

HIGH COURT OF CHHATTISGARH, BILASPUR

WPL No. 66 of 2015

1. State Of Chhattisgarh Through The Secretary, Department Of Water Resources, Mahanadi Bhawan, Capital Complex, Naya Mantralaya, Raipur (Chhattisgarh)

(The petitioner no.1 was not a party before the learned Labour Court but has been impleaded as petitioner no.1 in the instant petition as the proper course is to implead the State Government through the Secretary of the concerned department)

2. The Executive Engineer, Water Resources Division, Chhuikhadan, Distt. Rajnandgaon (Chhattisgarh)

---- Petitioner

Versus

1. Naresh S/o Sukhlal Verma
2. Kamlesh, S/o Bire Lal Verma
3. Bhagwati S/o Hira Lal
4. Dilip S/o Ramadhar Rajak

All are R/o Village Chandeni, P.S. & Tah. Khairagarh, Distt. Rajnandgaon (Chhattisgarh)

---- Respondent

For Petitioners : Shri Shashank Thakur, Govt. Advocate.
For Respondents : Shri Sunil Sahu, Advocate.

Hon'ble Shri Justice Prashant Kumar Mishra

Order On Board

13/10/2015

1. The present writ petition has been preferred challenging the award dated

21.7.2014 passed by the Labour Court, Rajnandgaon whereby the respondents/workmen have been directed to be reinstated without backwages.

2. Facts of the case, briefly stated, are that the respondent-workmen were working as daily wage labourers in the petitioner/Department. They were retrenched from service without issuing any show cause notice or without making payment of any retrenchment compensation. The workmen raised industrial disputes before the appropriate authority. The said authority referred the disputes for adjudication under the I.D. Act to the Labour Court, Rajnandgaon.
3. Before the Labour Court, the workmen examined themselves in support of their claim for reinstatement, whereas, the Department denied the claim and submitted that the Department utilized the services of workmen on basis of availability of work and they have not been appointed against any sanctioned post. It was stated that the Department has not committed any illegality by removing the workmen as they have no right to hold the post.
4. The Labour Court, in its impugned award, has found that the workmen have proved that they have worked for a continuous period of 240 days, immediately preceding the date of their removal from service and further that they have not been paid any retrenchment compensation at the time of their removal.

5. Relying on the orders passed by this Court in several of its earlier cases in the matters of **Municipal Council, Birgaon vs. Manoj Verma** (W.P.(L) No.9/2013, decided on 28th October, 2013) and **State of Chhattisgarh and another v. Dhaniram** (W.P.(L) No.3034 of 2009, decided on 02.02.2011) as also on the principles laid down by the Supreme Court in the matters of **Hari Nandan Prasad and another vs. Employer I/R to Management of Food Corporation of India and another**, (2014) 7 SCC 190 and **Bhuvnesh Kumar Dwivedi vs. Hindalco Industries Limited**, (2014) 11 SCC 85, learned counsel for the State submits that in the case in hand, the Labour Court ought not to have directed for reinstatement, because, payment of compensation in lieu of reinstatement would serve the ends of justice.
6. Per contra, learned counsel for the respondents-workmen would submit that the present case is different from those cases wherein this Court has ordered for payment of compensation in lieu of reinstatement.
7. In **Hari Nandan Prasad** (Supra), the Supreme Court has held thus in para 19 & 20 :

“19. The following passages from the said judgment would reflect the earlier decisions of this Court on the question of reinstatement: (*BSNL case*, SCC pp. 187-88, paras 29-30)

“29. The learned counsel for the appellant referred to two judgments wherein this Court granted compensation instead of reinstatement. In *BSNL v.*

Man Singh, (2012) 1 SCC 558, this Court has held that when the termination is set aside because of violation of Section 25-F of the Industrial Disputes Act, it is not necessary that relief of reinstatement be also given as a matter of right. In *Incharge Officer v. Shankar Shetty*, (2010) 9 SCC 126, it was held that those cases where the workman had worked on daily-wage basis, and worked merely for a period of 240 days or 2 to 3 years and where the termination had taken place many years ago, the recent trend was to grant compensation in lieu of reinstatement.

30. In this judgment of *Shankar Shetty*, this trend was reiterated by referring to various judgments, as is clear from the following discussion: (SCC pp. 127-28, paras 2-4)

‘2. Should an order of reinstatement automatically follow in a case where the engagement of a daily-wager has been brought to an end in violation of Section 25-F of the Industrial Disputes Act, 1947 (for short “the ID Act”)? The course of the decisions of this Court in recent years has been uniform on the above question.

