



2026:DHC:5313



\$~2 & 3

*

IN THE HIGH COURT OF DELHI AT NEW DELHI

%

Date of Decision: July 01st, 2026

+

W.P.(C) 8300/2014 & CM APPL. 19251/2014AIRPORTS AUTHORITY
OF INDIA

.....Petitioner

Through: Mr. Digvijay Rai, Mr. Archit
Mishra & Mr. Yatinder
Chaudhary, Advs.

versus

LATA DEVI

.....Respondent

Through: Mr. Anuj Aggarwal, Ms. Tanya
Rose, Mr. Shubham Bahl, Ms.
Kritika Matta, Mr. Nikhil
Pawar, Ms. Bhumika Kundra,
Mr. Lovekesh Chauhan, Ms.
Anjali Bansal & Mr. Pradeep
Kumar, Advs.

3

+

W.P.(C) 9787/2015

LATA DEVI

.....Petitioner

Through: Mr. Anuj Aggarwal, Ms. Tanya
Rose, Mr. Shubham Bahl, Ms.
Kritika Matta, Mr. Nikhil
Pawar, Ms. Bhumika Kundra,
Mr. Lovekesh Chauhan, Ms.
Anjali Bansal & Mr. Pradeep
Kumar, Advs.

versus

THE AIRPORT DIRECTOR, AIRPORT AUTHORITY OF
INDIA (AAI)

.....Respondent

Through: Mr. Digvijay Rai, Mr. Archit
Mishra & Mr. Yatinder
Chaudhary, Advs.



2026:DHC:5313



CORAM:
HON'BLE MR. JUSTICE AMIT MAHAJAN

AMIT MAHAJAN, J. (Oral)

1. The present cross petitions are filed assailing award dated 13.12.2013 (hereinafter '**impugned award**') passed by the learned Central Government Industrial Tribunal (hereinafter '**Tribunal**') in ID No. 79/2000 whereby the learned Tribunal set aside the order of discontinuation of service and directed reinstatement without back wages.
2. Briefly stated, the Respondent/ Smt. Lata Devi was engaged by the ex-contractor of the Petitioner/Airport Authority of India, namely, M/s Office Care Services and was working as a Sweeper at the Cargo Terminal, IGI Airport.
3. Consequent to the judgment passed by the Hon'ble Apex Court in *Air India v. United Labour Union : (1997) 9 SCC 377*, the Respondent was taken under the care of the Petitioner with effect from 01.02.1997 pending detailed scrutiny regarding eligibility for regularisation.
4. During scrutiny, certain alleged discrepancies were found in the documents furnished by the Respondent, regarding the name of her husband. In the affidavit dated 14.02.1997 the Respondent had mentioned her husband's name as Sh. Shanti (Shashruthi) Dass, however, the name of her husband was reflected as Sh. Khushi Ram in her ration card and election ID card.
5. Accordingly, the services of the Respondent were discontinued *vide* order dated 13.07.1998 on the premise that she had contracted a



2026:DHC:5313



dual marriage in violation of the applicable service regulations i.e. International Airports Authority of India (General Conditions of Service Regulations) 1980 which specifically provided that no person who had entered into or contracted a marriage with any person having a spouse living or who having a spouse living, has entered into or contracted marriage with any person shall be eligible for employment in the services of Airports Authority of India (International Airports Division).

6. Aggrieved thereby, the Respondent raised an industrial dispute before the Regional Labour Commissioner (Central). Upon failure of the conciliation proceedings in the said matter, the same was referred to the Learned Tribunal *vide* order dated 24.09.1999.

7. The learned Tribunal *vide* the impugned award dated 13.12.2013 set aside the order of discontinuation of service and ordered reinstatement of the Respondent without back wages. The relevant observations of the learned Tribunal are reproduced herein below:

“I have heard the arguments of Ld. A/R for the parties and perused the pleadings and evidence of parties including written arguments of workman as well as principles laid down in cited rulings on behalf of workman and relevant provisions of law and settled law on the relevant points.

It is relevant to mention here that management prior to stage of evidence raised objection in the instant ID and three other Ids showing those to be not maintainable in the light of principle laid down by Hon'ble Supreme Court in case of Steel Authority of India vs. National Union Water Front Workers Labour and Industrial Cases 2001 page 3656 decided on 30.08.2001 which was heard, decided and rejected by me Ld. Predecessor by detailed order on 15.2.2002.

