



LPA-1961-2026 (O&M)

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**IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH**

LPA-1961-2026 (O&M)

Reserved on : 20.07.2026

Pronounced on: 30.07.2026

Uploaded on: 30.07.2026

M/s NIPA International (P) Limited

..... Appellant

VERSUS

Smt. Sudesh Verma and another

..... Respondents

**CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL
HON'BLE MR. JUSTICE DEEPINDER SINGH NALWA**

Present: Mr. S.K. Agnihotri, Advocate, for the appellant.

DEEPINDER SINGH NALWA, J.

1 The present Letters Patent Appeal has been filed against the judgment dated 27.04.2026 passed by the learned Single Judge, whereby, the learned Single Judge has given a compensation of an amount of Rs.6,00,000/- to respondent No.1-workman in lieu of reinstatement in service.

2. The brief facts of the case are that respondent No.1-workman was employed as a Helper in the appellant-company on 19.09.1997 on monthly salary of Rs.1500/-. Her salary was increased to Rs.2245/- per month besides grant of bonus, increments, overtime and other incentives.

As per respondent No.1-workman, her services were terminated on



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29.07.2003. Aggrieved against the abovesaid action of the appellant-company in terminating the services of respondent No.1-workman, respondent No.1-workman approached the Labour Settlement Officer, Gurgaon. Settlement was arrived between the parties and on the basis of the settlement, respondent No.1-workman was reinstated in service on 29.08.2003. It transpires that after respondent No.1-workman was reinstated in service, a chargesheet was issued to respondent No.1-workman on 04.12.2004. Respondent No.1-workman duly filed reply to the abovesaid chargesheet. It further transpires that respondent No.1-workman was placed under suspension from 23.12.2004. The reply filed by respondent No.1-workman to chargesheet was not found to be creditworthy, as such, departmental enquiry was initiated against respondent No.1-workman. The enquiry officer submitted his report on 28.03.2005, wherein, the charges leveled against respondent No.1-workman were proved. In light of the enquiry report submitted by the enquiry officer, the services of respondent No.1-workman were terminated on 02.05.2005. Aggrieved against the abovesaid order of termination, respondent No.1-workman served a demand notice.

3. No settlement was arrived between the parties, as such, the matter was referred to the Industrial Tribunal-cum-Labour Court-II, Gurgaon. The Labour Court-II, Gurgaon decided the reference in favour of respondent No.1-workman vide award dated 02.03.2016. As per the abovesaid award, respondent No.1-workman was held entitled to be



reinstated with continuity in service along with full backwages from the date of termination till her reinstatement.

4. Aggrieved against the award dated 02.03.2016 passed by the Labour Court-II, Gurgaon, the appellant-company filed a civil writ petition in this Court being CWP-2934-2017. The abovesaid writ petition was disposed of on 27.04.2026. A perusal of the judgment dated 27.04.2026 passed by the learned Single Judge would show that respondent No.1-workman has been held entitled for grant of lump-sum compensation of amount of Rs.6,00,000/- in lieu of reinstatement in service. A perusal of the abovesaid judgment would also show that the learned Single Judge has granted compensation in lieu of reinstatement taking into consideration the nature of employment and the fact that respondent No.1-workman is out of service for more than 20 years.

5. Aggrieved against the judgment dated 27.04.2026 passed by the learned Single Judge, the appellant-company has filed the present appeal.

6. The only contention raised by the learned counsel appearing on behalf of the appellant-company is that the compensation given by the learned Single Judge to respondent No.1-workman of an amount of Rs.6,00,000/- is on higher side. He submits that Rs.50,000/- per year for the period respondent No.1-workman has worked, should be taken into consideration for the purpose of grant of compensation. In other words,



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as per the learned counsel, respondent No.1-workman is entitled for grant of compensation of Rs.4,00,000/- instead of Rs.6,00,000/- as given by the learned Single Judge.

7. We have heard the learned counsel appearing on behalf of the appellant-company and perused the record with his able assistance.

