

Pankaj Kumar Ganguly and Others Vs Bank of India and Others

Court: Calcutta High Court

Date of Decision: April 17, 1956

Acts Referred: Civil Procedure Code, 1908 (CPC) â€” Order 41 Rule 1, 100, 115

Constitution of India, 1950 â€” Article 226

Industrial Disputes (Appellate Tribunal) Act, 1950 â€” Section 7, 7(1)

Industrial Disputes Act, 1947 â€” Section 15

Citation: AIR 1957 Cal 560 : (1956) 1 CALLT 105 : 60 CWN 602 : (1956) 2 LLJ 328

Hon'ble Judges: Chakravarti, C.J; Sarkar, J

Bench: Division Bench

Final Decision: Allowed

Judgement

Chakravarti, C.J.

The only question involved in this appeal is whether Sinha, J., was right, in quashing by a writ of certiorari an order of the Labour Appellate Tribunal on the ground that the Tribunal had no jurisdiction to entertain the appeal in which the order had been made and had

wrongly decided that it had such jurisdiction. The appellants contended that in so quashing the Tribunal's order, the learned Judge had himself

assumed a jurisdiction which he did not possess under Article 223 of the Constitution and that his decision on the question of the Tribunal's

jurisdiction was also wrong on the merits.

2. The appeal has arisen out of an industrial dispute between the Bank of India and 13 out of its 87 probationary temporary employees in its office

at Calcutta. The facts of the dispute have been set out by the learned Judge in careful detail, but for the purposes of the present appeal it is

necessary to state only a few of them. It appears that on and from the 24th December 1951, there was a strike in the Calcutta office of the Bank of

India, during which all the local employees, except only 24 of the 37 probationary or temporary ones, remained absent from duty. While the strike

was still in progress, notices of discharge were served on the remaining 13 of the probationary or temporary employees on the ground that they

had failed to report for duty in spite of special notices being issued to them, both before and after the commencement of the strike, to attend office

and help in the annual closing of accounts. Subsequently, on the 7th January 1952, the strike was called off on the intervention of Government, but

the Bank refused to take back the 13 dismissed employees. An agreement was then reached that the cases of those 13 would be referred to an

Industrial Tribunal for adjudication and, in due course, Government referred the dispute to a single-member Tribunal constituted of one Mr. K.

Section Campbell Puri. The terms of the reference were that the Tribunal should decide whether the termination of the services, of the 13

employees had been justified and if not, what relief should be accorded to them.

3. The strike was a legal strike. Not unnaturally, therefore, the Bank appears to have been anxious to make out before the Tribunal that the 13

employees had not been discharged for their participation in the strike but they had been discharged on account of indiscipline and breach of

promise, inasmuch as, having assured the management that they would attend office during the period of the strike, they had failed to carry out that

assurance. The case of the employees was that they had been prevented from entering the premises of the Bank by the intense picketing carried on

near the gate. The Tribunal held that the 13 employees had either participated in the strike or had been prevented from going to their work by the

admitted picketing, but whichever might have been the cause of their absence from duty, the termination of their services had been unjustified.

4. Having thus disposed of the first part of the reference, the Tribunal proceeded to deal with the second which was concerned with the relief to be

granted. The employees concerned were either probationers or persons holding temporary appointments. The majority of them were clerks, but a

few were sepoys and peons. In the case of the probationers, the terms and conditions of service included a term that a candidate "accepted for

probation" might be dismissed within six months of his first joining his post or at the expiration of that period without the Bank assigning any reason

for such dismissal. Nine of the employees had joined their posts between March and May, 1951, three in June and one in December of that year.

The Tribunal took into consideration the nature of the appointments held by the employees and came to the conclusion that compensation and not

reinstatement would be the proper relief to be granted in the case. It observed as follows:

The next question is one of relief. The applicants were admittedly either probationers or temporary hands and even on general principles of

employment, they have no right upon the employer to continue in service even if the employer be called upon to take them back in service. The

management naturally would be within its right not to confirm them or after some time dispense with their services on some other reasons. Without

elaborating the point further, I am of the definite opinion that it is not a fit case in which reinstatement should be allowed.

5. The Tribunal then proceeded to award as compensation, "on careful consideration of all facts and circumstances and the prospective career of

the applicants", six months' basic salary plus allowances to 12 of the employees and three months' basic salary plus allowances to the one who

had joined his post only in December 1951.

6. The employees, being dissatisfied with the award, preferred an appeal to the Labour Appellants Tribunal u/s 7(1) of the Industrial Disputes

(Appellate Tribunal) Act. That section provides under item (a) that an appeal shall lie to the appellate Tribunal from any award or decision of an

Industrial Tribunal, if "the appeal involves any substantial question of law." The rest of the section which provides for an appeal in other cases is not

relevant. In dealing with the appeal, the Appellate Tribunal proceeded to consider first whether it involved any substantial question of law and held

that it did, because, "according to the Tribunal, in refusing the relief of reinstatement, the Tribunal of first instance had ignored certain legal

principles which the Appellate Tribunal had laid down in an earlier case as bearing upon the determination of circumstances in which reinstatement

or compensation instead of reinstatement was to be granted and that it had also proceeded on considerations which were wholly extraneous. The

principles laid down in the earlier case were that in cases where the termination of service was found to have been wrongful or unjustified, the

normal rule would be to order reinstatement, but in deciding whether such order should be made in any particular case, the Industrial Tribunal

would have to balance fairplay to the employee against considerations of discipline in the concern to which he belonged. No exhaustive rules could

be laid down as to how this was to be done and each case would have to be dealt with on its own, facts, but the past record of the employee, the

nature of his alleged lapse and the grounds on which the order of the management was being set aside would be relevant considerations. Those

being the principles applicable, the Appellate Tribunal thought that, in the present case, the Tribunal of first instance had paid no regard to them in

departing from the normal rule of directing reinstatement, after holding in favour of the employees that the termination of their services had been

unjustified. It had not taken into account facts found by itself, such as that the absence from duty for which the employees had been discharged,

had been satisfactorily explained by them, that nothing unfavourable to them had been shown from their past records and that the mode in which

they had been discharged from service had been of a summary character, no charge-sheets being delivered and no opportunity being given to

explain the circumstances alleged. On the other hand, the Tribunal of first instance had refused, to direct reinstatement merely on the ground that

since the employees, concerned were probationers or temporary hands, the bank might, after, taking them in, dispense with their services after

some time on some other ground and would be quite within its rights in doing so. That, the Appellate Tribunal thought, was an extraneous

consideration and it was also not a proper consideration, inasmuch as it involved an "imputation of bad faith to the employers who were taken as

likely to defeat an order of reinstatement by the adoption of a device after complying with it nominally. An appeal which questioned an order

vitiated by such defects involved, in the opinion of the Appellate Tribunal, a substantial question of law.

