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

LPA No.479 of 2016(O&M)

Reserved on: 03.07.2026

Pronounced on : 20.07.2026

Daya Nand

...Appellant

Versus

Presiding Officer, Industrial Tribunal-cum-Labour Court, Hisar,
District Hisar and others

...Respondents

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

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

Mr. Anant Kataria, DAG, Haryana.

DEEPINDER SINGH NALWA, J.

1. The present Letters Patent Appeal is filed against the judgment dated 19.01.2016 passed by the learned Single Judge whereby the appellant has been held entitled for grant of compensation of Rs.2 lakhs in lieu of reinstatement in service.

2. The brief facts of the case are that the appellant-workman was employed as a Beldar on daily-wage basis w.e.f. March, 1998. As per the appellant-workman, his services were terminated on 01.09.2003. Aggrieved against the above said action of the respondents-Management, the appellant-workman served a demand notice dated 05.02.2004, wherein, it was the case of the appellant that he had worked continuously from March, 1998 to 31.08.2003. It was



had completed more than 240 days in preceding 12 months from the date of termination of his services, as such, before terminating the services of the appellant-workman, the respondents-Management had to comply with the provisions of Section 25-F of the Industrial Disputes Act, 1947 (in short 'the Act'). As no notice and compensation was given in terms of abovesaid provision of Section 25-F of the Act, as such, the action of respondents-Management in terminating the services of appellant-workman was against the law and, as such, the appellant-workman is entitled to be reinstated with continuity of service.

3. No settlement was arrived at between the parties. As a consequence of this, the matter was referred to the Labour Court, Hisar for adjudication. The appellant-workman filed claim statement reiterating his stand as taken by him in the demand notice. The respondents-Management duly filed written statement to the claim statement filed by the appellant-workman. It was the case of the respondents-Management that the appellant-workman had only worked for 12 days i.e. from 19.06.2002 to 30.06.2002. As the appellant-workman had not completed 240 days in preceding 12 months from the date of termination of his services, as such, there was no requirement of compliance of Section 25-F of the Act. Accordingly, the appellant-workman is not entitled to be reinstated in service.

4. The Labour Court, Hisar, decided the reference in favour of the appellant-workman vide award dated 26.07.2010. As per the award passed by the Labour Court, Hisar, the appellant-workman was



held entitled for compensation of an amount of Rs.24,000/- in lieu of reinstatement. A perusal of award passed by the Labour Court, Hisar, dated 26.07.2010, would show that the Labour Court has given a finding that the workman has completed 240 days in preceding 12 months from the date of termination of his services. As such, it was mandatory on the part of the respondents-Management to comply with the provision of Section 25-F of the Act. As the respondents-Management did not comply with the provisions of Section 25-F of the Act, the appellant-workman was held entitled for grant of compensation in lieu of reinstatement.

5. Aggrieved against the award passed by the Labour Court, Hisar, dated 26.07.2010, the appellant-workman filed a Civil Writ Petition No. 8718 of 2013, which was disposed of by the learned Single Judge, vide judgment dated 19.01.2016. A perusal of the abovesaid judgment dated 19.01.2016 passed by the learned Single Judge, would show that the award dated 26.07.2010 was modified to the extent that the appellant-workman was entitled for grant of compensation to the tune of Rs.2,00,000/- instead of Rs.24,000/- in lieu of reinstatement, taking into consideration the length of service of the appellant-workman. Aggrieved against the abovesaid judgment dated 19.01.2016 passed by the learned Single Judge, the appellant has filed the present Letters Patent Appeal.

