

Bharat Fire & General Insurance Ltd. vs Parameshwari Prasad Gupta on 25 November, 1966

Author: Chief Justice

Bench: Chief Justice

JUDGMENT

1. This judgment will dispose of three regular first appeals, being R. F. A. Nos. 88-D
2. Parameshwari Parshad Gupta (hereafter referred to as Gupta) filed a suit against Bha
 - (1) Rs.1,480/10/3 as salary for 17 days from 1st December, 1953 to 17th December, 1953,
 - (2) Rs.52/4/3 as the pay of the chauffeur for that period;
 - (3) Rs. 2700 on account of one month's salary in lieu of notice;
 - (4) Rs. 16,200 on account of gratuity for six months at the rate of Rs. 2700 per month;
 - (5) Rs. 5,100 as bonus for the year 1951 and 1952; and
 - (6) Rs. 48,404/1/3 on account of provident fund.

The company also filed a suit against Gupta for the recovery of Rs. 1,10,000, being sui

- (a) Rs. 2,443/8/- on account of income-tax and super-tax on bonus;
- (b) Rs. 2,795/-/6 on account of income-tax and super-tax on cash received in lieu of le
- (c) Rs. 90/- on account of telephone charges;
- (d) Rs. 32/5/- being the amount spent on petrol; and
- (e) Rs. 218/12/- on account of the excess amount in the hands of Gupta out of the advan

Regular First Appeal No. 88-D of 1956 is the appeal by the company against the rejectio

3. I will first take up Regular Fist Appeal No. 88-D of 1956 and deal with only those i
 - (1) "It looks obvious that having known the decision regarding the severance of your co
 - (2).It had come to light that you have drawn your remuneration in excess. According to

On 22nd December, 1953, Gupta wrote to the Chief Accountant of the company asking for u

1. Shri Shriyans Prasad.
2. Shri R.K. Jain.

3. Shri B. P. Khaitan.

4. Shri Brijmohan Lal Raizada.

The proceedings of the meeting of the 16th December, 1953, were read and confirmed and the

4. In Regular First Appeal No.88-D of 1956 the first point urged by Mr. K. C. Jain, the

It would thus appear that decision was based on the construction of the rule itself having

5. The second contention of Mr. K. C. Jain on behalf of the company; is regarding issue

The claim of the company is that under the resolution dated 27th March, 1952 (Exhibit D)

The learned counsel for the company seeks to further support his argument by reference

6. This takes me to issues Nos. 10 and 11 which read---

Issue No. 10 "Did the defendant make use of electrical materials purchased from the

Issue No. 11 "If issue No. 10 is proved, whether the defendant is not liable to pay tax

7. The next controversy is regarding issue No. 13, namely -

"Is the defendant guilty of negligence and breach of duty in respect of the payment of

This note is dated 7th December, 1951. The next document having bearing on the latter is

(i) on 27th December, 1951, there was a talk between the Income-tax Officer and an Assistant

(ii) it was in accordance with the said instructions that a cheque was sent to the Income-tax

(iii) a peon from the office of the Income-tax Officer went to the company's office on

Shri J. K. Jain (D.W. 10) also spoke about this alleged default in his evidence and stated

8. The next item in dispute in this appeal is covered by issues Nos. 15 and 17 which read

Issue No. 15. "Was the defendant's action in advancing a loan of Rs. 15,000/- to Shri

Issue No. 17 Was not a sum of Rs. 15,000/- advanced to Shri M. M. Bhatt? O. P."

The allegation of the company in this behalf is that Shri M. M. Bhatt, a Branch Manager

(1) Mr. Bhatt was personally responsible for all outstanding premiums of his Branch

(2) In December, 1950 Mr. Bhatt came to Delhi and he executed a promissory note for about

(3) In 1952 also premiums were outstanding against him and a substantial amount on the

(4) As a result of talk it was agreed that Mr. Bhatt should execute a promissory note for

The company mainly relied on the evidence of Mr. Bhatt who was examined on interrogator

9. The last issue is the issue of limitation. The contention on behalf of the company i

10. This takes me to Regular First Appeal No. 89-D of 1956 by the company regarding the

(1) An amount of Rs. 100/- in the salary allows to Gupta in lieu of notice;

(2) Rs. 16,200/- on account of gratuity;

(3) Rs. 48,404/1/3 on account of provident fund. The contest regarding provident fund i

(a) Gupta was entitled only to his contribution and not the company's contribution; and

(b) even if Gupta be held entitled to the company's contribution the total amount comes

(4) the company maintains that salary for 17 days from 1st December, 1953 to 17th Decem

11. So far as points Nos. (1) and (4) are concerned I have already discussed them above

12. So far as the gratuity is concerned, the company's claim is based on the last part

Mr. K. C. Jain's contention on behalf of the company is that though originally Gupta's

13. Coming now to the provident fund, the company has placed reliance on rule 15 of the

14. This takes me to Regular First Appeal No. 104-D of 1956. The first contention of Mr

15. The last contention of Mr. Aggarwal is that the resolution terminating Gupta's empl

16. In the result, Regular First Appeals Nos. 88-D of 1956 and 104-D of 1956 fail and a

Hegde, C.J.

17. I agree.

18. Order accordingly.