7. Having thus held that the appeal was maintainable, the Appellate Tribunal proceeded to its decision. It observed that in dealing with the

preliminary question, it had already indicated its views on the merits. It held that where the termination of the services of an employee was found to

have been unjustified, the normal rule was reinstatement and since in the present case no circumstances had been proved which would justify the

Tribunal in departing from the normal rule, particularly as the Bank had been found guilty of discrimination between the permanent employees and

the 13 probationers or temporary hands, an order for reinstatement would have been the proper relief to grant. Accordingly, it directed

reinstatement of the 13 employees.

8. Thereafter, the Bank applied to this Court under Article 226 of the Constitution for a writ of or in the nature of certiorari on the Labour

Appellate Tribunal, requiring it to return and certify to this Court the records of the proceedings in order that its order might be quashed, a writ of

or in the nature of prohibition on, the Tribunal, the Bank and 12 out of the 13 employees, prohibiting them from giving effect or further effect to the

order and a writ of or in the nature of mandamus on the Tribunal, commanding it to cancel the order. For some unexplained reason, one of the

employees, Ram Bhadra Misra, was not impleaded as a respondent. A Rule was issued on the application by Lahiri, J.

9. Sinha, J., who came to deal with the Rule at its final hearing, held that the appeal to the Tribunal involved no question and certainly no substantial

question of law and therefore the Tribunal had no jurisdiction to entertain it. He pointed out that Industrial Tribunals were to make their orders,

including orders for reinstatement, in their discretion, being guided by not law but considerations of fairness, expediency and the interest of

industrial peace and as the discretion was to be exercised according to the facts of each case, no principle of law could be enunciated as governing

its exercise. Nor was the Appellate Tribunal competent to lay down any law. There was thus no "rule of law" that, normally, where a dismissal was

found to have been wrongful or unjustified, reinstatement was to be ordered, though the Appellate Tribunal might have expressed itself to that

effect; and no question of law could arise out of a disregard by a Tribunal of first instance of principles laid down in decisions of the Appellate

Tribunal, because such principles could only serve as words of good counsel to inferior Tribunals, but could not rank as legal principles. The

learned judge held next that while the Appellate Tribunal would be entitled to interfere in an appeal if the Tribunal of first instance exercised its

discretion arbitrarily or capriciously or if it proceeded on principles which were really extraneous, the precarious nature of the tenure of

probationary or temporary employees and the probability that if they were thrust on the employer, he would get rid of them by exercising his right

of dismissal under the contract, were not considerations extraneous to the question of their reinstatement. They were valid considerations in

determining whether an award of compensation would not confer a greater benefit on the employees than an order for reinstatement. The learned

judge also held that the Tribunal of first instance could not be said to have acted on an apprehension of bad faith or adoption of a device on the

part of the Bank, because if some time after the decision of the present dispute, the Bank exercised its legal right of discharging the employees,

there could be no question of its having acted in bad faith or adopted a device. For all those reasons the learned Judge held that the Appellate

Tribunal had no jurisdiction to entertain the appeal before it. Accordingly, he directed a writ in the nature of certiorari to issue, quashing the order

of the Tribunal and also made an order, prohibiting the Tribunal, the Bank, the Employees' Union and the 12 employees before him from acting on

or giving effect to the order,

10. Against the decision of the learned Judge, 8 of the employees preferred the present appeal. The remaining 4 were made respondents, besides

the Appellate Tribunal, the Bank and the Employees' Union.

11. Since the prohibitory order made by Sinha, J., was only consequential to the writ of certiorari issued by him, it is only necessary to consider the

correctness of the writ. Before the learned Judge it was not contended by the employees that on an application for a writ of certiorari, he was not

entitled to go into and revise the finding of the Appellate Tribunal that the appeal before it was maintainable. Nor was any such ground taken in the

memorandum of appeal. In opening the appeal, however, the learned counsel for the appellants put the ground in the forefront of the points which

he wished to argue. We allowed him to take it, because it was a pure question of law, going to the root of the jurisdiction of the learned trial Judge

and because it was clear that the hearing would go over the day so that the respondents would have sufficient time to consider it. I may add that

besides pointing out that the ground had not been taken at any earlier stage, Mr. Basu, who appeared for the Bank, did not contend that it could

not be allowed to be taken and did not ask for an adjournment.

12. The contentions of the appellants were (1) that the learned Judge who was not sitting in appeal but dealing with an application for a writ of

certiorari, had no jurisdiction to re-open the finding of the Appellate Tribunal that the appeal before it was maintainable and (2) that assuming he

had such jurisdiction, his decision that the appeal involved no substantial question of law was erroneous. The first of the points is not free from

difficulty. Since it was not taken before the learned Judge, we have not had the benefit of his views upon it.

13. The writ of certiorari is undoubtedly an English writ. But the Constitution of India does not speak of the English writs, as such, but of writs in

the nature of those writs and, again, not of such writs alone but, generally and comprehensively, of directions or orders or writs, including such

writs. As to writs, that language does not appear to tie down the Courts, on which the power to issue them has been conferred, to the writs or

what they are now called, orders, as they are known in England or to the special incidents which they carry there. Indeed, the language of Articles

32 and 226 which provide for the issue of writs has been held by the Supreme Court to be very wide and it has further been held that in view of

the express provisions in the Constitution, Courts in India need not now look back to the early history or the procedural technicalities of the writs in

English Law, nor feel oppressed by any difference or change of opinion expressed in particular cases by English Judges (T.C. Basappa Vs. T.

