allowances as are admissible in accordance with staff Regulations.

4. During the period of apprenticeship, you shall be liable to be discharged from service without any notice.

7. You are not entitled to any travelling allowance for joining the Training Centre at Division Office, Life Insurance Corporation of India, Kanpur."

The services of the Respondent were terminated purported to be in terms of para 4 of the said offer of appointment by a letter dated 14.7.1988. Contending that he has been retrenched in contravention of Section 25F of the Industrial Disputes Act, the Appellant herein raised an industrial dispute

whereupon the Central Government by a notification dated 23rd August, 1991 referred the following dispute for adjudication of the Central Government Industrial Tribunal cum Labour Court, Pandu Nagar, Kanpur (for short "the Tribunal"):

"Whether the action of the Divisional Manager, LIC of India, Kanpur, in discharging Sri Mukesh Kumar Tripathi from service w.e.f. 14.7.88 is legal and justified? If not to what relief the concerned workman is entitled?"

Before the Tribunal a contention was raised by the Respondent No. 1 herein that the Appellant is not a workman within the meaning of Section 2(s) of the Industrial Disputes Act.

By reason of its award dated 28.5.1996, the Tribunal held that in view of the fact that the Appellant was discharged after the completion of the apprenticeship period, he must be held to be a workman within the meaning of Section 2(s) of the Industrial Disputes Act.

The Respondent No. 1 filed a writ petition before the Allahabad High Court questioning the said award. Before the High Court, the Appellant herein relied upon a decision of this Court in S.K. Verma Vs. Mahesh Chandra and Another [(1983) 3 SCR 799 : (1983) 4 SCC 214] in support of its contention that a Development Officer of the Corporation is a workman.

The High Court, however, relying on or on the basis of a Constitution Bench decision of this Court in H.R. Adyanthaya and Others Vs. Sandoz (India) Ltd. and Others [(1994) 5 SCC 737] held that as therein S.K. Verma (supra) was held to have been rendered per incuriam, it was no longer a good law. The writ petition was allowed on that premise.

Ms. Indira Jaisingh, learned senior counsel appearing on behalf of the Appellant would contend that in S.K. Verma (supra) this Court upon taking into consideration the works performed by a Development Officer came to the conclusion that as neither the same are managerial or supervisory in nature, he would be deemed to be a workman and, furthermore, in view of the fact that the said decision has not been overruled by this Court in H.R. Adyanthaya (supra), the High Court has committed a manifest error in passing the impugned judgment.

Mr. K. Ramamoorthy, learned senior counsel appearing on behalf of the Respondents, on the other hand, would submit that in H.R. Adyanthaya (supra) a Constitution Bench of this Court has clearly laid down the law that even if a person does not perform managerial or supervisory duties, with a view to hold that he is a workman, it must be established that he performs skilled or unskilled, manual, supervisory, technical or clerical work for hire or reward and as it has not been established that the Appellant herein performed any of the jobs enumerated in Section 2(s) of the Act, he is not a workman.

The learned counsel has also drawn our attention to a Scheme known as the Life Insurance Corporation of India (Apprentice Development Officers) Recruitment Scheme, 1980 (for short "the Scheme") for the purpose of showing that an Apprentice Development Officer is a person recruited for training and subsequent appointment to the cadre of Development Officers. It was submitted that as the Appellant was appointed in terms thereof, unless he was appointed and confirmed as a Development Officer the question of his becoming a workman would not arise.

The Scheme framed by the Corporation although is not a statutory one but the same governs the terms and conditions of appointment of Apprentice Development Officer. An Apprentice Development Officer is a person recruited for training and subsequent appointment to the cadre of

Development Officer. Clause 4 of the Scheme lays down the eligibility criteria for recruitment as also the recruitment procedure. Clause 5 of the said Scheme provides for apprenticeship and training. The period of apprenticeship is one year. During the said period, the Apprentice is required to undergo theoretical training at training centre for two months, training in a selected rural branch for one month and a field training for a period of nine months. An Apprentice Development Officer is paid a monthly stipend. The period of apprenticeship is not counted as service for any purpose including seniority, increments, gratuity, etc.

Clause 6.1 of the Scheme provides that an Apprentice Development Officer may be discharged at any time without any notice or without assigning any reason whatsoever. Only upon satisfactory completion of the apprenticeship period, an Apprentice Development Officer is appointed as a Development Officer on probation, the period wherefor is also one year. The terms and conditions of service of a Development Officer are governed by the Life Insurance Corporation of India (Staff) Regulations, 1960.

