

Sodhi Harbakhsh
Singh
v.
The Central
Government
and others
—
Dulat, J.

petitioner's compensation claim has been fully satisfied by transfer of the residential house to him. He has, over and above that, been transferred a vacant site, and his further claim for the transfer of another vacant site has little merit on the ground of plain justice, for the policy of the Act is to resettle as many displaced persons as possible and there seems no reason why the petitioner should be permitted to hinder the resettlement of other deserving persons for whose benefit apparently the resettlement authorities have kept back the disputed site. In these circumstances, there is, in my opinion, no proper justification for this Court to exercise its jurisdiction under Article 226 of the Constitution and the petition must fail. I would, therefore, decline to interfere with the decision made by the resettlement authorities and dismiss the present petition leaving the parties to their own costs in this Court.

Pandit. PREM CHAND PANDIT, J.—I agree.

K.S.K.

LETTERS PATENT APPEAL

Before S. S. Dulat and Inder Dev Dua, JJ.

SHIBU METAL WORKS, JAGADHRI,—*Appellant.*

versus

REGIONAL PROVIDENT FUND COMMISSIONER,—
Respondent.

Letters Patent Appeal No. 312 of 1959.

1962
April, 10th

Employees' Provident Funds Act (XIX of 1952)—S. 2(i) and Schedule I—"Electrical, mechanical or general engineering products"—Meaning and scope of—Whether includes brass utensils—Interpretation of Statutes—Statute grouping together two or more words or expressions—Interpretation of—Rule as to, stated.

Held, that in the expression "Electrical, mechanical or general engineering products" the legislative emphasis is

intended to be more prominent on the words "engineering products" which represent the core of the entry and the words "electrical", "mechanical" and "general" have to be construed as qualifying the "engineering products". It is true that in the Explanation the expression "electrical, mechanical or general engineering products" appears to have been given a somewhat wider connotation by including about 25 items but looking at these items individually they seem to bring out with some prominence the engineering aspect of the product. The brass utensils are neither containers nor do they fall within the category of engineering products, whether electrical, mechanical or general.

Held, that the words connoting more than one idea when employed in a statutory instrument are intended to be construed in connection with, and their meaning is ascertained by reference, to, the words and phrases with which they are associated. When two or more such words are grouped together they are in the absence of a clear and definite indication to the contrary, presumed to have been intended to be construed consistently and understood in the same general sense. This is really another aspect of the rule that words are to be construed in the light and background of the entire statutory instrument, its subject-matter and legislative intent though operating in a narrower sphere. It is not a fixed rule of construction of universal application; it is merely a guide to the legislative intent affording a suggestion to the judicial mind that the legislator was thinking of a particular class or objects by grouping together certain words which were intended not to embrace other objects.

Letters Patent Appeal under clause 10 of the Letters Patent of the High Court against the Judgment passed by Hon'ble Mr. Justice Bishan Narain, on 21st September, 1959 in Civil Writ No. 1096 of 1958.

C. B. AGGARWALA, and K. S. CHAWLA, ADVOCATES, for the Appellant.

C. D. DEWAN, DEPUTY ADVOCATE-GENERAL, for the Respondent.

JUDGMENT

Dua, J.

DUA, J.—This Letters Patent Appeal is directed against the order of a learned Single Judge of this Court holding that the demand made on the appellant by the Regional Provident Fund Commissioner is in accordance with law and is not assailable in writ proceedings. The order of the Regional Provident Fund Commissioner calling up the appellant to pay damages was, however, set aside by the learned Single Judge on the ground that the appellant-firm was not guilty of any default in the payment of the contribution to the fund. On these conclusion, the petition filed by the appellant under Article 226 was allowed in part. It is the first part of the order by means of which the appellant was refused the prayer for quashing the demand on the appellant-firm for payment of the Employees' Provident Fund which has been assailed in the present appeal. Here it may be mentioned that the Regional Provident Fund Commissioner, Punjab, had called upon the appellant firm under paragraph 38 of the Employees' Provident Funds Scheme, 1952 (hereinafter called the scheme), to deposit the amount of employers' and employees' share of contributions and administrative charges in respect of their factory for the period June to October, 1955. On account of delayed remittance of those dues, damages to the extent of 15 per cent were imposed. The appellant is, it may be stated, carrying on the business of manufacturing brass utensils at Jagadhri.