Nagappa and Another, . But in spite of the breadth of Articles 32 and 226 of which notice has been taken, neither the Supreme Court, nor any of

the High Courts has so far attempted to extend the scope of the named writs, as they are in their English form, nor attempted to evolve new forms

of writs for the purposes of the Articles. On the other hand, speaking of the writ in the nature of certiorari, the Supreme Court has said in the same

case that Courts in India can issue the writ in appropriate cases and in an appropriate manner so long as they "keep to the broad and fundamental

principles that regulate the exercise of jurisdiction in the matter of granting of such writs in English Law". In this case, we are not concerned with

the whole law of certiorari,. But in view of the observation of the Supreme Court, a brief reference to the principles "settled by English decisions,

so far as they bear on the short point before us, will not be out of place, particularly as they have been expressly adopted by the Supreme Court in

two of its subsequent pronouncements,

14. It is not necessary to go beyond the decision of the Divisional Court in *Rex v. Northumberland Compensation Appeal Tribunal*; *Ex parte*

Shaw. (1951) 1 KB 711 (B) the decision of the Court of Appeal in the same case (1952) 1 KB 338 (C) and two earlier decisions, one of the

House of Lords and one of the Judicial Committee, which those decisions recalled, viz., *Walsall Overseers v. London and North Western Ry. Co.*

(1878) 4 AC 39 (D) and *Rex v. Nat Bell Liquors Ltd.* (1922) 2 AC 128 (E). It appears that, in recent years, the writ of certiorari was falling into

comparative desuetude in England and the Courts were limiting it to cases where the inferior Tribunal had acted without or in excess of jurisdiction.

Even the Court of Appeal took that restricted view of the writ in *Racecourse Betting Control Board v. Secretary of State* for Air 1944 Ch 114

(F). But, to use the language "of Denning, L. J., the writ was "resorted to its rightful position" by the present Lord Chief Justice of England by his

Judgment on behalf of the Divisional Court in the *Northumberland Tribunal* case (B) and his view was upheld by the Court of Appeal. After the

restoration, it is now established that certiorari is not a remedy which can be granted only when the inferior tribunal acted without or in excess of its

jurisdiction, but it can be granted also to correct an error appearing on the face of the record, as when the error complained of is a "speaking

order", giving reasons for the decision and those reasons are bad in law and this may be done although no question of jurisdiction may be involved.

The error contemplated appears to be an error of law and not an error of fact. It is clear from the cases that a wrong decision on the facts is

outside the scope of certiorari, but the English Courts have not yet said what the position would be if it appeared on the face of the record that, in

deciding the case on the merits, the inferior Tribunal had assumed the existence of some vital fact which did not exist or ignored the existence of

some vital fact which existed. Be that as it may, the condition of the error appearing on the face of the record is an indispensable condition, when

the error is an error of law. In the *Northumberland Tribunal* case (B), on appeal, it was stated by Denning, L. J., to be a governing rule that

certiorari was only available to quash a decision for error of law if the error appeared on the face of the record. I may add, though it is not

necessary for the purposes of the present case, that where the question is one of jurisdiction, parties may state further facts to the Court, generally

by affidavits.

15. Apart from defect of jurisdiction, error of law appearing on the face of the record is thus also amenable to correction by certiorari. But certain

further questions arise. What is the nature of the jurisdiction which the Court exercises in correcting patent errors of law by certiorari? In (1922) 2

AC 128 (E), Lord Sumner said that the jurisdiction was one of supervision and not of review; and in *Rex v. Northumberland Compensation*

Appeal Tribunal (B), on appeal (1952) 1 KB 338 (C) it was said by Morris, L. J., that certiorari could not be used as the cloak of an appeal in

disguise: It did not lie in order to bring up an order or decision for a rehearing of the issue raised in the proceedings. Secondly, what is the nature of

the error of law which will attract certiorari? In the *Nat "Bell case* (E), Lord Sumner said that the second point to which supervision by certiorari

went was "observance of the law by the inferior Tribunal in the course of the exercise of its jurisdiction." Does it mean that the superior Court will

only see if the appropriate law has been applied and if any procedural error has been committed or does it mean that the superior Court will also

see, so far as it can be seen on the face of the record, if the appropriate law has been correctly applied in the sense that a decision, correct in law,

has been arrived at? In the English cases to which I have referred, no direct answer to this question can be found in the formulation of principles

except what is implied in the view that a proceeding for certiorari is not an appeal, but the actual decision in one of them seems to be opposed to

the implication of that view. In older decisions given in times when the Courts were limiting certiorari to errors of jurisdiction, the answer was in the

negative. See *Halsbury's Laws of England*, 3rd Edn., Vol. 11, p. 62 and the cases mentioned there.

16. For the purpose of defining the power of the High Courts in regard to the issue of a writ in the nature of certiorari under Article 22 of the

Constitution, the Supreme Court, while alive to the width of the language in which the Article is expressed, has adopted the principles, now re-

stated by the English Courts as governing the issue of orders or certiorari in England. The earlier decisions contained only broad or partial

statements of the principles, though there was a fairly complete formulation of them in *Veerappa Pillai Vs. Raman and Raman Ltd. and Others*, .

Since the decisions in the *Northumberland Tribunal case* (B), a detailed exposition has been given in two decisions, *T.C. Basappa Vs. T.*

Nagappa and Another, and Hari Vishnu Kamath Vs. Syed Ahmad Ishaque and Others, , on the same lines and practically in the same terms as

used by the English judges, save as regards the nature of the error of law which will attract certiorari on which some additional observations have

been made. The principles thus laid down, so far as material for the purposes of the present case, are that certiorari shall issue to correct errors of

jurisdiction, that is to say, absence, excess or failure to exercise" and also when, in the exercise of undoubted jurisdiction, there has been illegality.

It shall also issue to correct an error in the decision or determination itself, it is an error manifest on the face of the proceedings. The jurisdiction in

certiorari is, however, not appellate, but only supervisory. By its exercise, only a patent error can be corrected, but not also a wrong decision.

Illustrations of the error in the decision itself which is amenable to correction by certiorari are ignorance of the law and disregard of its provisions.

The want of jurisdiction which is also so amenable may arise inter alia from the nature of the subject-matter of the proceeding or the non-existence

of some collateral but essential fact, although the inferior Tribunal may have wrongly found ""that it existed.

17. I shall add one other principle applied by the Supreme Court in another decision. It is that the Legislature, in constituting a Tribunal may vest

such Tribunal itself with a jurisdiction which includes the jurisdiction to determine whether the preliminary state of facts on which its jurisdiction to

proceed further depends, exists. In such a case, the rule that a Tribunal cannot give itself jurisdiction by a wrong decision as to the existence of the

preliminary facts does not apply and accordingly certiorari shall not go to correct such a decision. In the case of an appellate Tribunal, the

jurisdiction to decide whether an appeal to it lies or not is such jurisdiction. Ebrahim Aboobakar and Another Vs. Custodian General of Evacuee

Property, .