The question as to whether a sale representative is a workman within the meaning of Section 2(s) of the Industrial Disputes Act came up for consideration before a 3-Judge Bench of this Court in *Management of M/s. May and Baker (India) Ltd. Vs. Their Workmen* [AIR 1967 SC 678] wherein upon considering the definition of workman, as it then stood, it was held:

"9\005At that time the definition of the word "workman" under S. 2 (s) of the Industrial Disputes Act did not include employees like Mukerjee who was a representative. A "workman" was then defined as any person employed in any industry to do any skilled or unskilled manual or clerical work for hire or reward. Therefore, doing manual or clerical work was necessary before a person could be called a workman. This definition came for consideration before industrial tribunals and it was consistently held that the designation of the employee was not of great moment and what was of importance was the nature of his duties. If the nature of the duties is manual or clerical then the person must be held to be a workman. On the other hand if manual or clerical work is only a small part of the duties of the person concerned and incidental to his main work which is not manual or clerical, then such a person would not be a workman. It has, therefore, to be seen in each case from the nature of the duties whether a person employed is a workman or not, under the definition of that word as it existed before the amendment of 1956. The nature of the duties of Mukerjee is not in dispute in this case and the only question, therefore, is whether looking to the nature of the duties it can be said that Mukerjee was a workman within the meaning of S. 2 (s) as it stood at the relevant time. We find from the nature of the duties assigned to Mukerjee that his main work was that of canvassing and any clerical or manual work that he had to do was incidental to his main work of canvassing and could not take more than a small fraction of the time for which he had to work. In the circumstances the tribunal's conclusion that Mukerjee was a workman is incorrect. The tribunal seems to have been led away by the fact that Mukherjee had no supervisory duties and had to work under the directions of his superior officers. That, however,

would not necessarily mean that Mukerjee's duties were mainly manual or clerical. From what the tribunal itself has found it is clear that Mukerjee's duties were mainly neither clerical nor manual. Therefore, as Mukerjee was not a workman his case would not be covered by the Industrial Disputes Act and the tribunal would have no jurisdiction to order his reinstatement\005"

A similar view was taken by this Court in *Western India Match Co. Ltd. Vs. Workmen* [(1964) 3 SCR 560], *Burmah Shell Oil Storage & Distribution Co. of India Ltd. Vs. Burmah Shell Management Staff Assn.* [(1970) 3 SCC 378] and in other cases.

A Division Bench of this Court, however, without noticing the aforementioned binding precedent, in *S.K. Verma (supra)* held that the duties and obligations of a Development Officer of Life Insurance Corporation of India being neither managerial nor supervisory in nature, he must be held to be a workman. Correctness of *S.K. Verma (supra)* came up for consideration before a Constitution Bench of this Court in *H.R. Adyanthaya (supra)*. Referring to this Court's earlier decisions in *May and Baker (supra)*, *Western India Match Co. (supra)* and *Burmah Shell Oil Storage (supra)*, it was observed that as in *S.K. Verma (supra)* the binding precedents were not noticed and furthermore in view of the fact that no finding was given by the court as to whether the Development Officer was doing clerical or technical work and admittedly not doing any manual work, the same had been rendered per incuriam.

The Constitution Bench summarized the legal position that arose from the statutory provisions and from the decisions rendered by this Court, stating :

"Till 29-8-1956 the definition of workman under the ID Act was confined to skilled and unskilled manual or clerical work and did not include the categories of persons who were employed to do 'supervisory' and 'technical' work. The said categories came to be included in the definition w.e.f. 29-8-1956 by virtue of the Amending Act 36 of 1956. It is, further, for the first time that by virtue of the Amending Act 46 of 1982, the categories of workmen employed to do 'operational' work came to be included in the definition. What is more, it is by virtue of this amendment that for the first time those doing non-manual unskilled and skilled work also came to be included in the definition with the result that the persons doing skilled and unskilled work whether manual or otherwise, qualified to become workmen under the ID Act."