It is also relevant to mention here that after oral arguments A/R for the management as well as any person on behalf of management is not turning up to participate in the proceedings of the instant case



2026:DHC:5313



with an ulterior motive to prolong the proceedings of the instant old ID No. 79/2000 since 11.10.13 so that only ex-parte award could be passed against management. That could be with inordinate delay. Management has not filed reply to written arguments of workman.

It is necessary to mention here that workman Lata Devi who was casual worker on daily rated wages discontinued from services on 13.07.1998 on which date principles laid down by their Lordship of Hon'ble Supreme Court in case AIR INDIA STATUTORY CORPORATION ETC. VS. UNITED LABOUR UNION & ORS 1996 (9) SCALE, MCD VS. PRAVEEN KUMAR JAIN (1999) LAB IC 619 and NAR SINGH PAL VS. UNION OF INDIA & ORS 2000 LAB. IC 1377 were applicable in the instant case.

Reference of the instant ID was made on 24.9.1999. On which date principle laid down by their Lordship of Hon'ble Supreme Court in aforesaid case was the settled law of Hon'ble Supreme Court on the point and **the principle laid down by their Lordship of Hon'ble Supreme Court on in case of Steel Authority of India Ltd vs. National Union Water Front Workers reported in Labour and Industrial Cases 2001 page 3656 at page 3696 was not applicable.**

Which overruled the aforesaid judgment is inapplicable in the instant case **because prior to it management itself has adopted the aforesaid principle of aforesaid judgment of Hon'ble Supreme Court and regularized the other co-employees.** In the instant case management has not regularized the workman Lata Devi but discontinued her on the count of alleged dual marriage without any proof by way of evidence or enquiry etc.

Hence order of management is illegal and unjustified is liable to be set aside and Reference is liable to be decided in favour of workman and against management. Which is accordingly decided in favour of workman and against management.

Workman Lata Devi is liable to be reinstated but without back wages in want of her pleadings and evidence of back wages.

She is accordingly reinstated without back wages and management is accordingly directed to reinstate Lata Devi without back wages after expiry of period limitation of available remedy.

Award is accordingly passed.”

8. Aggrieved thereby, the present cross petitions have been filed. Smt. Lata Devi (Petitioner in W.P (C) 9787/2015), is aggrieved to the



2026:DHC:5313



limited extent that back wages were not awarded to her.

9. This Court by order dated 28.11.2014, stayed the operation of the impugned award.

10. The learned counsel appearing for the Petitioner submits that the impugned award is perverse and liable to be set aside.

11. He submits that the Respondent had been employed by the ex contractor of the Petitioner and no direct employer-employee relationship ever existed between the parties.

12. He submits that the learned Tribunal has wrongly applied the dictum of the judgment in ***Air India*** (*supra*) even though the same has been overruled by the judgment in ***SAIL v. National Union Waterfront Workers, (2001) 7 SCC 1.***

13. He further submits that the Respondent, during her cross examination before the learned Tribunal admitted that she never gave any application for employment with the Petitioner and that she was an employee of the ex-contractor.

14. He submits that the learned Tribunal failed to take note of multiple discrepancies in the statement of the Respondent and other witnesses regarding the allegations of dual marriage against the Respondent.

15. He submits that since no employer-employee relationship existed between the parties, the claim petition was not maintainable and the Respondent was not entitled to reinstatement much less back wages as claimed by the Respondent in her cross petition.

16. *Per Contra*, the learned counsel representing the Respondent submits that in terms of the judgment in ***Air India*** (*supra*) the



2026:DHC:5313



Respondent would be entitled to be treated as an employee of the Petitioner and thus the Petitioner ought to have followed the appropriate procedure before passing the order of discontinuation of service. Thus, he submits that the learned Tribunal rightly set aside the order of discontinuation of service.

17. He further submits that Writ Petition (C) No. 9787/2015 is confined to challenge the denial of back wages by the learned Tribunal to Smt. Lata Devi, despite the fact that she had specifically pleaded that she had remained unemployed post her termination and faced financial hardship.

18. I have heard both the parties and perused the material placed on record.

19. At the outset, it is necessary to note that the scope of interference under Articles 226 and 227 of the Constitution of India with an Award passed by the Labour Court is limited. Interference is warranted only where the Award suffers from patent illegality, perversity or an error apparent on the face of the record. The present Petition does not invite this Court to re-appreciate the evidence or disturb findings of fact but is confined to examining the legality and propriety of the relief granted by the Labour Court.