18. This somewhat long introduction has been necessary, because in the application of the principles laid down by the Supreme Court to the facts

of the present case, certain difficulties have to be met which are not exactly covered by any express decision and which could not be appreciated

unless the relevant principles were fully stated. The question here is whether the learned trial Judge was entitled in an application for certiorari to

examine the finding of the Appellate Tribunal that the appeal before it was maintainable and quash the decision in the appeal On his own view that

the finding was erroneous. In the English cases, the condition of the error appearing on the face of the order" seems to have expanded itself into a

condition of error appearing "on the face of the record" and there was some discussion by Lord Sumner in (1922) 2 AC 128 (E) and by penning,

L. J., in Rex v. Northumberland Compensation Appeal Tribunal (B) on appeal (1952 1 KB 338 (C) as to what record meant. We are not

troubled by that question here, because, for a consideration of the alleged error, it is not necessary to go beyond the Tribunal order and the learned

Judge has not done so. Nor is there any problem as to whether the Tribunal's order is a speaking, because not only is the order, without question, a

"speaking order", "tening", in the words of Cairns, L. C., in (1878) 4 AC 30 (D) its own story", but it is also a voluble order, giving the reasons

for the finding in the form of an elaborate discussion, but the first question is, is the error an error of jurisdiction or an error of law? The learned

Judge appears to have treated it as an error of jurisdiction but obviously he was looking at the matter generally, without the distinction between

errors of law and errors of jurisdiction for the purposes of certiorari present to his mind. Whether the error is of one kind or the other seems to be

a matter of some difficulty. This is not a case where the competence of the Tribunal depended on the satisfaction of some condition precedent of

an external and factual character, such as the actual service of a notice or the location of the subject-matter within a defined area and where there

is an erroneous finding of fact with regard to that condition. The error alleged here is an error of law in deciding a preliminary question on which

jurisdiction to entertain the appeal depended and which, besides being bound up with the matter to be decided in the appeal, is itself a question of

law. In one sense, the error is certainly an error of jurisdiction, because unless the preliminary question was decided in favour of the appellant, the

Tribunal could not proceed further. But in another sense, it is an error of law, because whether an appeal lies or not under a provision providing for

appeal is a legal question and an error in the decision of such a question is a legal error. The jurisdiction we are now considering is not jurisdiction

to decide the preliminary question -- for, such jurisdiction there must always be -- but jurisdiction to entertain the main proceeding, in this case the

appeal. It has been said in certain decisions that the error of wrongly entertaining the main proceeding in such a case is not an error of jurisdiction

but an error of law, because it cannot be that there is jurisdiction if the preliminary decision in favour of it is right but none if it is wrong, there being

initial and general jurisdiction with regard to the subject-matter. The error alleged here is an error of law in deciding the question of jurisdiction and

it is perhaps best described as a mixed error of jurisdiction and law. As the order is a speaking order and the error, assuming it is an error, appears

from the order itself, it was certainly amenable to correction by certiorari, unless the nature of the error excluded such interference by reason of the

operation of some other principle,

19. I am proceeding now on the assumption that there was an error. The next question is whether it was an error of a kind which would expose the

order to certiorari and make it liable to be put out of existence. It has been laid down that a proceeding for certiorari is not an appeal; that the

superior Court will not substitute its own finding for that of the inferior Tribunal and that only a patent error can be corrected by certiorari, but, not

a wrong decision. Manifest ignorance of the law and disregard of its provisions have been instanced as illustrations of patent error. Obviously, by

wrong decision" only such decision on questions of fact is not meant. Does it then mean that the superior Court will only see in the appropriate law

has been applied without any procedural error being committed, but it will not further see if the decision is correct in law? If no, the error in the

present case would not seem to be amenable to certiorari, it would have been amenable, if, for example, the Tribunal had accepted the appeal. On

some ground not included in Section 7 (1) of the Industrial Disputes (Appellate Tribunal) Act or disregarded the condition that there must be a

substantial question of law involved. But the Tribunal addressed itself correctly to item (a) of the sub-section, proceeded to consider if the appeal

involved some substantial question of law and decided that it did. This Court could find an error in that decision only by substituting for it a

contrary decision of its own, just as it might do in an appeal. Can it be said that there is a distinction between the inferior Tribunal's decision on a

preliminary question and its decision on the merits and that while the superior Court will not, in certiorari, examine the correctness of the latter by

considering the matter for itself, it will do so in the case of the former? There may be a valid basis for such a distinction in a case where the

preliminary question is unrelated to the merits, but where it is related and is indeed a part of the issue on the merits to be tried, it does not seem to be

possible to maintain it but even if the rule that certiorari is not an appeal and a wrong decision will not be revised, be limited to the decision on the

merits, I find it impossible to reconcile the theoretical statement of the law with actual practice. Where the power given to the inferior Tribunal is

discretionary, the superior Court will undoubtedly not see in certiorari whether a correct discretion was exercised, but only whether some condition

attached to its exercise or some relevant consideration was disregarded--*Seereelal Jhuggroo v. Central Arbitration and Control Board* (1953) AC

151 (J). Where however the power is not discretionary, superior courts appear to have quashed wrong decisions on the ground that they were

wrong in law. In (1951) 1 KB 711 (B) the question was whether in computing the compensation payable to the petitioner for loss of employment

as a clerk, a certain period of his service was to be taken into account under the regulations framed in 1948 under the National Health Service Act,

1946. The Tribunal held that the period concerned could not be taken into account. In quashing the award by an order of certiorari, Goddard L.

C. J. observed as follows:

"The Tribunal have told us what they have taken into account, what they have disregarded, and the contentions which they accepted. They have

told us their view of the law, and we are of opinion that the construction which they placed on this very complicated set of regulations was wrong.

20. I find it impossible to distinguish what was done in that case from an exercise of appellate jurisdiction, except that the Court made no

substantive order of its own. Obviously, the Court was setting aside a decision on the merits and doing so on the ground that in interpreting the

relevant law and applying it to the facts of the case, the Tribunal had erred and therefore come to a wrong conclusion. If example was to be

followed rather than precept, I would have found it extremely difficult to hold that Sinha J. had no jurisdiction to consider for himself whether the

Appellate Tribunal had rightly held the appeal to be maintainable and to proceed on his own view of the matter. But, in view of the facts of the

present case, there is another principle laid down by the Supreme Court, which I have already mentioned and which must be considered.