Considering the decisions in *May and Baker (supra)*, *Western India Match Co. (supra)*, *Burmah Shell Oil Storage (supra)* as also *S.K. Verma (supra)* and other decisions following the same, this Court in *H.R. Adyanthaya (supra)* observed:

"However, the decisions in the later cases, viz., *S. K. Verma* ((1983) 4 SCC 214 : 1983 SCC (L&S) 510 : (1983) 3 SCR 799), *Delton cable* ((1984) 2 SCC 569 : 1984 SCC (L&S) 281 : (1984) 3 SCR 169), and *Ciba Geigy* (1985) 3 SCC 371 : 1985 SCC (L&S) 808 : 1985 Supp (1) SCR 282) cases did not notice the earlier decisions in *May & Baker* ((1961) 2 LLJ 94 : AIR 1967 SC 678 : (1961) 2 FLR 594) *WIMCO* ((1964) 3 SCR 560 : AIR 1964 SC 472 : (1963) 2 LLJ 459), and *Burmah Shell* ((1970) 3 SCC 378 : (1971) 2 SCR 758 : AIR 1971

SC 922 : (1970) 2 LLJ 590) cases and the very same contention, viz., if a person did not fall within any of the categories of manual, clerical, supervisory or technical, he would qualify to be workman merely because he is not covered by either of the four exceptions to the definition, was canvassed and though negatived in earlier decisions, was accepted. Further, in those cases the Development Officer of the LIC, the Security Inspector at the gate of the factory and Stenographer-cum-Accountant respectively, were held to be workmen on the facts of those cases. It is the decision of this Court in A. Sundarambal case ((1988) 4 SCC 42 : 1988 SCC (L&S) 892) which pointed out that the law laid down in May and Baker case ((1961) 2 LLJ 94 : AIR 1967 SC 678 : (1961) 2 FLR 594) was still good and was not in terms disowned."

The Constitution Bench although noticed the distinct cleavage of opinion in two lines of cases but held:

"\005These decisions are also based on the facts found in those cases. They have, therefore, to be confined to those facts. Hence the position in law as it obtains today is that a person to be a workman under the ID Act must be employed to do the work of any of the categories, viz., manual, unskilled, skilled, technical, operational, clerical or supervisory. It is not enough that he is not covered by either of the four exceptions to the definition. We reiterate the said interpretation."

The said reasonings are, therefore, supplemental to the ones recorded earlier viz.: (i) They were rendered per incuriam; and (ii) May and Baker (supra) is still a good law.

Once the ratio of May and Baker (supra) and other decisions following the same had been reiterated despite observations made to the effect that S.K. Verma (supra) and other decisions following the same were rendered on the facts of that case, we are of the opinion that this Court had approved the reasonings of May and Baker (supra) and subsequent decisions in preference to S.K. Verma (supra).

The Constitution Bench further took notice of the subsequent amendment in the definition of 'workman' and held that even the Legislature impliedly did not accept the said interpretation of this Court in S.K. Verma (supra) and other decisions.

It may be true, as has been submitted by Ms. Jaisingh, that S.K. Verma (supra) has not been expressly overruled in H.R. Adyanthaya (supra) but once the said decision has been held to have been rendered per incuriam, it cannot be said to have laid down a good law. This Court is bound by the decision of the Constitution Bench.

From a perusal of the award dated 28.5.1996 of the Tribunal, it does not appear that the Appellant herein had adduced any evidence whatsoever as regard the nature of his duties so as to establish that he had performed any skilled, unskilled, manual, technical or operational duties. The offer of appointment dated 16.7.1987 read with the Scheme clearly proved that he was appointed as an apprentice and not to do any skilled, unskilled, manual, technical or operational job. The onus was on the Appellant to prove that he is a workman. He failed to prove the same. Furthermore, the duties and obligations of a Development Officer of the Corporation by no stretch of

imagination can be held to be performed by an apprentice.

Even assuming that the duties and obligations of a Development Officer, as noticed in paragraph 8 of S.K. Verma (supra), are applicable in the instant case, it would be evident that the Appellant herein could not have organized or developed the business of the Corporation without becoming a full-fledged officer of the Corporation. Only an officer of the Corporation duly appointed can perform the functions of recruiting agents and take steps for organizing and developing the business of the Corporation. No area furthermore could be allotted to him for the purpose of recruiting active and reliable agents drawn from different communities and walks of life in view of the categorical findings of the Tribunal that he had been working as an apprentice. If organizing and developing the business of the Corporation and to act as a friend, philosopher and guide of the agents working within his jurisdiction were the primary duties and obligations of a Development Officer, an apprentice evidently cannot perform the same.

We may consider the matter from another angle, viz., the appointment of the Appellant as an apprentice under the Scheme vis-à-vis the Apprentices Act, 1961.