Shri C. B. Aggarwala, the learned counsel for the appellant, has taken us through the relevant provisions of the Employees' Provident Funds Act (hereinafter called the Act) and has contended that the learned Single Judge is wrong in holding that brass utensils fall within the scope of the expressions "electrical, mechanical or general engineering products" within the contemplation of schedule 1 of the Act. Here, it would be helpful to reproduce the definition of the relevant terms to which our attention has been drawn. The words "factory" and "industry" have been defined in section 2(g) and (i) of the Act as follows:—

"2. (g) 'factory' means any premises including the precincts thereof, in any part of which

a manufacturing process is being carried on or is ordinarily so carried on, whether with the aid of power or without the aid of power;

Shibu Metal
Works, Jagadhri
v.
Regional
Provident Fund
Commissioner

(h) * * * * ;

Dua, J.

(i) 'industry' means any industry specified in Schedule I, and includes any other industry added to the Schedule by notification under section 4."

Schedule 1 so far as relevant for our purposes is in the following terms:—

[His Lordship reproduced Schedule 1 and continued]:

It would be helpful at this stage also to reproduce para 38 of the scheme:—

"38. Mode of payment of contributions.
(1) The employer shall, before paying the member his wages in respect of any period or part of period for which contributions are payable, deduct the employee's contribution from his wages which together, with his own contribution as well as an administrative charge of such percentage of the total employer's and employees' contributions as may be fixed by the Central Government, he shall within fifteen days of the close of every month pay to the Fund by separate Bank drafts or cheques on account of contributions and administrative charge:

Provided that if payment is made by a cheque on an outstation bank, collection charges in respect of both the contributions and the administrative charge at such rate as the Board may determine in this behalf shall be included in the amount for which the cheque is drawn in respect of the administrative charge:

Shibu Metal
Works, Jagadhri
v.
Regional
Provident Fund
Commissioner

—
Dua, J.

Provided further that where there is no branch of the Reserve Bank or the Imperial Bank of India at the station where the factory (or other establishment) is situated, the employer shall pay to the Fund the amount mentioned above by means of Reserve Bank of India (Government Drafts at par) separately on account of contributions and administrative charge.

2. The employer shall forward to the Commissioner, within fifteen days of the close of the month, a monthly consolidated statement, in such form as the Commissioner may specify, showing recoveries made from the wages of each employee and the amount contributed by the employer in respect of each such employee."

This scheme subject to sections 16 and 17 of the Act applies to all factories and other establishments to which the Act is applicable. There are, however, certain exceptions provided in the proviso to paragraph 1(3) of the scheme. The question thus arises whether the appellant's establishment is an industry as contemplated by the first schedule reproduced above.

The learned Single Judge has observed in his judgment that the petition was contested by the respondent on two points namely:—

- (1) Whether the manufacture of brass utensils is covered by the terms of the Act; and
- (2) Whether the petitioner's firm is liable to pay damages.

On the second point, as I have already mentioned, the order is in favour of the petitioner-appellant and it is only the first point which now concerns us. On this point, the learned Single Judge took

the view that the brass utensils could be considered to be containers and in any case they fell within the category of articles manufactured by electrical or mechanical process. The learned Judge found support for his view from a decision of Falshaw, J. (as he then was), in *Haji Nadir Ali Khan, etc. v. The Union of India, etc.* (1), where it is held that musical instruments, whether made of metal or otherwise, fall within the scope of the expression "electrical, mechanical or general engineering products." The ratio of a decision by Grover, J., in *Hindustan Electric Co. Ltd. v. Regional Provident Fund Commissioner, Punjab, etc.* (2), was also considered by the learned Single Judge to lend support to his view. In this case, stoves were held to fall within the expression "electrical, mechanical and general engineering products," which expression was considered to have been used in a very wide sense which could not be cut down on account of certain specific articles having been mentioned in the Explanation.