20. Adverting to the merits of the present case, the Respondent was admittedly engaged as a Sweeper at the Cargo Terminal, IGI Airport, through the ex-contractor of the Petitioner.

21. Notably, the Central Government issued notification dated 09.12.1976 exercising its powers under Section 10(1) of the Contract Labour (Regulation and Abolition) Act, 1970 ('CLRA Act') prohibiting



2026:DHC:5313



employment of contract labour on and from 09.12.1976 for sweeping, cleaning, dusting and watching of buildings owned or occupied by the establishments in respect of which the appropriate government under the said act is the Central Government. It further provided that the same shall not be applicable to the outside cleaning and other maintenance operations of multi-storied buildings where such cleaning or maintenance operation cannot be carried out except with specialized experiences. The Hon'ble Apex Court in ***Air India (supra)***, discussed the above notification and held that although the CLRA Act contains no explicit provision for absorbing contract labour after a prohibition under Section 10(1), such workers cannot continue as contract labour once the prohibition takes effect. A direct employer–employee relationship arises between the workers and the principal employer, as the Act was not intended to deprive them of their livelihood. The Court further held that where contract labour is engaged or continued in violation of the Act, the High Court, in exercise of its jurisdiction under Article 226, can grant appropriate relief including absorption. In his concurring opinion, Justice Majmudar reasoned that abolition of contract labour eliminates the intermediary contractor, leaving a direct relationship between the workers and the employer. He concluded that Section 10 implicitly reflects the legislative intent that, upon abolition, former contract workers become direct employees of the establishment.

22. Admittedly, consequent to the judgment passed by the Hon'ble Apex Court in ***Air India (supra)***, the Respondent was taken under the care of the Petitioner with effect from 01.02.1997 pending detailed scrutiny regarding eligibility for regularisation. Thereafter, after finding



2026:DHC:5313



certain discrepancies in the documents of the Respondent regarding the name of her husband. The Petitioner discontinued the service of the Respondent in the year 1998 alleging dual marriage against her.

23. During the pendency of the industrial dispute, the above judgment was overruled in 2001 by the Constitution Bench of the Hon'ble Supreme Court in ***Steel Authority of India (supra)*** and the same was made applicable prospectively.

24. Though much emphasis has been laid by the Petitioner on the fact the judgment in ***Air India (supra)***, stood overruled and the benefit of the same could not have been extended to the Respondent, it emerges from the record that admittedly, the Petitioner and its management had already adopted and even implemented the decision passed in the above judgment of ***Air India (supra)*** and regularized about 50-60 sweepers/contract labourers i.e. co-employees. Thus, it has been rightly observed by the learned Tribunal that once the Petitioner had already adopted the said decision and accorded the benefit of the same to other similarly placed employees it cannot later claim the same to be inapplicable in the present case.

25. Having adopted and implemented the judgment in ***Air India (supra)*** by extending its benefit to similarly situated contract labourers, the Petitioner could not have arbitrarily denied the same benefit to the Respondent without any justifiable basis. Consequently, the contention of the Petitioner that no relationship of employer and employee existed between the parties cannot be sustained. Applying the ratio laid down in ***Air India (supra)*** to the facts of the present case, the Respondent, being a contract labourer engaged in an activity prohibited under the



2026:DHC:5313



notification issued under Section 10(1) of the CLRA Act, was rightly treated as having a direct relationship of employer and employee with the Petitioner during the period when the said judgment held the field.

26. This Court is also in agreement with the observations passed by the learned Tribunal that the management, without any explanation as to why the same benefit ought not to be extended to the Respondent, did not regularize the Respondent and rather discontinued her services alleging a dual marriage without any cogent evidence/proof or even holding an enquiry. Once the Respondent was treated as a direct employee pursuant to the implementation of *Air India (supra)*, her services could not have been discontinued without following the procedure prescribed under the Industrial Disputes Act and without adhering to the principles of natural justice, particularly when the discontinuation was founded upon the allegation of a bigamous marriage which could not have been proved without cogent evidence. Thus, the view adopted by the learned Tribunal is a plausible view as regards the wrongful termination/discontinuation of the services of the Respondent.

27. However, be that as it may, this Court cannot lose sight of the fact that mere finding of wrongful termination/discontinuation does not by itself grant a right of reinstatement or back wages to the aggrieved employee.