21. In regard to cases where the jurisdiction of a tribunal depends upon the existence of some preliminary fact of a collateral character, that is,

collateral to the actual matter which the tribunal has to try, a distinction has been made between cases where the Legislature has merely laid down

the condition that if the preliminary fact exists, the tribunal shall have jurisdiction and cases where while laying down the condition, the Legislature

has made it clear that it intends the very same tribunal to have jurisdiction to decide whether the preliminary fact exists or not. It is not that, in the

first case, the tribunal has no jurisdiction to decide the preliminary question. It must decide it in the first instance, because only on a finding that the

requisite fact exists can it have jurisdiction to enter upon the enquiry on the merits. But its decision on the preliminary question is not intended to be

final for the purposes of the writs, as it is in the second case. The second case is one where the tribunal has not to decide the preliminary question

merely as of necessity, but it is a case where the Legislature has conferred jurisdiction on the tribunal itself to determine whether the preliminary

state of facts exists. This distinction between two types, of cases, in both of which the existence of some collateral fact is a condition precedent to

the assumption of jurisdiction, has its origin in the judgment of Lord Esher, M. R. in the well-known case of *Reg v. Commissioners for Special*

Purposes of Income Tax (1888) 21 QBD 313, (K). There, after pointing out the distinction, the learned Master of the Rolls laid it down that the

"formula" that a tribunal could not give itself jurisdiction by a wrong decision on the preliminary facts on which its jurisdiction depended, did not

apply to the second type of cases. The reason given was that, in such cases, the Legislature had given the tribunal jurisdiction to determine the

existence of the preliminary fact and therefore it could give itself jurisdiction by determining it even wrongly. These principles have been accepted in

English law as general. The case before Lord Esher was one of mandamus, but it has been applied in cases of certiorari as well. See *R. v. City of*

London Rent Tribunal (1951) 1 All ER 195 (L); *R. v. Fulham, Hammersmith and Kensington Rent Tribunal*, (1951) 1 All ER 482 (M).

22. I must confess that the basis of the distinction made by Lord Esher between the two types of cases does not appear to be very clear. It cannot

be presence or absence of jurisdiction to determine the preliminary fact, because if the tribunal must necessarily determine it even in the first type of

cases, it does not act without jurisdiction in determining it, although the Legislature may not have expressly entrusted it with the jurisdiction, as in

the second type of cases. Secondly, if error of jurisdiction justifies corrective interference by a superior Court, it seems to be immaterial whether

the error, is committed in making the determination as to the preliminary fact under an express power or it is committed in making the determination

of necessity. The basis may therefore be the intended finality of the determination, but how such intention is or may be expressed is not clear. The

absence of a provision for an appeal which the learned Master of the Rolls mentions can hardly be an indication, because there would ordinarily be

no appeal even in the first type of cases, or a party would not think of going to the Court for the writs. Besides, there is no finality against certiorari,

unless the writ is expressly taken away by statute, but as to defects of jurisdiction, it cannot even be taken away. (1951) 1 KB 711 at p. 716 (B).

Perhaps the real basis of the distinction is that in the second type of cases the Court, in exercising the power to issue the prerogative writs and

orders, respects the express entrusting of jurisdiction to determine the preliminary fact which has been made by the Legislature to the tribunal itself,

with no provision for an appeal, and therefore it treats the determination of the tribunal in favour of the existence of the fact as final. The word

"final" was not used by Lord Esher, but as all expositions of his rule have proceeded On the view, in the case of second class of tribunals

contemplated by him, the Legislature intended their decision as to the preliminary fact to be final. In any event, whatever its Basis, the distinction

made by Lord Esher has now become a part of the law of England and has been accepted by the Supreme Court,

23. The appellants before us contended that the Labour Appellate Tribunal belonged to the second type of tribunals in Lord Esher's classification

and therefore its determination on the preliminary question as to whether the appeal before it involved a Substantial question of law was not open

to correction by certiorari. That argument proceeded on the footing that the preliminary question was a collateral question, on which I shall have to

say something later and which appears to me to have been a concession which the appellants made against themselves. But assuming that the facts

of this case are within Lord Esher's rule, I think, if the matter were res integra, a serious question might have to be considered as to whether the

rule was applicable in India. The reason given for the rule is that the Legislature has entrusted the tribunal itself with jurisdiction to determine its own

jurisdiction by deciding whether the preliminary state of facts exists. That may be a good reason in England where Parliament is supreme and

where the Courts may properly defer to the will of the supreme law-making body by not trying to re-open a finding of an inferior tribunal on a

matter concerning its jurisdiction which Parliament has committed to its own decision and by not interfering with it on the ground that by a wrong

decision on the matter, jurisdiction was wrongly assumed. But in India, the Constitution which gives the superior Courts the power to issue writs

and orders is supreme and it is above Parliament and above the State Legislatures. If the Constitution empowers the superior Courts to issue

writs and orders to any person or authority within their jurisdiction and if errors of jurisdiction can be corrected by certiorari, there seems to be no

reason here to desist from interfering with a decision of an inferior tribunal as to a preliminary fact, where by such decision it has assumed

jurisdiction erroneously, simply because the Legislature has vested the tribunal with jurisdiction to decide the question. The Legislature may have

bestowed the jurisdiction to decide, but no Legislature can bestow a jurisdiction to decide wrongly with impunity against the power of correction

by certiorari, given to the Superior Courts by the Constitution it set the appellants, however, contended that Lord Esher's rule had been accepted

and applied by the Supreme Court in the case of Ebrahim Aboobakar and Another Vs. Custodian General of Evacuee Property, (I), and that

decision must govern the present case. They also cited a decision of the Allahabad High Court, Firm Dewan Sugar Mills Vs. The Government of

the State of Uttar Pradesh and Others, , which was concerned with the identical point u/s 7 of Industrial Disputes (Appellate Tribunal) Act, with

only this difference that the Tribunal's order in that case was that the appeal was not maintainable. The Allahabad High Court purported to follow

the decision of the Supreme Court.