Shibu Metal
Works, Jagadhri
v.
Regional
Provident Fund
Commissioner
—
Dua, J.

Shri Aggarwala, the learned counsel for the appellant has criticised the reasoning of the learned Single Judge by submitting that the utensils can by no means be considered to be containers; nor can they be considered to have been manufactured by electrical or mechanical process. If the reasoning of the learned Single Judge were to be considered to be correct, then according to the appellant's counsel it would have been wholly unnecessary for the Legislature to have taken pains to include item Nos. 1 to 24 which have been specifically mentioned in clause (a) of the Explanation added by Act XXXVII of 1953 to this schedule. The counsel has referred us to a decision of the Allahabad High Court by Mehrotra, J., in *Great Eastern Electroplaters Ltd. v. Regional Provident Fund Commissioner, U.P.* (3), where it is held that "electrical product" cannot mean anything produced through electrical process for such a wide meaning is not possible to give to the words

(1) A.I.R. 1958 Punjab 177.
(2) A.I.R. 1959 Punjab 27.
(3) A.I.R. 1956 All. 495.

Shibu Metal Works, Jagadhri v. Regional Provident Fund Commissioner
 Dua, J.

“electrical, mechanical and general engineering products.” The words “electrical and mechanical” have, according to this authority, not been used in the schedule only in contradistinction with the hand-made products but they have to be given a narrower meaning; and from the nature of the articles mentioned in the amended schedule, the words “electrical and mechanical products” do not cover all products made by mechanical or electrical process but they are confined to products which are utilised for purposes of producing electricity or implements and other apparatus and machinery or goods. A torch, according to this authority, does not fall within the scope of his expression.

The learned Deputy Advocate-General has in reply placed reliance to begin with on section 19(A) of the Act and it is contended that in case of doubt, whether an establishment, which is a factory, is engaged in any industry specified in schedule 1, it is the Central Government which has been empowered to remove such doubt and that such order of the Central Government is final. It is contended that in view of this provision this Court should not interfere on writ side but leave the aggrieved party to take appropriate steps for getting the doubt removed by the Central Government. On the merits, reference has been made to a Bench decision of the Bombay High Court in *Nagpur Glass Works Ltd. v. Regional Provident Fund Commissioner, Bombay* (4), and reliance has been placed on the following passage:—

“Thus, the expression ‘Electrical, mechanical or general engineering product’ means engineering products relating to or connected with electricity, or engineering products acting or worked or produced by a machine or mechanism, or products produced by a craftsman employing a certain design or invention. Burners and metal lamps will thus fall within the expression inasmuch as they are

engineering products and could be produced by a machine or mechanism and could also be produced by a craftsman employing a certain design or invention.”

Shibu Metal
Works, Jagadhri
v.
Regional
Provident Fund
Commissioner

Dua, J.

A little lower down in this judgment another passage has also been relied upon where it is stated that the fact that the products cover a very wide range shows that their specification in the Explanation in the schedule is by way of illustration only.