The expression 'Apprentice' has been included in the definition of 'workman' contained in Section 2(s) of the Industrial Disputes Act, 1947 but by reason of a subsequent Parliamentary legislation, namely, Apprentices Act, 1961 (the 1961 Act), the term 'apprentice' has been defined in Section 2(aa) to mean "a person who is undergoing apprenticeship training in a designated trade in pursuance of a contract of apprenticeship. Section 18 of the 1961 Act provides that apprentices are trainees and not workers save as otherwise provided in the Act. Clauses (a) and (b) of Section 18 of the 1961 Act read thus :

"(a) every apprentice undergoing apprenticeship training in a designated trade in an establishment shall be a trainee and not a worker; and

(b) the provisions of any law with respect to labour shall not apply to or in relation to such apprentice."

The term 'employee' under various labour laws has been defined by different expressions but Section 18 of the 1961 Act carves out an exception to the applicability of labour laws in the event the concerned person is an apprentice as contra-distinguished from the expressions 'worker', 'employee' and 'workman', used in different statutes.

'Apprentice' under the general law means a person who is bound by a legal agreement to serve an employer for an agreed period and the employer is bound to instruct him. In Halsbury's Laws of England, 4th Edn. Volume 16, it is stated :

"586. Form and parties. A contract of apprenticeship is unenforceable if it is not in writing. Usually the contract is effected by deed under which the apprentice is bound to serve a master faithfully in a trade or business for an agreed period and the master undertakes to give the apprentice instruction in it and either to maintain him or pay his wages. Technical words are not necessary.

An apprentice cannot be bound without his own consent, and consent without execution of the instrument is insufficient. The instrument must be executed by the apprentice himself, for no one else has a right to bind him. In the case of a minor his father or mother or other guardian, although not necessary parties to the contract, usually execute it

too in order to covenant for the apprentice's due performance of the contract since, in the absence of a local custom, an apprentice who is a minor cannot be sued on his own covenant. A contract of apprenticeship is binding on a minor only if it is on the whole beneficial to him.

It is not essential that the master should execute a deed of apprenticeship, but where a master had in fact executed one part of an instrument of apprenticeship, a recital in that part of the instrument that the apprentice had bound himself apprentice to the master is evidence against the master that the apprentice had executed the other part of the instrument. A corporation may take an apprentice."

'Apprentice', as noticed hereinbefore, is defined to mean a person who is undergoing apprenticeship training pursuant to a contract of apprenticeship. How a contract of apprenticeship would be entered into is to be found in sub-section (1) of Section 4 of the 1961 Act. The embargos placed in this regard are: (i) entering into a contract of apprenticeship with a minor in which event the contract must be executed by his guardian; and (ii) on such terms or conditions which shall not be inconsistent with any provision of the Act or any rule framed thereunder.

Furthermore, the apprentice must satisfy the statutory requirements as regard qualification to be appointed as an apprentice.

Training of apprenticeship by reason of sub-section (2) of Section 4 shall be deemed to have commenced on the date on which the contract of apprenticeship has been entered into under sub-section (1) thereof.

The provisions of the Scheme framed by the Corporation conform to the provisions of the Apprentices Act and Rules framed thereunder. It is worth noticing that Provident funds and insurance have been specified to be a 'designated trade' within the meaning of Section 2(k) of the Apprentices Act, 1961 by a notification No. G.S.R. 463(E) dated 23rd August, 1975.

The definition of 'workman' as contained in Section 2(s) of the Industrial Disputes Act, 1947 includes an apprentice, but a 'workman' defined under the Industrial Disputes Act, 1947 must conform to the requirements laid down therein meaning thereby, inter alia, that he must be working in one or the other capacities mentioned therein and not otherwise.

We may further notice before the Tribunal a contention was raised by the Appellant that upon expiry of the period of one year he was appointed as a probationary officer but the said plea was categorically rejected by the Tribunal holding :

"7. The concerned workman has also pleaded that after expiry of one year he was appointed as Probationary Development Officer. No date of issuance of such order has been filed. In its absence the version of the concerned workman is disbelieved and it is held that concerned workman after expiry of apprenticeship was not appointed as Probationary Development Officer. Instead he continued to work as Apprentice."

A 'workman' within the meaning of Section 2(s) of the Industrial Disputes Act, 1947 must not only establish that he is not covered by the provisions of the Apprenticeship Act but must further establish that he is

employed in the establishment for the purpose of doing any work contemplated in the definition. Even in a case where a period of apprenticeship is extended, a further written contract carrying out such intention need not be executed. But in a case where a person is allowed to continue without extending the period of apprenticeship either expressly or by necessary implication and regular work is taken from him, he may become a workman. A person who claims himself to be an apprentice has certain rights and obligations under the statute.