24. I feel constrained to hold that the contention of the appellant is correct. The facts of the case before the Supreme Court were as follows. An

application was made to the East Punjab High Court for a writ of certiorari against an appellate order of the Custodian-General of Evacuee

Property on the ground that the appeal in which it had been made was not maintainable. The provision for an appeal was contained in Section 24

of Ordinance XXVII of 1949 which, so far as is material, read as follows:

Any person aggrieved by an order made u/s 7, Section 16, Section 19 or Section 38 may prefer an appeal in such manner and within such time as

may be prescribed-

(a) x x x x

(b) to the Custodian General, where the original order has been passed by the Custodian, an Additional Custodian or an Authorised Deputy

Custodian.

25. It was contended that the appeal did not lie, because the appellant was not a person aggrieved, because the order against which the appeal

was expressly directed was not appealable, and it could not be treated as, in substance, an appeal against another order, as had been done and

because the latter order was also not appealable. The High Court repelled those contentions on the merits and declined to issue a writ. On appeal,

the Supreme Court held that the questions raised has no merits and further that they were not questions bearing upon the jurisdiction of the Court

of Appeal or its authority to entertain them. It was argued on behalf of the appellants that no Court of limited jurisdiction could give itself

jurisdiction by a wrong decision on a point collateral to the merits of the case upon which the limit of its jurisdiction depended and it was said that

the question involved in the appeal before the Custodian General were collateral to the merits, In dealing with that contention, the Supreme Court

referred to the principles laid down by Lord Esher M. R. (1888) 21 QBD 313 (K) and observed as follows:

Like all courts of appeals exercising general jurisdiction in civil cases, the respondent has been constituted an appellate Court in words of the

widest amplitude and the legislature has not limited his jurisdiction by providing that such exercise will depend on the existence of any particular

state of facts. Ordinarily, a Court of appeal has not only the jurisdiction to determine the soundness of the decision of the inferior Court as a Court

of error, but by the very nature of things it has also jurisdiction to determine any points raised before it in the nature of preliminary issues by parties.

Such jurisdiction is inherent in the very constitution of a court of appeal/ Whether an appeal is competent, whether a party has locus standi to

prefer it, whether the appeal is in substance from one or another order and whether it has been preferred in proper form, and within the time

prescribed, are all matters for the decision of the appellate court so constituted, such tribunal falls within class 2 of the classification of the Master of

the Rolls. In those circumstances it must be held that the order of the High Court of Punjab that a writ of certiorari could not issue to the

Respondent was right.

26. On the question as to whether Sinha J. had jurisdiction to quash the order of the Appellate Tribunal on the ground that the appeal to the

Tribunal did not lie, I had it impossible to distinguish the decision of the Supreme Court. Mr. Basu tried to do so and submitted that the appellate

jurisdiction of the Custodian-General was general and its exercise did not depend on the existence of any particular state of facts, as the Supreme

Court itself pointed out. That is true, but I do not think that that circumstance is the key to the decision. The appellate jurisdiction of the Custodian-

General was undoubtedly general in one sense, but it was limited in another in that an appeal to him lay only from certain kinds of orders and at the

instance of a certain kind of person. Whether a particular appeal was from one or another of the appealable orders and whether it was an appeal

by a competent person would thus be preliminary questions. Secondly all that the Supreme Court said was that the exercise of the appellate

jurisdiction did not depend on the existence of "any particular state of facts", but it nevertheless proceeded on the basis that there was a

preliminary question of a collateral character on which, the appellate jurisdiction depended. Otherwise, the reference to Lord Fisher's classification

and the statement that the appellate Court constituted of the Custodian-General fell within Class 2 of the Classification cannot be understood. That

class, according to Lord Esher's own definition is composed of cases where

the Legislature may entrust the tribunal or body with a jurisdiction which includes the jurisdiction to determine whether the preliminary state of

Facts exists, as well as the jurisdiction. On finding that it does exist, to proceed further.

The contention before the Supreme Court was that the questions raised in the appeal before the Custodian-General as to its maintainability were

collateral to the merits and that since the appellate Court had given itself jurisdiction by a wrong decision on them, its order was liable to be

quashed by certiorari. It was that contention which the Supreme Court repelled, not by holding that there were no collateral questions but by

holding that the appellate Court being of the second category in Lord Esher's classification, the decision of those questions was within the

jurisdiction entrusted to it and therefore no writ of certiorari could issue, even if the decision was erroneous. Likewise, it appears to me, it must be

held in the present case that the question whether the appeal before. Appellate Tribunal involved a substantive question of law and was therefore

maintainable was within the Tribunal's jurisdiction as an appellate court to decide and, therefore, no certiorari could issue against its decision.

27. As to the applicability of Lord Esher's rule in India, I have already pointed out that in regard to the powers conferred on the superior Courts in

India by the Constitution itself, without some such qualification as ""unless Parliament or the State Legislature otherwise directs"", their position vis-a-

vis the Legislatures and their enactments is different from the position of the English Courts vis-a-vis the Parliament and Parliamentary statutes. The

difference appears to me to be very real. But since the Supreme Court has nevertheless applied the rule, I venture to think that their Lordships did

so on the basis that although the power of correction by the writs was conferred by the Constitution itself and although the Constitution was

supreme and above the Legislatures, still, it was inherent in the very nature of the power provided, and of the writs by the issue of which the power

was to be exercised, that it was exercisable only to the same extent as in England. That would seem to appear from the observation I have already

quoted from the judgment in T.C. Basappa Vs. T. Nagappa and Another, . It also finds support from the observation in Election Commission,

India Vs. Saka Venkata Subba Rao and, that upon finding that the prerogative writs which had been developed by the Courts in England would be

peculiarly suited for a quick and inexpensive enforcement of the fundamental rights, the framers of the Constitution had conferred on the High

Courts wide powers of issuing directions, orders and writs, primarily for the enforcement of those rights but also for "any other purpose", the latter

being added

""with a view, apparently to place all the High Courts in the country in somewhat the same position as the Court of King's Bench in England.

It would thus seem that the powers of the High Court under Article 226 have been regarded as no higher than the powers of the King's Bench and

I think that may be the reason why Lord Esher's rule has been held to apply in India as well. But even if I am completely wrong as to reasons

underlying the Supreme Court's decision, the decision remains and, in my view, it governs the present case. The High Courts are bound by the

decision and cannot disregard Lord Esher's rule or the Supreme Court's application of it to appellate Courts in regard to their liability to certiorari

for a wrong decision as to the maintainability of appeals preferred to them. The result is that no certiorari could issue in the present case. The

question whether the superior Court can correct a wrong decision in a certiorari or can only see if the correct law has been applied or whether the

inability to correct a wrong decision is limited to decisions on the merits, does not arise.