8. In regard to contention raised by the learned counsel appearing on behalf of the appellant-company is concerned, there is no straight jacket formula for determination of amount of compensation to be awarded to a workman in lieu of reinstatement in service. Grant of amount of compensation to a workman depends upon the facts of each case. Various factors have to be taken into consideration for the purpose of determining the amount of compensation to be granted to the workman i.e. nature and mode of employment, the wages which the workman received at the time of his/her termination, age of the workman and length of service, etc.

9. A perusal of the facts of the present case would show that respondent No.1-workman had worked for almost 08 years and at the time of her termination, respondent No.1-workman was getting wages of Rs.2245/-. In addition to the abovesaid wages, respondent No.1-workman was also entitled for grant of bonus/increment and overtime etc.

10. Reliance is made to the judgment passed by the Hon'ble Supreme Court in **Amit Kumar Dubey vs. M.P.P.K.V.V. Co. Lt. and**



another (Law Finder Doc ID #2777647) decided on 29.01.2025. In the abovesaid case, the workman was appointed on contract basis. Taking into consideration the nature of appointment and other relevant factors, the Hon'ble Supreme Court has granted compensation of Rs.1.5 lakhs per year for the period the workman had worked. Relevant extract of the judgment is reproduced below:-

“5. Aggrieved by the award(s) of the Labour Court, the respondent preferred several Writ Petitions before the High Court challenging each of these awards in which the impugned common order was passed. The counsel for the respondent herein had confined his arguments before the High Court to the effect that even if the Labour Court had concluded that termination of service was bad on account of non-compliance of Section 25F of the ID Act, yet the direction to the respondent should have been limited to payment of compensation in lieu of reinstatement. The High Court agreed with such contention based on its reliance on several judgments of this Court on the subject matter. Accordingly, the High Court affirmed the finding with regard to setting aside of termination but so far as the order of reinstatement of workmen was concerned, the same was quashed and instead the appellants were held entitled to a compensation of Rs. 50,000/- (Rupees Fifty thousand only) payable to each of them within a period of two months.

6. Aggrieved by the impugned order, the appellants are before us.

7. On 06.09.2024, this Court had issued notice in the matters limited to the question of quantum of compensation awarded by the High Court as it agreed with the observation of the High Court that in every case where termination is found to be illegal, the grant of reinstatement cannot be applied mechanically. Where such a termination is found illegal because of a procedural defect such as in violation of Section 25F of ID Act, this Court has consistently taken a view that in lieu of reinstatement the grant of monetary compensation shall meet the ends of justice.



8. *However, we do not find the grant of a sum of Rs.50,000/- (Rupees Fifty thousand only) as compensation by the High Court to be adequate and just in the facts and circumstances of the present matters. The amount of sum of Rs.50,000/- (Rupees Fifty thousand only) is too nominal and unjust considering that the appellants were working as Operator TA Grade with the respondent. Additionally, the High Court while passing the impugned order has also lost sight of the fact that each of the appellant had served for a varying duration of time and a blanket/uniform grant of Rs.50,000/- (Rupees Fifty thousand only) as compensation in differing cases shall not meet the ends of justice and will be in contravention with the principle of proportionality.*

9. *Therefore, in the facts and circumstances of the matters, we deem it fit to enhance the compensation granted to the appellants by the High Court. We hold that the appellants would be entitled to enhanced compensation at the rate of Rs.1.5 lakhs per year for the period they have worked and in case, they have worked for a part of the year, then the amount of compensation is to be calculated at the same rate to be applied on a pro-rata basis.*

11. Taking into consideration the nature of employment of respondent No.1-workman along with other factors and above referred judgment of the Hon'ble Supreme Court of India, it cannot be held that the amount of compensation given by the learned Single Judge in lieu of reinstatement, is on higher side.

12. In view of the above, this Court finds no illegality or infirmity in the judgment dated 27.04.2026 passed by the learned Single Judge.

13. Accordingly, the present appeal is dismissed.



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14. Pending miscellaneous application(s), if any, also stands disposed of.

(SUVIR SEHGAL)
JUDGE

(DEEPINDER SINGH NALWA)
JUDGE

30.07.2026
Ramandeep Singh

Whether speaking / reasoned
Whether Reportable

Yes / No
Yes/ No