In case any person raises a contention that his status has been changed from apprentice to a workman, he must plead and prove the requisite facts. In absence of any pleading or proof that either by novation of the contract or by reason of the conduct of the parties, such a change has been brought about, an apprentice cannot be held to be workman.

It is true that the definition of 'workman' as contained in Section 2(s) of the Industrial Disputes Act is exhaustive.

The interpretation clause contained in a statute although may deserve a broader meaning having employed the word 'includes' but therefor also it is necessary to keep in view the scheme of the object and purport of the statute which takes him out of the said definition. Furthermore, the interpretation section begins with the words "unless the context otherwise requires".

In Ramesh Mehta Vs. Sanwal Chand Singhvi & Ors. reported in 2004 (5) SCC 409, it was noticed :

"A definition is not to be read in isolation. It must be read in the context of the phrase which would define it. It should not be vague or ambiguous. The definition of words must be given a meaningful application; where the context makes the definition given in the interpretation clause inapplicable, the same meaning cannot be assigned.

In State of Maharashtra v. Indian Medical Assn. one of us (V.N. Khare, C.J.) stated that the definition given in the interpretation clause having regard to the contents would not be applicable. It was stated : (SCC p.598, para 8)

"8. A bare perusal of Section 2 of the Act shows that it starts with the words 'in this Act, unless the context otherwise requires\005'. Let us find out whether in the context of the provisions of Section 64 of the Act the defined meaning of the expression 'management' can be assigned to the word 'management' in Section 64 of the Act. In para 3 of the Regulation, the Essentiality Certificate is required to be given by the State Government and permission to establish a new medical college is to be given by the State Government under Section 64 of the Act. If we give the defined meaning to the expression 'management' occurring in Section 64 of the Act, it would mean the State Government is required to apply to itself for grant of permission to set up a government medical college through the University. Similarly it would also mean the State Government applying to itself for grant

of Essentiality Certificate under para 3 of the Regulation. We are afraid the defined meaning of the expression 'management' cannot be assigned to the expression 'management' occurring in Section 64 of the Act. In the present case, the context does not permit or requires to apply the defined meaning to the word 'management' occurring in Section 64 of the Act."

In Sri Chittaranjan Das vs. Durgapore Project Limited & Ors. [1995 (2) CLJ 388], it was opined:

"In my opinion, it is not difficult to resolve the apparent conflict. Both in the Industrial Employment (Standing Order) Act, 1946 as also the certified Standing Order of the company the word "including an apprentice" occurs after the word 'person'. In that view of the matter in place of the word 'person', the word 'apprentice' can be substituted in a given situation but for the purpose of becoming a workman either within the meaning of the 1946 Act or the standing order framed thereunder, he is required to fulfil the other conditions laid down therein meaning thereby he is required to be employed in an industry to do the works enumerated in the said definition for hire or reward, whether the terms of employment be express or implied."

The question as to who would answer the description of the term 'workman' fell for consideration before this Court in Dharangadhra Chemical Works Ltd. vs. State of Saurashtra and Others [AIR 1957 SC 264], wherein this Court held :

"The essential condition of a person being a workman within the terms of this definition is that he should be employed to do the work in that industry, that there should be, in other words, an employment of his by the employer and that there should be the relationship between the employer and him as between the employer and employee or master and servant. Unless a person is thus employed there can be no question of his being a workman within the definition of the term as contained in the Act."

Yet again in Workmen of Dimakuchi Tea Estate vs. Management of Dimakuchi Tea Estate [AIR 1958 SC 353], this Court held :

"A little careful consideration will show, however, that the expression 'any person' occurring in the third part of the definition clause cannot mean anybody and everybody in this wide world. First of all, the subject matter of dispute must relate to (i) employment or non-employment or (ii) terms of employment or conditions of labour of any person; these necessarily import a limitation in the sense that a person in respect of whom the employer-employee relation never existed or can never possibly exist cannot be the subject matter of a dispute between employers and workman.

Secondly, the definition clause must be read in the context of the subject matter and scheme of the Act, and consistently with the objects and other provisions of the Act. It is well settled that \026

"the words of a statute , when there is a doubt about their meaning are to be understood in the sense in which they best harmonise with the subject of the enactment and the object which the legislature has in view. Their meaning is found not so much in a strictly grammatical or etymological propriety of language, nor even in its popular use, as in the subject or in the occasion on which they are used, and the object to be attained."

(Maxwell, Interpretation of Statutes, 9th Edition, p.55).

For the reasons aforementioned, we are of the opinion that no case has been made out for interference with the impugned judgment. There is no merit in these appeals which are dismissed accordingly. No costs.