28. It has sometimes been said that the second class of cases contemplated in Lord Esher's propositions is one where the presence or absence of

jurisdiction is not a separate question, capable of being determined independently but is a question which can be determined only in the course of

the enquiry into the main question which the tribunal has to decide. That view does not appear to me to be correct. In both the classes of cases

contemplated by Lord Esher, there is a collateral question as to the existence of a preliminary state of facts on which the jurisdiction to proceed

further depends. The only difference between the two types of cases is that, in the second, the Legislature has not merely stated the condition of

jurisdiction, but it has also given the tribunal itself the power to determine it without any provision for an appeal, thus intending that the

determination shall be final. The case where the question of jurisdiction can be decided only as a part of the general enquiry and is therefore not a

collateral question, is altogether different. The whole position has been summarised in Halsbury's Laws of England, 3rd Edition, Vol. 11, at pp.

142-43 in the following words:

The case is more difficult where the jurisdiction of the inferior tribunal depends..... upon the existence of some particular fact. If the fact is

collateral to the actual matter which the inferior tribunal has to try, that tribunal cannot, by a wrong decision with regard to it, give itself jurisdiction

which it would not otherwise possess, unless by statute the inferior tribunal is given power to determine conclusively questions relating to its own

jurisdiction. (1888) 21 QBD 313 (K). C. A. On the other hand, if the fact in question is not collateral, but a part of the very issue

which the lower court has to enquire into, certiorari will not be granted, although the lower Court may have arrived at an erroneous conclusion with

regard to it. R v. St. Olave's District Board, (1859) 8 E & B 529 (P).

29. There are thus three cases: (1) where jurisdiction is given to an inferior tribunal on condition that a particular state of facts exists, but without

more; (2) where jurisdiction is given on such condition along with jurisdiction to determine if the condition has been satisfied; and (3) where the fact

on which jurisdiction depends is not collateral, as in the first two cases, but is a part of the matter which the tribunal has to enter into and try. Lord

Esher's propositions cover only the first two cases.

30. If the English principles as to the issue of certiorari are to be followed in India, it appears to me that even if it be held that Ebrahim

Aboobaker's case (I) does not apply in the present case, because the jurisdiction of the Appellate Tribunal here was not general, the case is still

within the last proposition " contained in the passage I have quoted from Halsbury's Laws of England and therefore no certiorari to quash the

Tribunal's order could issue. The matter to be decided in the appeal was whether the order of the Tribunal of first instance, refusing reinstatement

and awarding compensation in stead was bad, because, as was alleged, it had been made in disregard of certain legal principles and was based on

extraneous considerations. Whether or not the appeal lay depended on whether it involved a substantial question of law and the substantial

question of law was said to be whether the Tribunal of first instance had acted in contravention of law in proceeding on certain extraneous

consideration and in disregard of certain legal principles, It is not material here whether the allegation as to the nature of the original Tribunal's

order was correct or whether, even if they were correct, any question of law substantial or otherwise, could really arise. Those are matters bearing

on the merits of the contention. What is material is that the issue to be actually decided in the appeal and the issue that was to be decided in

determining whether the appeal was maintainable, were identical. The latter was not a collateral question, external to the actual controversy the

appeal and was not even merely a part of the question which was to be actually decided, but was that very question itself. In those circumstances,

it appears to me, that the last proposition in the passage in Halsbury must apply. Elsewhere in the same work, the law is thus stated:

If the fact in question is not collateral, but & part of the very issue which the interior tribunal has to enquire into, an order will not be granted,

although the inferior tribunal may have arrived at an erroneous conclusion with regard to it."--Third Edition, Vol. 11, p. 60.

31. In the Allahabad decision cited by the Appellants, the learned Judges, besides relying on the decision of the Supreme Court in Ebrahim

Abuubaker's case (1), held that the question whether any substantial question of law was raised in the appeal before the Labour Appellate

Tribunal was not a collateral matter, but was one of the issues which the Tribunal had to decide and therefore no certiorari could issue on the

ground that the question had been wrongly decided. I agree with that view, since the English principles must be held to be applicable.

32. It may also be added that if the condition-of the error appearing on the face of the order or record is to be insisted on, there would not seem"

to be any such error in the present case. In Hari Vishnu Kamath Vs. Syed Ahmad Ishaque and Others, , the Supreme Court approved of the test

that no error could be said to appear on the face of the record if it required an examination or argument to establish it, though it was added that

there might be cases where the test would not suffice. ..In the present case, the learned Judge required a long and argumentative judgment to

establish that no question of law was involved in the appeal before the Appellate Tribunal. I do not, however, rely much on that ground. An order

is a speaking order, because it speaks its reasons and if those reasons are to be examined, some argument is unavoidable.

33. Mr. Basu cited the decision of the Judicial Committee in AIR 1949 239 (Privy Council) , where it was held that although a mere error in a

decision of a subordinate Court would not entitle the High Court to interfere with it in revision u/s 115 of the Civil Procedure Code, it would be

entitled to interfere if the error had resulted in the Subordinate Court exercising a jurisdiction not vested in it by law or failing to exercise a

jurisdiction, so vested. In that particular case, the subordinate Court had wrongly held a loan to be a commercial loan and had, accordingly,

refused to apply to it the Bengal Money-Lenders Act. I do not think the case cited by Mr. Basu is relevant. Considerations applicable to the

remedy by way of revision under the CPC and those applicable to the remedy by way of the issue of a writ of certiorari are altogether different.

34. For the reasons I have given, I must hold that the first contention of the appellants that the learned trial Judge had no jurisdiction to interfere by

a writ of certiorari with the Appellate Tribunal's order on the ground that, in his view, the appeal to the Tribunal was not maintainable, though

wrongly held to be so, must succeed. I must add that it was hardly fair to the learned Judge that this contention should have been reserved for the

appeal Court and should not have been raised before him.

35. I am further of opinion that even if I am wrong in upholding the first contention of the appellants, their second contention must succeed. What

makes an appeal maintainable u/s 7(1)(a) of the Industrial Disputes (Appellate Tribunal) Act is that it should involve a substantial question of law.

