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Date of decision:09.09.2024

Vs.

Vs.

1. These intra Court appeals have been filed by the employer assailing common award dated 16.08.2013 passed by the Labour Court,

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whereby the Labour Court while declining the relief of reinstatement with back-wages with continuity of service adopted the alternative mode of grant of compensation to the workmen to the tune of Rs.2,00,000/- each alongwith interest @6% per annum.

2. Learned Single Judge, while adjudicating the aforesaid common award, passed the following order:-

“9. In the present cases, the award is modified to the extent that both the petitioners shall be entitled to lump-sum compensation of Rs.4.00 lakhs each and the payment shall be made by the respondent-Management within a period of two months from the date of receipt of a copy of this order. In case the respondents fail to make the payment within a period of two months, the petitioners shall be entitled to receive the said amount alongwith interest @ 9% per annum from the date of this order.

10. The writ petitions stand partly allowed in the above terms.”

3. From the above, it is evident that while upholding the award, the quantum of compensation awarded to the workmen was increased from Rs.2,00,000/- to Rs.4,00,000/- on the ground that both the workmen i.e. Ravinder Mohan Garg and Rattan Chand had put in more than 22 years and 19 years of service, respectively.

4. Learned counsel for the appellants has drawn the attention of this Court to the receipt dated 29.08.2014, which reads as under:-

“I, Ravinder Mohan Garg S/o Sh. Jyoti Ram Garg, H.No.

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928, Preet Colony, Zirakpur (Mohali) have received a sum of Rs.2,00,000/- (Rupees Two Lac only) from M/s MOI Engineering Ltd., A-7, Indl. Estate, Mohali vide Cheque No. 176253 dated 28.8.2014 drawn at Axis Bank, Mohali towards full & final settlement of my claim under the Award dated 16.8.2013 passed by Hon'ble Industrial Tribunal, Patiala in Reference No. 335 of 2003. I have accepted the award as final & will not challenge the same in any Court including Hon'ble High Court.”

“I, Rattan Chand S/o Sh. Anant Ram, R/o H.No. 280/46, Ward No. 4, Adarsh Colony, Block-A, VPO Balongi (Mohali) have received a sum of Rs.2,00,000/- (Rupees Two Lac only) from M/s MOI Engineering Ltd., A-7, Indl. Estate, Mohali vide Cheque No. 176252 dated 28.8.2014 for Rs.50,000/- drawn at Axis Bank, Mohali and Cheque No. 542400 dated 28.8.2014 drawn at PNB Mohali for (Rs.1,50,000/- towards full & final settlement of my claim under the Award dated 16.8.2013 passed by Hon'ble Industrial Tribunal, Patiala in Reference No. 335 of 2003, I have accepted the said award in final & final & undertake not to challenge the same in any Court of law including Hon'ble High Court.”

5. From the aforesaid receipts/undertakings dated 29.08.2014, it is contended by the learned counsel for the appellants-employer that workmen have received Rs.2,00,000/- as final settlement of all their claims and they have given an undertaking that they will not assail the same in any court of law.

6. It is settled in law that no person can be prevented by any agreement or any testament to avail any statutory remedy available to him in law.

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7. More so, any such agreement between, alone workman on one side and the mighty employer on the other side, is an unconscionable written agreement, which has been deprecated by the celebrated judgment of the Apex Court in ‘Central Inland Water Transport Corp. Ltd. Vs. Brojo Nath Ganguly, 1986 SCC(3) 156. The relevant extract of which is extracted herebelow:-

“93. The normal rule of Common Law has been that a party who seeks to enforce an agreement which is opposed to public policy will be non-suited. The case of A. Schroeder Music Publishing Co. Ltd. v. Macaulay, however, establishes that where a contract is vitiated as being contrary to public policy, the party adversely affected by it can sue to have it declared void.”

“The types of contracts to which the principle formulated by us above applies are not contracts which are tainted with illegality but are contracts which contain terms which are so unfair and unreasonable that they shock the conscience of the court. They are opposed to public policy and require to be adjudged void.”

8. From the above, it is obvious that any such undertaking or agreement between the employer and the workman is held to be against the public policy, which is also prohibited by Section 23 of the Indian Contract Act, 1872.

9. In view of above, this Court sees no cause to interfere with the well-reasoned order passed by the learned Single Judge and concedes with the verdict, where the compensation has been increased from Rs. 2,00,000/- to

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Rs.4,00,000/- in case of each of the workmen.

- 10. In view of the above, no scope of interference is made out.
- 11. Accordingly, both the appeals stand dismissed.
- 12. All the pending miscellaneous applications, if any, are also disposed of.

(SHEEL NAGU)
CHIEF JUSTICE

(ANIL KSHETARPAL)
JUDGE

09.09.2024
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Whether speaking/reasoned :	Yes	No
Whether Reportable :	Yes	No