On behalf of the appellant, Shri C. B. Aggarwala has contended that this authority, if properly scrutinised and understood supports his contention because the glass which was the subject-matter of the controversy there was truly an engineering product and, therefore it properly fell within the expression “electrical, mechanical or general engineering products.” According to the appellant the word “engineering” furnishes the real clue to the ascertainment of the meaning of this expression,

After considering the arguments addressed at the bar and devoting my most anxious thought to the respective contentions of the counsel for the parties, I am inclined to think that the appeal has merit and should prevail. It appears to me that in using the expression “electrical, mechanical or general engineering products” the law-giver was actuated by a definite purpose and design. As is well-known the words connoting more than one idea when employed in a statutory instrument are intended to be construed in connection with, and their meaning is ascertained by reference to, the words and phrases with which they are associated. When two or more such words are grouped together they are, in the absence of a clear and definite indication to the contrary, presumed to have been intended to be construed consistently and understood in the same general sense. This is really another aspect of the rule that words are to be construed in the light and background of the entire statutory instrument, its subject-matter and legislative intent though operating in a narrower sphere. I should not be understood to suggest the

Shibu Metal
Works, Jagadhri

v.
Regional
Provident Fund
Commissioner

Dua, J.

rule just stated by me to be a fixed rule of construction of universal application. Far from it. It is merely a guide to the legislative intent affording a suggestion to the judicial mind that the legislator was thinking of a particular class of objects by grouping together certain words which were intended not to embrace other objects. Construing the expression "electrical, mechanical or general engineering products" in the light of what has just been stated, I am inclined to hold that the legislative emphasis is intended to be more prominent on the words "engineering products" which represent the core of the entry and the words "electrical", "mechanical" and "general" have to be construed as qualifying the "engineering products". It is true that in the Explanation the expression "electrical, mechanical or general engineering products" appears to have been given a somewhat wider connotation by including about 25 items but looking at these items individually they seem to bring out with some prominence the engineering aspect of the product. I must confess, however, my inability to understand the precise significance or the purpose of excluding glass bulbs from item No. 3 (electric lamps) but with the exception of this exclusion, the remaining items do seem to illustrate the general legislative intent as to the meaning, scope and effect of the expression "electrical, mechanical and general engineering products." Entry No. 24 in clause (a) of the Explanation consisting of "drums and containers" construed in the light of the foregoing observations do not seem to have been intended to cover brass utensils with which we are concerned. Grouping together of drums and containers is not without significance. If these two words, associated as they are in the entry, are to be construed consistently and if they are intended to give to each other colour and content which I think the draftsman should be presumed to have intended, brass utensils of the kind with which we are concerned can hardly have been intended to be covered by this entry.

I am not unmindful of the fact that in a given case the manufacture of brass utensils might well

be covered by the expression "electrical, mechanical and general engineering products," but that would be a question of evidence, and, as at present advised, I should think that it would be for the department to make out such a case for fixing the liability on the industry concerned. I am also alive to the fact that the legislation with which we are concerned in the instant case has labour welfare for its object and the legislative purpose should not be unduly cut down or curtailed by the Courts, but, at the same time, it must not be forgotten, that, when the legislature draws a line between various industries for the purpose of determining the field of operation of such welfare legislation then the legislative intent, as discernible from the language employed by the law-giver which is the dominant or controlling factor must be upheld and it is not open to the Courts to strain the language for either extending or restricting its scope. Looking at the definitions of the words "factory" and "industry" and construing them in the light of the entries contained in Explanation (a) in schedule 1, it appears to me that the kind of industry with which we are concerned in the instant case was not intended to be covered by the term industry as contemplated in this Act. The brass utensils in question are in the circumstances neither containers nor do they fall within the category of engineering products, whether electrical, mechanical or general. It would thus appear that the learned Single Judge was not justified in holding that the brass utensils in question fall within the category of containers or that they were manufactured by electrical or mechanical process and, therefore, covered by schedule 1 of the Act.

This appeal thus succeeds and allowing the same I modify the order of the learned Single Judge and allowing the writ petition quash in its entirety the impugned order of the Regional Provident Funds Commissioner holding it to be outside the Employees' Provident Funds Act. There would, however, be no order as to costs of this appeal.

S. S. DULAT, J.—I agree.

B. R. T.

Shibu Metal
Works, Jagadhri
v.
Regional
Provident Fund
Commissioner

Dua, J.

Dulat, J.