28. It is trite law that a finding of illegality in termination does not, by itself, mandate reinstatement in every case. The Hon'ble Apex Court has repeatedly held that reinstatement is not an automatic or mechanical consequence of an order of termination being held illegal and that the



2026:DHC:5313



relief must be moulded having regard to the nature of employment, length of service and the surrounding circumstances of the case. In **Allahabad Bank v. Krishan Pal Singh : (2021) 19 SCC 227**, the Hon'ble Supreme Court has held that reinstatement with full back wages is not automatic in every case where termination or dismissal is found to be not in accordance with the procedure prescribed under law and that the relief can be moulded depending upon the facts and circumstances of the case. The relevant extract of the same is reproduced hereinbelow:

"8. The directions issued by the High Court of Allahabad for reinstatement were stayed by this Court on 23-8-2019 [Allahabad Bank v. Krishan Pal Singh, 2019 SCC OnLine SC 2061] . During the pendency of these proceedings, the respondent workman had attained age of superannuation. Though, there was strong suspicion, there was no acceptable evidence on record for dismissal of the workman. However, as the workman has worked only for a period of about six years and he has already attained the age of superannuation, it is a fit case for modification of the relief granted by the High Court. The reinstatement with full back wages is not automatic in every case, where termination/dismissal is found to be not in accordance with procedure prescribed under law. Considering that the respondent was in effective service of the Bank only for about six years and he is out of service since 1991, and in the meantime, respondent had attained age of superannuation, we deem it appropriate that ends of justice would be met by awarding lump sum monetary compensation. We accordingly direct payment of lump sum compensation of Rs 15 lakhs to the respondent, within a period of eight weeks from today. Failing to pay the same within the aforesaid period, the respondent is entitled for interest @ 6% p.a., till payment."

29. Similarly, the Hon'ble Supreme Court In **Jagbir Singh v. Haryana State Agriculture Mktg. Board : (2009) 15 SCC 327** clarified that reinstatement with back wages is not automatic, and in appropriate cases, compensation may be granted instead depending on the facts and circumstance, relevant paragraph has been reproduced hereinunder: -



2026:DHC:5313



“7. It is true that the earlier view of this Court articulated in many decisions reflected the legal position that if the termination of an employee was found to be illegal, the relief of reinstatement with full back wages would ordinarily follow. However, in recent past, there has been a shift in the legal position and in a long line of cases, this Court has consistently taken the view that relief by way of reinstatement with back wages is not automatic and may be wholly inappropriate in a given fact situation even though the termination of an employee is in contravention of the prescribed procedure. Compensation instead of reinstatement has been held to meet the ends of justice.”

30. Hence, it is well crystallised that where the facts so warrant, the Court is empowered to award monetary compensation in lieu of reinstatement, in such cases where reinstatement is not feasible, and where such relief of compensation would better serve the ends of justice.

31. This Court though upholds the finding of the learned Tribunal that the discontinuation of the Respondent's services was illegal and unjustified, however, cannot lose sight of the fact that the Respondent's services came to be discontinued in the year 1998 and almost three decades have elapsed thereafter. The Petitioner has also brought to the notice of this Court that, as per the medical examination conducted in the year 1993, the Respondent was found approximately 45 years old, thereby implying that she would have attained the age of superannuation in the years 2007–08, much prior to the passing of the impugned Award in the year 2013. Be that as it may, undisputedly the Respondent has currently surpassed the age of superannuation and cannot be granted reinstatement at this stage.

32. Though it has been urged that the Respondent be granted back wages, since she remained unemployed due to her discontinuation from



2026:DHC:5313



service, the same cannot be accepted. As noted above, mere finding of illegality in the discontinuation of service does not, by itself, entitle a workman to back wages. Admittedly, the Respondent did not render any service during the intervening period and has also failed to place any material on record to establish that she remained unemployed after the discontinuation of her services. In the absence of any evidence regarding the same, no direction for payment of back wages can be issued.

33. Accordingly, while affirming the finding of the learned Tribunal on the issue of illegality of the Respondent's discontinuation from service, this Court is of the considered view that the relief granted by the learned Tribunal warrants modification.

34. In the opinion of this Court, in the facts and circumstances of the present case, ends of justice will be met if the Respondent is awarded a lump-sum compensation of ₹5,00,000/- in lieu of reinstatement. The said amount shall be paid by the Petitioner within a period of eight weeks from the date of this order.

35. Accordingly, the petitions are disposed of in the aforementioned terms. Pending application(s), if any, also stand disposed.

36. A copy of this order be placed in both the matters.

AMIT MAHAJAN, J

JULY 1, 2026

“SS”