6. The only contention raised by learned counsel appearing on behalf of the appellant-workman before this Court is that once the Labour Court, Hisar, has given a finding that there was a violation of



provisions of Section 25-F of the Act. The appellant-workman is entitled to be reinstated in service in lieu of compensation as awarded by the learned Single Judge vide judgment dated 19.01.2016. Reliance upon the Full Bench judgment of this Court in ***Municipal Council, Dina Nagar, Tehsil and District Gurdaspur versus Presiding Officer, Labour Court, Gurdaspur and another, 2014 (4) SCT 514.***

7. Learned State counsel submits that there is no concept of automatic reinstatement. Various factors have to be taken into consideration before the workman can claim reinstatement in service on account of violation of provisions of the Act. He further submits that taking into consideration the facts of the case, the appellant - workman has rightly been awarded compensation of an amount of Rs.2,00,000/- by learned Single Judge in lieu of reinstatement in service. He further submits that the compensation awarded by the learned Single Judge is adequate and, as such, the present appeal is liable to be dismissed.

8. We have heard learned counsel for the parties at length and perused the record.

9. The only issue involved in the present appeal is whether the appellant-workman is entitled for reinstatement with continuity of service on the ground that termination/retrenchment of the appellant-workman has been held in violation of Section 25-F of the Act.

10. In regard to the contention raised by learned counsel for the appellant is concerned, it is well settled law that there is no concept of automatic reinstatement. Various factors have to be taken into



the service of the workman is terminated/retrenched on account of violation of provisions of the Act i.e. the nature and mode of appointment, the availability of work and post, the length of service along with other factors for the said purpose. A perusal of facts of the case would show that it is not in dispute that the appellant-workman was employed as a daily-wager and had worked for approximately for 5 ½ years before his services were terminated. It is now well settled that length of service of the workman is relevant for the purpose of grant of relief of reinstatement to a workman whose service has been terminated. It is also settled law that if the length of service of a workman is not for a long period, in such cases, the workman would ordinarily be entitled for grant of compensation in lieu of reinstatement.

11. Hon'ble the Supreme Court has considered a similar issue in the judgment titled as ***Assistant Engineer, Rajasthan Development Corporation and another versus Gitam Singh, (2013) 5 SCC 136.*** Hon'ble the Supreme Court has held that in a case of daily wagers, casual labourers or workmen who have rendered a short span of service, reinstatement is not an automatic consequence of a procedural violation of Section 25F of the Act and monetary compensation would ordinarily meet the ends of justice. A distinction has been drawn by the Supreme Court between a daily wager and an employee holding a regular post for the purposes of grant of consequential relief. Hon'ble the Supreme Court has also held that giving the relief of reinstatement, that too after a long gap, would not serve any purpose and the grant of compensation would meet the ends of justice.



11. Similar view has been taken by Hon'ble the Supreme Court in ***Bharat Sanchar Nigam Limited versus Bhurumal, (2014) 7 SCC 177***, wherein the Hon'ble Supreme Court observed that though retrenchment was in violation of Section 25-F, relief of reinstatement is not automatic and compensation may be awarded, particularly where the workman was engaged as a daily wager and had worked for a limited period or considerable time has elapsed since the termination. The relevant extract of the judgment is reproduced as under:-

“23. It is clear from the reading of the aforesaid judgments that the ordinary principle of grant of reinstatement with full back wages, when the termination is found to be illegal is not applied mechanically in all cases. While that may be a position where services of a regular/permanent workman are terminated illegally and/or malafide and/or by way of victimization, unfair labour practice etc. However, when it comes to the case of termination of a daily wage worker and where the termination is found illegal because of procedural defect, namely in violation of [Section 25-F](#) of the Industrial Disputes Act, this Court is consistent in taking the view in such cases reinstatement with back wages is not automatic and instead the workman should be given monetary compensation which will meet the ends of justice. Rationale for shifting in this direction is obvious.

24. Reasons for denying the relief of reinstatement in such cases are obvious. It is trite law that when the termination is found to be illegal because of non-payment of retrenchment compensation and notice pay as mandatorily required under [Section 25-F](#) of the Industrial Disputes Act, even after reinstatement, it is always open to the management to terminate the services of that employee by



paying him the retrenchment compensation. Since such a workman was working on daily wage basis and even after he is reinstated, he has no right to seek regularization (See: State of Karnataka vs. Uma Devi (2006) 4 SCC 1). Thus when he cannot claim regularization and he has no right to continue even as a daily wage worker, no useful purpose is going to be served in reinstating such a workman and he can be given monetary compensation by the Court itself inasmuch as if he is terminated again after reinstatement, he would receive monetary compensation only in the form of retrenchment compensation and notice pay. In such a situation, giving the relief of reinstatement, that too after a long gap, would not serve any purpose.”

