



LPA-1076-2025 (O&M)

-1-

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

140

LPA-1076-2025 (O&M)

Date of decision : 06.08.2025

Babu Ram

... Appellant

Versus

Haryana Warehousing Corporation, Panchkula and another

.. Respondents

**CORAM : HON'BLE MR. JUSTICE ANUPINDER SINGH GREWAL
HON'BLE MR. JUSTICE DEEPAK MANCHANDA**

Present:- Mr. P.K. Ganga, Advocate for the applicant/appellant.

Anupinder Singh Grewal, J. (Oral)

1. The appellant has challenged the order passed by the Single Bench in CWP No.13820-1999 which was disposed of vide order dated 19.02.2025 by granting compensation to the tune of Rs.1 lakh to the appellant in lieu of reinstatement and full back wages.

2. Learned counsel for the appellant submits that the termination of the appellant is illegal and the award dated 20.04.1999 passed by the Presiding Officer, Labour Court-cum-Industrial Tribunal, Hisar (for short, 'Labour Court') ordering restoration of the services of the appellant with 50% back wages along with all consequential benefits was in accordance with law and no interference was called for by the Single Bench.

3. Heard.

4. The appellant is stated to have been working as Chowkidar on daily wages w.e.f. 18.01.1995 to 30.04.1995 and thereafter, his services were



LPA-1076-2025 (O&M)

-2-

discontinued. He was again engaged from 01.07.1995 till 30.04.1996 and was drawing wages of Rs.1,270/- per month. Thereafter, his services were terminated which was challenged before the Labour Court and vide the award dated 20.04.1999 (Annexure P-1), the Labour Court had directed that the appellant to be reinstated with 50% back wages. The award of Labour Court dated 20.04.1999 (Annexure P-1) was challenged by Management by preferring CWP No.13820-1999 and the Single Bench had directed the Management to pay compensation of Rs.1 lakh to the appellant as full and final settlement instead of reinstatement as he is stated to have worked only for over one year. The Single Bench had relied upon the judgment of this Court in the case of *Sukhbir Singh versus State of Haryana and another, bearing LPA No.1203-2021, decided on 01.03.2023* wherein the compensation of Rs.2,50,000/- had been awarded to the workman/appellant therein who had worked for 05 years.

5. Reference can be made to the judgments of the Supreme Court in the case of **Haryana Urban Development Authority versus Om Pal, (2007) 5 SCC 742** wherein the Supreme Court had granted compensation of Rs.25,000/- for the service of one year put in by the respondent-workman and in the case of **Uttaranchal Forest Development Corporation versus M.C. Joshi (2007) 9 SCC 353**, wherein the workman, who had worked for a period of 02 years, was granted a sum of Rs.75,000/- as compensation.

6. It is trite law that the reinstatement is not to be granted mechanically even if the termination is found to be illegal. Reliance can also be placed on the judgment of the Supreme Court in the case of **Bharat Sanchar**



LPA-1076-2025 (O&M)

-3-

Nigam Limited vs. Bhurumal, (2014) 7 SCC 177 wherein it has been held that it is open to the Court to mould the relief and direct monetary compensation instead of reinstatement in service. The relevant extract of the said judgment is reproduced hereunder:-

“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 that 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 nonpayment 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)17]. 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.”

The judgment in the case of **Bharat Sanchar Nigam Limited (supra)** has been followed by the Supreme Court in its judgment in the case of **State of Uttarakhand vs. Raj Kumar, 2019(14) SCC 353.**

7. In the aforementioned facts and circumstances, we are of the considered view that the direction to award compensation in lieu of reinstatement and full back wages is in accordance with law. The lumpsum compensation of



LPA-1076-2025 (O&M)

-4-

Rs.1,00,000/- awarded to the appellant for rendering service for over a year also cannot be held to be meagre warranting any enhancement.

8. Consequently, we do not find any merit in this letters patent appeal and the same stands dismissed. Pending application shall stand disposed of accordingly.

(ANUPINDER SINGH GREWAL)
JUDGE

(DEEPAK MANCHANDA)
JUDGE

August 06, 2025
sonia gugnani

Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No