The word is "question" and not "error" or "proposition" of law. The learned Judge himself concedes that it the Tribunal of first instance, though

vested with discretionary powers, acts arbitrarily or capriciously or really proceeds on extraneous considerations, the Appellate Tribunal will be

entitled to interfere. That implies that, in such a case, an error of law will be committed which will attract the jurisdiction of the Appellate Tribunal

and entitle it to reverse the order for such error. It appears to me that a question as to the commission of such error will be a question of law and if

it be, on the facts, an arguable question and not untenable on the face of the order appealed from, there will be a substantial question of law,

sufficient to give the Appellate Tribunal initial jurisdiction to entertain the appeal, whatever the ultimate decision on the question may be. The facts

of the present case were of that character. It is well- settled that if a tribunal proceeds on considerations which are irrelevant and extraneous to the

matter for decision, it commits an error of law. The learned Judge himself has not said otherwise. If the tribunal disregards certain legal principles,

then it clearly commits an error of law, about which there can be no dispute. It appears to me that, at the initial stage when it is only to be

considered whether the appeal is entitled to be entertained, all that Section 7(1)(a) of the Act requires is that there should be, involved in it, a

"question" of law, that is to say, a disputable matter of a legal character and that it should be a substantial question. It is not necessary that it should

incontrovertibly appear that an error of law has been committed. The condition that an appeal shall lie, if a substantial question of law is involved

appears in other enactments as well, e.g., in Section 30(1) of the Workmen's Compensation Act, read with the proviso thereto, Section 110 of the

CPC and Article 133(1) of the Constitution. As far as I am aware, the expression "question of law" has always been interpreted in the sense I

have indicated. "Substantial" has been explained by the Judicial Committee as substantial as between the parties AIR 1927 110 (Privy Council) . I

am unable to say, in view of the contentions of the employees in the appeal, that it involved no "question" of law or to say, in view of the fact that

success of the contentions would mean the reversal of the original order and their re-instatement, that it was not a "substantial" question. The

learned Judge has pointed out, rightly if I may say so with respect, that an Industrial Tribunal is not required to go by "the strict law of master and

servant and has to make orders which it thinks will be just and expedient and also in the interest of industrial peace. But as the learned Judge

himself concedes, a Tribunal cannot act capriciously or arbitrarily or on extraneous considerations and if it does so, it creates an occasion for an

appeal. It is not therefore correct to say that no question of law can ever arise out of an order of an Industrial Tribunal. The Bombay decision in

Eugene Fernandes Vs. The Labour Appellate Tribunal of India and Another, on which the learned Judge relied, turned on its own facts.

36. I have already pointed out that at the initial stage, when considering whether an appeal lies or not, it is only necessary to see if any "question" of

law of a substantial character is involved. It is not necessary to be convinced that an error of law has been committed. The learned judgments,

however, said that since the principles alleged, to have been disregarded by the Tribunal of first instance were only principles laid down by the

Appellate Tribunal which had no jurisdiction to lay down any law, no question of law could at all arise out of the disregard of such principles. He

has said further that the probability of an early termination of the services of the employees under the terms of the contract of employment was not

a matter extraneous to the question of their re-instatement and that an apprehension that such termination might take place did not involve any

imputation of bad faith to the employer Bank, as wrongly held by the Appellate Tribunal. For those reasons the learned Judge appears to have

thought that the Appellate Tribunal's decision that the original Tribunal had been guilty of illegality was wrong. This opinion bears more on the point

as to whether the Appellate Tribunal was right in making its final order on the basis that errors of law had been committed than on the point as to

whether it was right in entertaining the appeal on the basis that a substantial question of law was involved. It appears to me, however, that the

principles laid down by the Appellate Tribunal in an earlier decision to which it referred, were not put forward as law created by it by its own

authority, but they were only stated as principles of the general law which every tribunal, having to act judicially with respect to such matters as fall

to be considered by Industrial Tribunals, was required and expected to follow. Statute law and judge made law are not the only laws. There is

something like a common or general law, the principles of which govern the making of judicial decisions and which Courts and Tribunals state from

time to time. An industrial tribunal, it may be pointed out, does not make a settlement, but adjudicates. I think further that although, ordinarily, the

practical utility of making an order for re-instatement will certainly be a relevant consideration in deciding whether such an order ought or ought not

to be made, a presumption or apprehension that the employer may defeat the order would involve an imputation of bad faith to him and therefore

would not be a proper consideration and that the reason on which the Tribunal of first instance proceeded in this case did involve such an

imputation. Although the terms of employment of the officiating and temporary employees made them liable to be discharged on reasonable notice

but without assignment of any reason, normally, the employer Bank would consider the case of each employee on the merits, confirming those of

the officiating hands who had proved themselves to be competent and absorbing in the permanent establishment those of the temporary hands who

had been found suitable and who could be absorbed. The Bank would not discharge such employees simply because it had a right to do so. It

could not therefore be presumed that the employees concerned might all be discharged within a short time after re-instatement without presuming

that the Bank would act in anger or bad faith and not in accordance with the merits of the employees. Such a presumption, I think, way not a

relevant or proper but an extraneous consideration. I am therefore unable to agree with the learned Judge that the Appellate Tribunal was wrong in

holding that the order under appeal before it was vitiated by errors of law. But as I have said, the real question before the learned Judge was and

before us is not whether the ultimate decision of the Appellate Tribunal was correct, but only whether its decision that the appeal before it was

maintainable, was correct. For the reasons I have already given, I cannot agree that no question of law could possibly arise out of the allegation of

disregard of the principles enunciated by the Appellate Tribunal or out of the contention that the Tribunal of first instance had proceeded on

extraneous considerations. There was, in any event, an arguable question with respect to both the points and that way sufficient to sustain the

appeal.

37. The present appeal must, for the foregoing reasons, succeed. Although one of the 13 employees was not before Sinha J. the order of the

Appellate Tribunal in his favour does not survive, since the learned Judge quashed the whole order. But that employee is not even a party to the

present appeal. Of the remaining 12, only 8 are appellants before us. "The other 4, although impleaded as respondents, did not appear and it is not

known whether, since the restoration of the original order by Sinha J., they have not availed themselves of the award of compensation under it. In

the circumstances, the appeal is allowed and the order of Sinha J. is set aside only so far as the appellants before us are concerned and the order

of the Appellate Tribunal is restored only so far as it directs the re-instatement of the 8 appellants.

38. As the appellants succeed mainly on a ground which they did not take before the trial Judge, there will be no order for costs.

Sarkar, J.

39. I agree.