

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

107

CWP-9878-2000

Date of Decision : November 11, 2025

MUNICIPAL COUNCIL, PATHANKOT

-PETITIONER

V/S

**PRESIDING OFFICER, LABOUR COURT, GURDASPUR AND
ANR.**

-RESPONDENTS

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present: Mr. Sanjeev Soni, Advocate, and
Mr. Sarthak Soni, Advocate
for the petitioner.

Mr. Sanjay Kumar, Advocate (Through V.C.)
for the respondent No.2.

KULDEEP TIWARI, J. (ORAL)

1. The present writ petition assails the award dated 10.03.1999 (Annexure P-1), whereby the Labour Court, Gurdaspur, having found the termination of services of respondent No.2/workman to be illegal, directed his reinstatement with continuity of service and awarded 25% back wages from the date of the demand notice, i.e. 24.05.1990, till reinstatement.

2. This Court, while admitting the writ petition on 03.10.2000, stayed the operation of the impugned award, subject to compliance with the provisions of Section 17-B of the Industrial Disputes Act, 1947 (hereinafter referred to as “the I.D. Act”).

3. Concisely and compendiously, the case set up by respondent

No.2/workman in his demand notice dated 24.05.1990, which constituted bedrock for the impugned award, was that he was appointed as a Clerk with the petitioner/management and was being paid ₹ 600/- per month in place of ₹ 1350/- as wages. He alleged that he had continuously served the management from 21.10.1981 to 01.10.1989, when his services were terminated, and accordingly sought reinstatement with back wages.

4. It is not in dispute before this Court that the relief of reinstatement, as granted by the Labour Court, cannot now be extended to the workman, he having already attained the age of superannuation. Thus, the only surviving issue pertains to the award of 25% back wages.

5. Learned counsel for the petitioner/management submits that the management has duly complied with the provisions of Section 17-B of the I.D. Act till date, and therefore, the direction of the Labour Court granting 25% back wages deserves modification. It is further submitted that the Labour Court assigned no reasons for awarding 25% back wages and failed to determine whether the workman had been appointed through a proper selection process or against a regular post. Hence, the award of back wages is legally unsustainable.

6. *Per contra*, learned counsel for respondent No.2/workman submits that the workman had rendered about six years of service, and the termination of his services, in violation of Section 25-F of the I.D. Act, rightly led the Labour Court to order reinstatement with 25% back wages. However, owing to the interim stay granted by this Court, the workman could not be reinstated and also lost the opportunity for regularization. Therefore, the award of 25% back wages is just and valid.

7. This Court has heard learned counsel for the parties and perused the record.

8. The only question that remains to be determined is with regard to the quantum of compensation. In this regard, it is appropriate to refer to the judgment rendered by a Division Bench of this Court in ***CWP-11057-2001, State of Haryana v. Surjeet and another, decided on 30.07.2025***, wherein the workman was held entitled to lump sum compensation of ₹ 50,000/- for each completed year of service. The relevant observations are as follows:

“6. As per the settled principle of law settled by the Division Bench of this Court in LPA No.1203-2021 titled as Sukhbir Singh vs. State of Haryana and others decided on 01.03.2023, an employee is entitled for compensation in lieu of benefit of reinstatement in service. Relevant paragraphs of the said judgment are as under:-

6. Resultantly, once the workman had completed 240 days and apparently had worked for a period spanning more than 5 ½ years, we are of the considered opinion that dispensing of his service before his contractual period came to an end would entitle him for the statutory protection which would be evident from the award of the Labour Court. However, keeping in view the fact that at this point of time, it would be justified to put him back in service since a period of almost 25 years has gone by and therefore, it would be just and appropriate to award compensation to the tune of Rs.2,50,000/- on an average of Rs.50,000/- per year, keeping in view the fact that the State had taken his service for more than 5 years with the same office in different districts.

7. The Apex Court in Haryana Urban Development Authority Vs. Om Pal, (2007) 5 SCC 742 granted Rs.25,000/- for the service of one year whereas in

Uttaranchal Forest Development Corporation Vs. M.C.Joshi, (2007) 9 SCC 353, for a period of 2 years, a sum of Rs.75,000/- was granted. Similarly, in Asst. Engineer, Rajasthan Development Corporation & another Vs. Gitam Singh, 2013 (1) SCR 679, the said view was followed while noticing that the service was of 8 months and thus, compensation of Rs.50,000/- was granted. Similarly, in Management, Hindustan Machine Tools Ltd. Vs. Ghanshyam Sharma, 2018 (18) SCC 80, for a period of one year, compensation of Rs.50,000/- had been granted. In K.V.Anil Mithra & another Vs. Sree Sankaracharya University of Sanskrit & another, 2021 (4) SCT 415, for a period of little over 4 years, amount awarded was Rs.2,50,000/- in lieu of the reinstatement and back wages of 50% which was granted and accordingly, modified.”

7. A bare perusal of the above reproduction would show that for each completed year, instead of reinstatement, a workman can be paid compensation to the tune of Rs.50,000/ for each completed year. Keeping in view the fact that in the present case, respondent No.1-workman had worked for a period of more than 06 years, he becomes entitled for sum of Rs.3,00,000/- on the said account.”

9. In the present case, respondent No.2/workman had rendered approximately six years of unblemished service. Having regard to the totality of the circumstances, this Court is of the considered view that the ends of justice would be met by awarding to respondent No.2/workman a lump-sum compensation of ₹ 50,000/- per completed year of service, aggregating to ₹ 3,00,000/-.

10. Consequently, the impugned award is modified to the extent that respondent No.2/workman shall be entitled to a lump-sum compensation of ₹ 3,00,000/- in lieu of reinstatement and back wages.

11. The petitioner/management is directed to remit the aforesaid

amount to respondent No.2/workman within a period of eight weeks from the date of receipt of a certified copy of this order, failing which the said amount shall carry interest @ 9% per annum.

12. **Disposed of accordingly.**

November 11, 2025
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(KULDEEP TIWARI)
JUDGE

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