12. Similar view has been taken by the Division Bench of this Court in ***LPA No.838 of 2026 titled as Mahipal Singh Vs. Haryana Seeds Development Corporation Ltd. and another, decided on 27.03.2026*** and ***LPA No.15 of 2026 titled as Sukhdev Vs. Haryana Tourism Corp. Ltd. and another, decided on 23.03.2026***.

13. In regard to the reliance made by learned counsel for the appellant on the judgment passed by Full Bench of this Court in ***Municipal Council, Dina Nagar, Tehsil and District Gurdaspur versus Presiding Officer, Labour Court, Gurdaspur and another, 2014 (4) SCT 514***, is concerned, the Full Bench has held that although retrenchment effected in violation of Section 25-F is void, reinstatement is not an automatic or inevitable consequence in every case. The Full Bench has specifically held that while exercising discretion, the Labour Court is required to take into consideration the nature of appointment, the availability of work and post, the manner of



recruitment, the length of service, delay in raising the industrial dispute and other relevant factors. It was further held that daily-wage employees who have merely completed 240 days of service, as a matter of course, cannot claim reinstatement, as such, the abovesaid judgment of the Full Bench of this Court as relied by the learned counsel appearing on behalf of the appellant-workman does not support the case of the appellant-workman for the purpose of grant of relief of reinstatement.

14. A perusal of the facts of the case would show that the appellant – workman was employed as a daily-wager and has worked for 5½ years before his services were terminated. Taking into consideration the nature of employment and the length of service, the Labour Court, Hisar, vide award dated 26.07.2010 held that the appellant-workman was entitled for grant of compensation amounting to Rs.24,000/- in lieu of reinstatement. The abovesaid finding given by Labour Court, Hisar, has been upheld by the learned Single Judge vide judgment dated 19.01.2016. However, taking into consideration the length of service of the appellant-workman and other factors, the learned Single Judge has modified the said award dated 26.07.2010 to an extent that amount of compensation as awarded by Labour Court, Hisar, was enhanced from Rs.24,000/- to Rs.2,00,000/-.

15. Taking into consideration the facts of the case, this Court finds no illegality in regard to grant of compensation by the learned Single Judge to the appellant-workman instead of reinstatement. It is also not in dispute that the appellant-workman is out of service for



approximately 23 years. Taking into consideration the facts of the case, the grant of compensation of an amount of Rs.2,00,000/- granted by learned Single Judge is on the lower side, keeping in view the length of service of the appellant-workman and other factors. The appellant-workman is held entitled to grant of enhanced compensation of Rs.3,00,000/- instead of Rs.2,00,000/- as awarded by the learned Single Judge vide judgment dated 19.01.2016.

16. Accordingly, the judgment passed by the learned Single Judge dated 19.01.2016 is modified to an extent that the appellant-workman is held entitled for enhanced compensation of Rs.3,00,000/- instead of Rs.2,00,000/- as awarded by the learned Single Judge.

17. The respondents are directed to pay the aforesaid enhanced amount of compensation of Rs.3,00,000/- to the appellant-workman within a period of two months from the date of receipt of a certified copy of this judgment, failing which, the said amount shall carry interest at the rate of 6% per annum from the date of this judgment till realization.

18. The Letters Patent Appeal stands disposed of in the aforesaid terms.

19. Pending applications, if any, also stand disposed of.

(SUVIR SEHGAL)
JUDGE

(DEEPINDER SINGH NALWA)
JUDGE

20.07.2026
d.gulati

Whether speaking / reasoned :
Whether Reportable :

Yes	No
Yes	No