3. In *Jagbir Singh v. Haryana State Agriculture Mktg. Board*, (2009) 15 SCC 327, delivering the judgment of this Court, one of us (R.M. Lodha, J.) noticed some of the recent decisions of this Court, namely, *U.P. State Brassware Corpn. Ltd. v. Uday Narain Pandey*, (2006) 1 SCC 479, *Uttaranchal Forest Development Corpn. v. M.C. Joshi*, (2007) 9 SCC 353, *State of M.P. v. Lalit Kumar Verma*, (2007) 1 SCC 575, *M.P. Admn. v. Tribhuban*, (2007) 9 SCC 748, *Sita Ram v. Moti Lal Nehru Farmers Training Institute*, (2008) 5 SCC 75, *Jaipur Development Authority v. Ramsahai*, (2006) 11 SCC 684, *GDA v. Ashok Kumar*, (2008) 4 SCC 261, and *Mahboob Deepak v. Nagar Panchayat, Gajraula*, (2008) 1 SCC 575, and stated as follows: (*Jagbir Singh case*, SCC pp. 330 & 335, paras 7 & 14)

“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.

* * *

14. It would be, thus, seen that by a catena of decisions in recent time, this Court has clearly laid down that an order of retrenchment passed in violation of Section 25-F although may be set aside but an award of reinstatement should not, however, be automatically passed. The award of reinstatement with full back wages in a case where the workman has completed 240 days of work in a year preceding the date of termination, particularly, daily-wagers has not been found to be proper by this Court and instead compensation has been awarded. This Court has distinguished between a daily-wager who does not hold a post and a permanent employee.”

4. *Jagbir Singh* has been applied very recently in *Telegraph Deptt. v. Santosh Kumar Seall*, (2010) 6

SCC 773² wherein this Court stated: (SCC p. 777, para 11)

11. In view of the aforesaid legal position and the fact that the workmen were engaged as daily-wagers about 25 years back and they worked hardly for 2 or 3 years, relief of reinstatement and back wages to them cannot be said to be justified and instead monetary compensation would subserve the ends of justice.’”

20. Taking note of the judgments referred to in the aforesaid paragraphs and also few more cases in other portion of the said judgment, the legal position was summed up in the following manner: (*BSNL case*, SCC p. 189, paras 33-35)

“33. 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 mala fide and/or by way of victimisation, 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 a 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.

34. The 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 regularisation [see *State of Karnataka v. Umadevi* (3), (2006) 4 SCC 1. Thus when he cannot claim regularisation 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.

35. We would, however, like to add a caveat here. There may be cases where termination of a daily-wage worker is found to be illegal on the ground

it was resorted to as unfair labour practice or in violation of the principle of last come first go viz. while retrenching such a worker daily wage juniors to him were retained. There may also be a situation that persons junior to him were regularised under some policy but the workman concerned terminated. In such circumstances, the terminated worker should not be denied reinstatement unless there are some other weighty reasons for adopting the course of grant of compensation instead of reinstatement. In such cases, reinstatement should be the rule and only in exceptional cases for the reasons stated to be in writing, such a relief can be denied.”

8. In **Bhuvnesh Kumar Dwivedi** (supra), the Supreme Court was considering the appeal preferred by the workman in whose favour the Labour Court had passed an award directing his reinstatement with back wages. The High Court had set-aside the award and directed for payment of compensation of Rs.1 lakh. The Supreme Court considering its earlier decision in the matter of Harjinder Singh v. Punjab State Warehousing Corporation, **AIR 2010 SC 1116**, held that the order of reinstatement was justified.
9. The principle is thus well settled. When removal of a workman is set-aside by the Labour Court on the ground that the daily wage workman has been illegally retrenched in violation of the provisions contained in Section 25 F of the Industrial Disputes Act, the question as to whether the relief of reinstatement is automatic or payment of compensation in lieu of reinstatement would serve the ends of justice would depend on several factors like nature of job in which the workmen were engaged, duration of their engagement, the delay in raising Industrial Dispute,

time period which has elapsed from the date of termination etc.

10.The identical issue has already been considered and decided by this Court in **State of Chhattisgarh & Ors. Vs. Sukhpal Singh & Anr**, {WPL No.168/2013} on 10.12.2013 and instead of reinstatement, monetary compensation has been awarded. The said decision has been confirmed by the Division Bench of this Court in Sukhpal Singh Vs. State of Chhattisgarh & others {WA No.68/2014, decided on 14.2.2014} and even the same has also been confirmed by the Supreme Court in Sukhpal Singh etc. Vs. State of Chhattisgarh & others {SLP(Civil) No.14966-14967/2015, decided on 24.8.2015}.

11.Since the respondents have only worked for four years before their retrenchment and thus, it is not a case where they have rendered services for sufficiently longer period, ends of justice would be served if the respondents/workmen are paid monetary compensation in lieu of reinstatement.

12.For the foregoing, the writ petition is allowed in part. Instead of order of reinstatement, the impugned award is modified to the extent that the petitioner shall pay a sum of Rs.1 lakh towards monetary compensation in lieu of reinstatement to the respondents/workmen.

Sd/-
Judge
(Prashant Kumar Mishra)